MaxCap

SEPTEMBER 2026

MaxCap Investment Trust

HIGH YIELD

Quarterly Investor Report
Prepared for wholesale investors

Q3

Commercial in confidence

Fund Manager quarterly update

30 SEPTEMBER 2026

We are pleased to present the September 2026 quarterly investor report for the MaxCap Investment Trust (MIT) – High Yield (**Fund**).

Fund performance

The Fund continues to perform broadly in line with its target return, generating a trailing 12-month net return of 11.33%, demonstrating the reliability and resilience of its investment strategy.

The underlying health of the Fund remains strong, which continues to reflect its defensive investment strategy, disciplined underwriting and focus on capital preservation through market cycles. Its floating-rate structure positions the Fund to benefit from higher interest income in a rising-rate environment, while underlying borrower equity provides an important buffer from movements in asset values.

Against an evolving market backdrop, we remain highly selective - focused on protecting investor capital, sustaining reliable risk-adjusted investment returns and opportunistically capitalising on attractive loans arising from the market dislocation, where funding is becoming harder for borrowers to access, competition is reducing, and pricing and terms are shifting in favour of lenders who have capital to deploy.

Audit and governance oversight

MIT has now completed its annual external audit process and received an unqualified audit opinion from Deloitte. As external auditor, Deloitte provides an independent check across the Fund's financial statements, valuations and reporting, including applicable GS007 assurance procedures for the registered scheme. These procedures test the controls and processes that support investor reporting and fund governance, providing an additional layer of assurance for investors.

The audit outcomes are also reviewed through MaxCap's Audit and Compliance Committee. Separately, Perpetual, as MIT's independent responsible entity, provides oversight of the Fund and is responsible for signing off the financial statements. Together, these processes provide independent review and challenge, while keeping clear the respective roles of the manager, responsible entity and auditor.

Liquidity

Recent market events have highlighted the inherent complexity of providing investor liquidity within an illiquid asset class. For private credit managers, liquidity management cannot be limited to maintaining cash balances at a point in time; it requires disciplined forecasting, careful portfolio construction, broad diversification and proactive management of expected repayments and investor requirements.

Liquidity management has been a core focus of MIT since inception. Our approach incorporates detailed liquidity forecasting, prudent portfolio construction and diversification requirements, proactive management of expected repayments and scenario testing of current and prospective investor liquidity requirements.

The portfolio's short-dated loan profile provides a natural source of liquidity to the Fund. With a current weighted average time to maturity of 11 months, and scheduled maturities of 43.3% within six months and an additional 31.5% within 12 months, the portfolio naturally recycles capital as loans repay and mature, helping to support redemptions, commitments and future lending activity.

It also provides flexibility to selectively capitalise on opportunities arising from market dislocation, where improved pricing and enhanced structural protections can strengthen overall portfolio composition. For investors able to take a longer-term view, these conditions can support disciplined capital deployment and enhanced performance, underpinned by stronger loan structures and lender protections

Portfolio composition

The composition of the portfolio remained broadly stable throughout the quarter, with our capital allocation decisions continuing to focus on risk-adjusted value.

Further to our update in the August 2026 monthly report, we have reinforced our focus on the Eastern Seaboard of Australia by increasing our permitted exposure to Queensland from 30% to 50%, while reducing our permitted exposure to regions outside Victoria, New South Wales and Queensland from 30% to 25%. This change provides greater flexibility to pursue attractive opportunities in Queensland selectively, rather than signal a target allocation to the state. It reflects our positive view of the opportunity set available in Queensland, where population growth, infrastructure investment and relative affordability in certain sub-sectors continues to support long-term fundamentals.

We are also continuing to diversify the portfolio across different parts of the real estate asset lifecycle, with a focus on opportunities that complement our existing exposure and support more balanced risk-adjusted returns. A recent example was the origination of an investment facility to an institutional sponsor, secured by a portfolio of stabilised, fully let industrial assets across Australia. While lower returning than construction lending, this type of exposure carries a different risk profile and provides an opportunity to reallocate capital towards a sector and strategy that remain a key focus of our current investment approach.

Market conditions

The September quarter saw heightened scrutiny across the Australian private credit market, with increased focus on valuation integrity, liquidity management, governance standards and borrower quality. As the market matures, we expect greater differentiation between managers with established institutional experience, disciplined risk management and appropriate governance frameworks, and those less well-equipped to manage credit through the cycle. Having managed institutional capital for 15 years, MaxCap has seen the importance of experience, governance and active credit oversight through changing market conditions. That discipline is becoming increasingly important as persistent inflation and higher funding costs place further pressure on borrowers and test portfolio construction across the sector.

Persistent inflation and further RBA tightening, taking the cash rate to 4.6%, have added to financing pressures across the property sector. Conditions remain differentiated across sectors, geographic markets and individual assets and projects, with higher borrowing costs, construction pressures and softer sales conditions in certain markets continuing to test project feasibilities. However, the longer-term outlook for residential real estate remains supported by structural undersupply in most markets.

Investment outlook

The evolving rate environment is creating opportunities for well-positioned lenders with available capital. As funding and liquidity constraints emerge across parts of the market, borrowers are placing greater value on established lending relationships, funding reliability and execution capability. The Fund is well-positioned to benefit from these dynamics, leveraging MaxCap's extensive borrower relationships and established market presence to selectively deploy capital and secure improved pricing, stronger structural protections and more attractive risk-adjusted returns, while maintaining its prudent underwriting standards.

More broadly, private credit continues to play an important role in supporting the funding needs of borrowers, particularly where traditional sources of finance are more constrained. For sophisticated investors, it can also contribute to portfolio diversification through income generation and exposure to floating-rate assets. Within the asset class, secured real estate credit provides structural downside protections and income that adjusts with prevailing interest rates, supporting its role through different market cycles.

For MIT, our priorities remain unchanged: preserving investor capital, maintaining consistent income and managing the portfolio with a continued focus on credit quality, active oversight and institutional-grade governance. We thank investors for their continued confidence and support.





Baden Adams
Fund Manager
MaxCap

Returns and portfolio metrics

Net monthly returns as at 30 September 2026[1]

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2024	0.94%	1.01%	1.03%	0.98%	1.41%	0.83%	1.01%	1.01%	0.89%	1.03%	0.64%	1.21%
2025	1.06%	0.90%	0.99%	1.00%	0.87%	0.96%	0.93%	0.91%	0.87%	0.86%	0.91%	0.88%
2026	0.90%	0.79%	0.89%	0.91%	0.95%	0.99%	0.92%	0.94%	0.92%	-	-	-

Portfolio metrics

69%	Weighted average LVR
22	Weighted average term (months)
10	Weighted average time to maturity (months)
101	Number of loans
58	Sponsors
11.4%	Largest sponsor exposure
10%	Fund leverage
100%	Percentage of floating rate investments
295	FUM – MIT High Yield ($m)
1,341	FUM – MaxCap Investment Trust ($m)

Returns

	1M	3M	6M	12M
RBA cash yield	0.35%	1.08%	2.14%	**4.00%**
Target net return[2]	0.96%	2.98%	5.99%	**12.00%**
Net return[1,3]	0.92%	2.80%	5.75%	**11.33%**
Cash distribution[4]	0.92%	2.77%	5.62%	**10.80%**

Portfolio allocation (% of GAV)

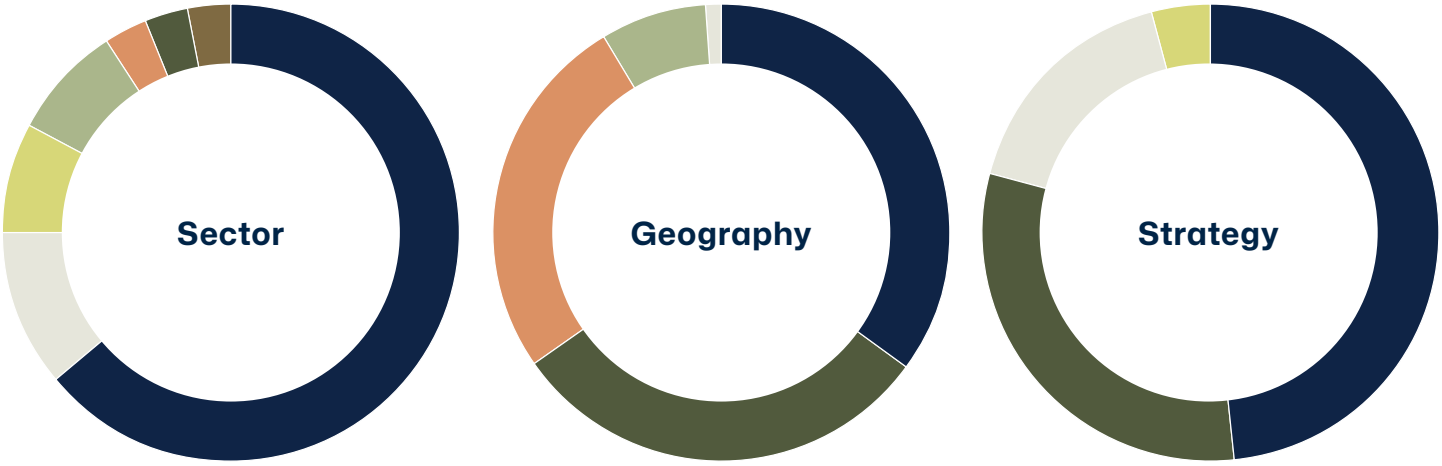


- 51.4% Senior
- 41.8% Junior
- 6.8% Cash

1 Net returns are calculated using a time-weighted average methodology and assume reinvestment of distributions. Past performance is not an indicator of future performance.
2 RBA cash rate + 8.00%.
3 Net return (after management fees and performance fees) is calculated based on the private management fee and performance fee rates.
4 Monthly distributions commenced from October 2024.

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Portfolio exposure[5]



- 64% Residential
- 11% Industrial
- 8% Mixed-use
- 8% Retail
- 3% Hotel
- 3% Office
- 3% Medical and life sciences

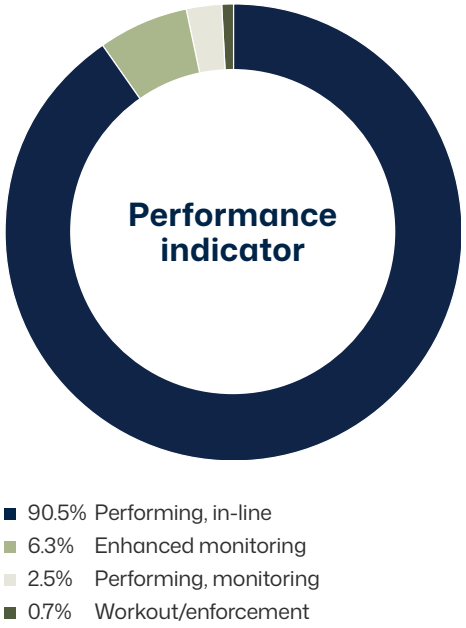
- 35% NSW
- 30% QLD
- 26% VIC
- 7.0% NZ
- 1% WA

- 49% Construction
- 31% Site acquisition
- 17% Investment
- 4% Residual stock

5 Exposures are based on the outstanding balances as at the reporting date.

Portfolio health

Performance indicator (% of GAV)



Performance indicator descriptions

PERFORMING, IN-LINE

Performing in-line with expectations, with risk factors neutral or improved since underwriting.

PERFORMING, MONITORING

Performing materially in-line with expectations, with additional risk factors appropriately mitigated.

ENHANCED MONITORING

Performance is below expectations. Positions are under enhanced monitoring with proactive risk mitigation strategies in place.

WORKOUT/ENFORCEMENT

Manager is actively working to stabilise, protect, and recover value.

LOAN PROVISIONING	%
Percentage of loans under review – no provision	1.9%
Percentage of loans under review – provision	5.1%
Total provision as percentage of GAV	0.9%

INTEREST ARREARS BUCKET	% OF GAV
0–30 days	-
30–60 days	1.9%
60–90 days	-
90+ days	-
Total arrears	1.9%

MATURITY PERIOD	%	#
0-6 month	43.3%	36
6 month - 1 year	31.5%	36
1-2 years	20.8%	25
2-3 years	4.5%	4
3 years+	-	-
Total	100.0%	101

REDEMPTION METRICS	
Redemptions outstanding	-
Expected time to full redemption	<1-month

LIQUIDITY METRICS	
Cash	6.8%
Cash and available facilities	9.4%

Portfolio composition

Current investments in the portfolio with greater than 2% exposure as at 30 September 2026.

For a full portfolio summary, please reach out to your capital representative for access to the dataroom.

INVESTMENT	LOCATION	TERM (MONTHS)	RANKING	TYPE	SECTOR	LVR[1] (%)	LTC[2] (%)	FUND CURRENT EXPOSURE ($m)	FUND CURRENT EXPOSURE (%)
Loan 1	QLD	30	Junior	Construction	Residential	76.0%	90.0%	17.5	5.5%
Loan 2	QLD	26	Junior	Construction	Residential	78.5%	95.0%	15.3	4.8%
Loan 3	NSW	12	Junior	Investment	Retail	72.5%	-	13.9	4.4%
Loan 4	QLD	36	Junior	Construction	Residential	75.9%	95.0%	11.1	3.5%
Loan 5	NSW	9	Junior	Site Acquisition	Mixed-Use	75.0%	-	11.0	3.4%
Loan 6	NSW	27	Junior	Construction	Residential	75.0%	93.1%	10.0	3.1%
Loan 7	VIC	42	Senior	Investment	Med. & Science	65.0%	-	9.7	3.0%
Loan 8	QLD	36	Senior	Investment	Industrial	67.5%	-	9.4	2.9%
Loan 9	VIC	27	Senior	Site Acquisition	Residential	65.0%	-	9.0	2.8%
Loan 10	NSW	18	Senior	Site Acquisition	Mixed-Use	65.0%	-	8.8	2.8%
Loan 11	VIC	18	Junior	Construction	Industrial	66.8%	-	8.8	2.7%
Loan 12	NZ	27	Junior	Construction	Residential	70.0%	81.0%	8.4	2.6%
Loan 13	QLD	25	Senior	Site Acquisition	Residential	60.0%	-	7.7	2.4%
Loan 14	NSW	12	Senior	Site Acquisition	Residential	65.0%	-	7.6	2.4%
Loan 15	VIC	14	Junior	Construction	Residential	80.0%	92.5%	7.2	2.3%
Loan 16	QLD	26	Junior	Construction	Residential	75.0%	90.0%	6.7	2.1%
Loan 17	VIC	20	Senior	Investment	Office	75.0%	-	6.6	2.1%

1 Loan to value ratio, being the ratio (expressed as a percentage) of a Loan to the value of the asset against which it is secured. LVRs are based on an 'as if complete' valuation. This means that where the secured asset is land under construction, it is valued as though the construction is complete.
2 Loan to cost ratio, for a construction loan, being the ratio (expressed as a percentage) of a Loan to the cost of delivering the project.

Economic and market update

Ongoing military conflicts in Europe and the Middle East continue to disrupt the economic outlook

Ongoing military conflicts abroad, particularly the disrupted energy supply chain through the Strait of Hormuz, continue to be the key factor weighing on the global economic outlook in late 2026. The economic impacts are coming through multiple channels, including diminished fuel and chemical supplies, higher energy prices, greater uncertainty on price inflation and rising short- and long-term interest rates.

Elevated global energy prices remain the key risk to the Australian economic outlook

Crude oil spot price



Source: Bloomberg, MaxCap (October 2026)

Amid this global uncertainty, the local Australian economy is managing to sustain a respectable expansion. The latest GDP outcomes remain slightly below historical trends (Q2: +2.1% year-on-year), supported by a broad range of expenditure drivers. Household spending remains firm despite higher mortgage rates. Business investment is holding up, partly due to a moderate build-out of data centres.

The economy is holding around trend growth, but higher rates will likely drive a modest slowing into 2027

Real GDP growth: Australia



Source: Bloomberg, MaxCap (October 2026)

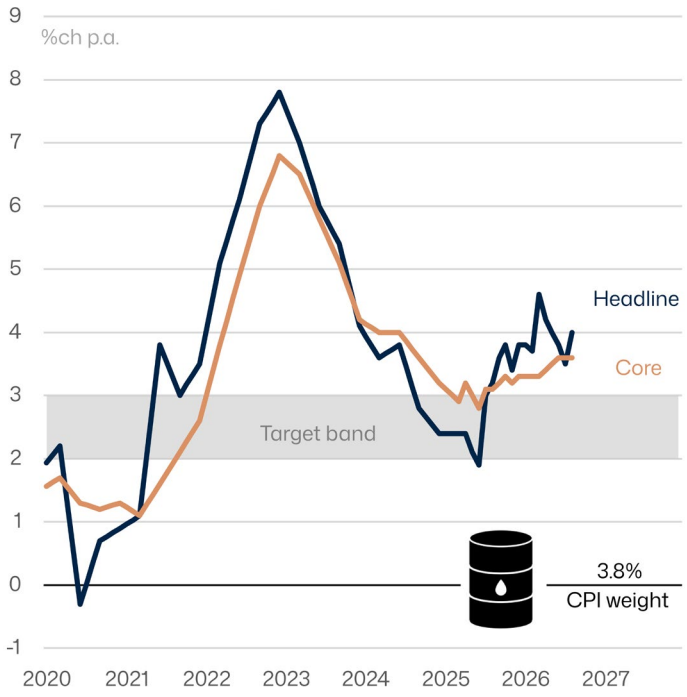
In assessing the risk to the Australian economic growth outlook into 2027, there is still a lack of clarity about how these global conflicts get resolved and when we will see a genuine stabilisation in global energy markets. Given this uncertain landscape, governments, businesses and households are adapting the best they can by securing energy supplies from offshore refiners, by substituting from internal combustion engines to electric cars in greater numbers and by building wider cost buffers in the event of additional inflation of input costs.

Inflation continues to rise, pushing further above the official Central Bank target

Recent inflation readings remain high, across both headline and core indicators. The reasons for this acceleration are quite complex, reflecting higher energy prices in the near-term, but also supply-side constraints that have lingered since the pandemic. Regardless of the underlying cause, inflation today sits well above the official target band of 2-3%. Looking ahead, there is little in the current pattern of price inflation to suggest a swift return to the target band. It is these policy concerns about persistent medium-term inflation, in excess of the policy target ceiling, that is driving the current urgency in monetary policy in Australia.

Core inflation readings in Australia remain well above the official central bank target

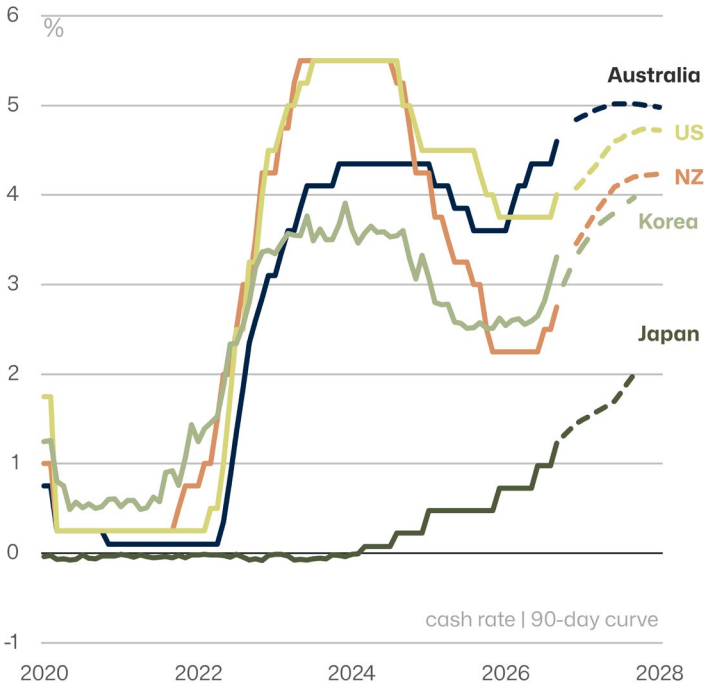
Consumer price inflation: Australia



Source: ABS, RBA, MaxCap (October 2026)

Central bankers are expected to raise rates further in 2026 to curb inflation pressure

Interest rates



Source: Bloomberg, MaxCap (October 2026)

Global interest rates are rising, in Australia and elsewhere, across both the short- and long-ends

With inflation above target, the monetary policy path has been quite clear over the course of 2026. Already, the Reserve Bank of Australia (RBA) has lifted cash rates four times (and 100 bps) to 4.6% in November. Money market expectations suggest another 1-2 rate hikes to come in late 2026 and early 2027. This tightening cycle is occurring despite more apparent signs of an economic slowing and a sustained decline in housing prices throughout the course of this year.

To be clear, the trend for higher interest rates is considerably broader than just the tightening in Australian official cash rates. While the RBA has been relatively earlier and more hawkish in its tightening cycle, we have seen other central banks in the US, Europe, Japan, Korea and New Zealand tighten due to their local inflation concerns. Moreover, we have seen long-bond yields rise broadly, to compensate investors for higher inflation and reduced demand from traditional buyers of sovereign government bonds.

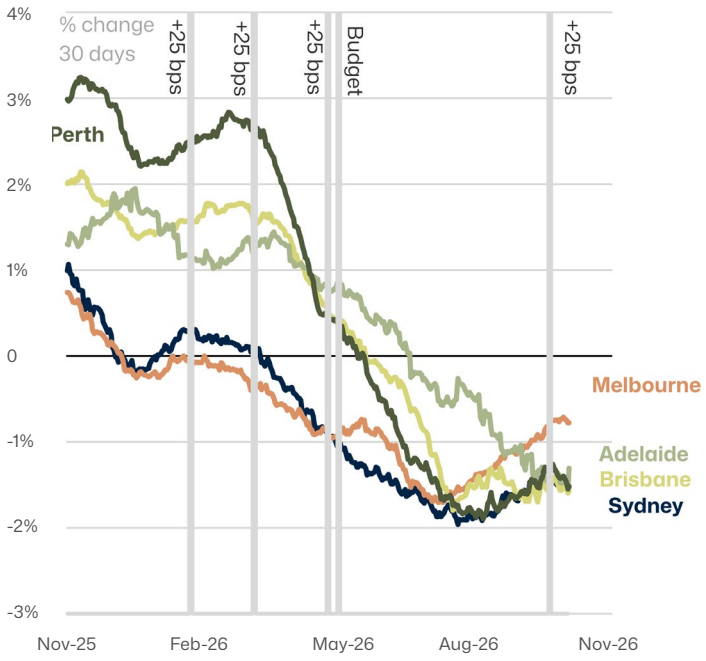
A moderate decline in housing prices, with a lot of differences across regions and segments

The Australian housing market has seen periodic declines in prices every 4-5 years. In 2026, we are witnessing another price correction, driven this time by a combination of higher mortgage rates since February 2026 and a raft of property tax changes to negative gearing and capital gains from May 2026.

The extent of these price falls has varied a lot across different capital city markets. Looking at the most frequent daily data points, we have seen an earlier and more severe price correction in Sydney where houses are the least affordable in the country, followed by Melbourne. The housing markets of Brisbane, Adelaide and Perth have also started to decline, but this followed a strong pricing upswing through to the end of 2025.

In this cycle, the larger pricing declines occurred in July and August, with relatively milder falls since then

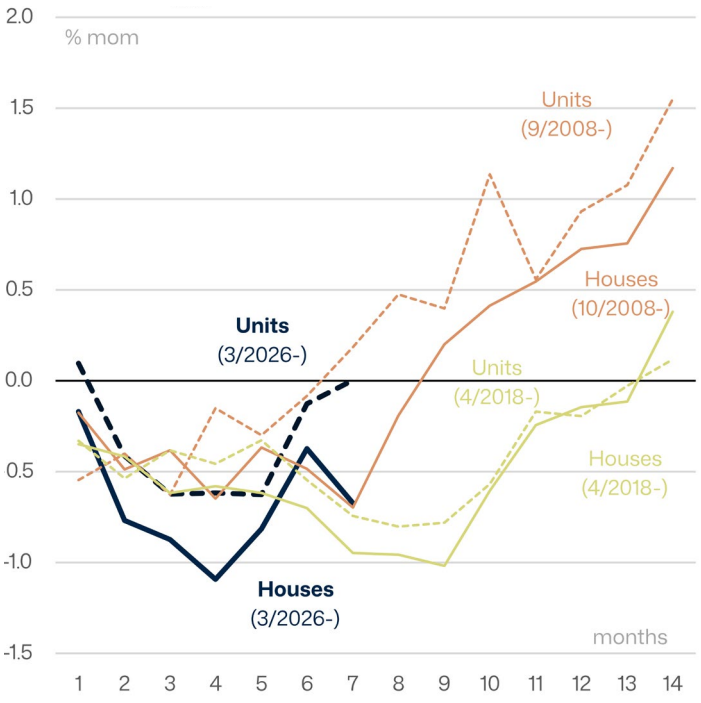
Housing prices



Source: Corelogic, MaxCap (October 2026)

Houses are bearing a larger share of this pricing down-turn, while units have been more resilient

Monthly price changes



Source: Proptrack, MaxCap (October 2026)

Across the spectrum of standalone houses and attached townhouses and units, there is another interesting divergence taking hold. Houses are bearing the brunt of this pricing correction in this cycle, not surprisingly given their larger run-ups in previous years, which made them less accessible and less affordable. Meanwhile, the pricing correction for townhouses and units have been relatively milder, given their better availability and more affordable price points.

In all, there are still good fundamentals supporting the outlook for the housing market. Population growth remains relatively firm, in line with historical trends, but well above our developed economic peers in North America, Europe and Asia. And while demand has held firm, supply has been slow to catch-up. All this can be summarised by the cyclically low rental vacancy rate (August: 1.3%), which has been a factor in driving up rental growth.

Amid a continuing pricing correction across Australia, the key questions relate to the potential extent of this pricing correction and the likely timing of the turning point ahead. In terms of magnitude, we will likely see a very divergent correction this time, with certain locations (Sydney and Melbourne) and types (detached houses) being more harshly affected, with relatively more resilience in some cities (Perth and Adelaide) and types (units and newly built stock). Timing wise, there is more scope of a unit pricing recovery earlier in 2027, with detached housing likely to lag later in 2027. And while investors into established housing have been greatly disincentivised by the negative gearing changes, we expect to see a pivot point in 2027 and 2028, when lower prices, higher rents and lower leverage offset the loss of negative gearing benefits.

Re-assessing the risk outlook for the residential construction sector

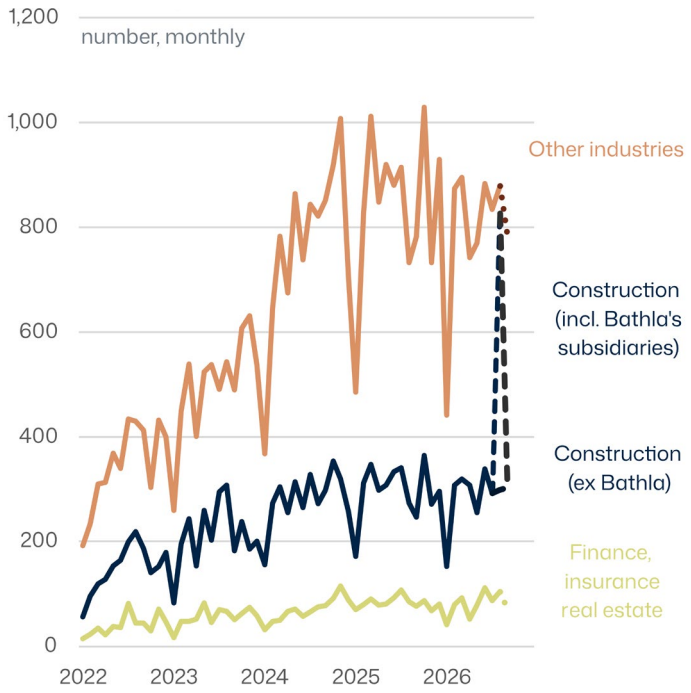
The combination of lower selling prices, higher input costs and tighter funding costs has noticeably changed the risk outlook for the residential construction sector.

The most notable disruption in the sector related to the move by a major Western Sydney residential developer Bathla Group and its 500+ subsidiaries into voluntary administration in August 2026. This event has visibly altered the sector lending landscape in subsequent weeks, as lenders with large Bathla creditor exposures are pulling issued term sheets and withdrawing from the lending market. Consequently, lending margins for less-impacted lenders have improved to the tune of around 100 bps, at a time of considerably diminished competition amongst lenders, even for good developments from strong sponsors.

In terms of the corporate insolvency statistics, this event has driven a sharp and temporary spike in construction insolvencies. Excluding the 500+ Bathla-related entities that were also moved into voluntary administration, the underlying corporate insolvency trend for the construction sector has remained relatively stable in August and September.

Bathla's move to voluntary administration disrupted the previously stable trend in corporate insolvencies

Corporate insolvencies



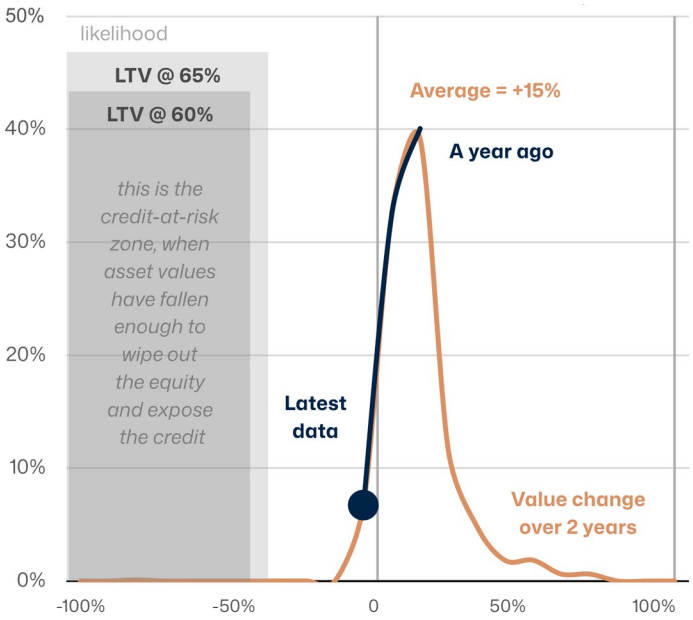
Source: ASIC, MaxCap (October 2026)

The other element of the construction risk outlook relates to the extent of housing price falls and how it may potentially impact the different parts of the capital stack. Given the reported price falls so far - and the prospect of additional falls in coming months – we can access the potential exposures for the equity stack (the borrower / developer) and the credit stack (the lender / credit manager).

While the housing market correction is relatively more severe, it needs to be put into the context of other historical downturns since the 1980s which included the more severe 1990s recession triggered by 18%+ mortgage rates. Even with these more severe pricing adjustments from history, the degree of risk for lenders remains relatively low. The equity component continues to bear the brunt of the pricing adjustment. In the context of mild pricing cycles in Australia, the credit position – given conservative loan-to-value ratios at around 65% – continues to sit on a wide buffer, with considerable insulations from the volatility in asset prices. It is this pattern of consistent equity buffers and low volatility in asset prices that have contributed to the historically stable patterns of returns that we have seen for this segment of the real estate credit market.

Moderately lower prices will impact equity positions, while credit positions remains relatively well buffered

Residential prices



Source: Proptrack, MaxCap (October 2026)

The Australian real estate market is still holding broadly steady in late 2026

In general terms, the Australian real estate market has been relatively stable, despite the moderate pace of economic demand growth and higher funding costs for equity buyers.

Certainly, there are some persistent variations across the different real estate sectors. The living sector (encompassing build-to-rent, co-living and student accommodation) continues on an institutionalisation phase, as more capital moves into this space, compressing yields along the way. For other sectors, the cyclical upswing continues, with retail and industrial along the front edge, and prime and secondary office trailing behind.

Despite a subdued economy and a moderate pace of demand, occupancy trends have been broadly stable in recent quarters. Certainly, this is true across the office and retail sectors, which is a little surprising given the work-from-home and shop-from-home trends of recent years. But even for the previously tight industrial sector, vacancy rates at between 2-5% remain sufficiently low to support rental growth.

In the context of stable occupancy trends, the default assumption would be for steady rental gains. However, there has been some surprising outcomes in recent reports, with Melbourne office, Perth industrial and especially large format retail showing firmer gains in rental income. It has been all one-way traffic, as we have seen clear moderation in rental growth for Sydney industrial given more supply.

From an investor perspective, asset capital values were mostly steady across the Australian market, with sustained gains for industrial, a continuing recovery in the retail sector and a modest pullback for the lagging office segment. Perhaps the more interesting perspective comes from commercial cap rates, where despite the impacts of higher cash rates and bond yields we have seen relatively stable commercial cap rates across the board with little change from the levels reported by valuers at the beginning of this year.

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