

# PALLAS FM TRUST PERFORMANCE UPDATE 28 FEBRUARY 2021



Pallas Funds Pty. Limited (ACN 604 352 347) atf Pallas FM Trust

## Key Metrics as at 28 February 2021

Bond	
Note Type	Fixed Rate Notes
ISIN	AU3CB0275915
Austraclear Series I.D.	PFMT01
Common Code	225828130
Bloomberg	FIGI# BBG00YNB5ZY5 (BB#BN2156758)
Notes on Issue	3,000 Notes
Issue Limit	15,000 Notes
Issue Term	4 Years
Term to Maturity	46 months
Fungible	Yes
Fixed Coupon	7.5% p.a. paid quarterly in arrears
(Initial) Issue Date	21 December 2020
Maturity Date	31 December 2024
Rating	n/a
Withholding Tax	S.128F Compliant
Underlying Portfolio	
Total Issue Size	\$30,000,000
Total Invested Amount	\$30,000,000
Total Cash Amount*	\$1,736,239
Total Current SPV Investments	8
Average Portfolio LVR	64.4%
Average Portfolio LVR (IP)**	61.2%
Weighted Average Loan Maturity	11.9 months
Investments in Arrears	NIL

\*including IP Reserve (\$1.5m) and Interest received from investments (\$0.2m)

\*\*including Investment Protection (IP) mechanism when applied only once to an individual loan within the PFMT01 portfolio.

## Investment Objective & Strategy

Provide investors with a high-yield, fixed-rate bond supported by a portfolio of underlying SPV investments. Each SPV investment is secured by a registered first mortgage over a quality, Australian real estate asset, predominately located in Sydney and Melbourne metropolitan areas. The SPV portfolio gives investment diversity by geography, sponsor, loan tenor and loan type.

## Key Service Providers

Trustee	Pallas Funds Pty. Limited AFSL No. 473475
Investment Manager	Pallas Capital Pty. Limited (ABN 50 616 130 913)
Note Trustee	AMAL Trustees Pty. Limited (ABN 98 609 737 064)
Registrar, Issuing & Paying Agent	AMAL Management Services Pty. Limited (ABN 46 609 790 749)
Security Trustee	AMAL Security Services Pty. Limited (ABN 48 609 790 758)

## Investment Activity

As at 28 February 2021, 100% of the proceeds from Pallas FM Trust Bond Series A (PFMT01) Tranches 1 and 2 (\$30 million) was invested across eight (8) SPV-First Mortgage trust investments, as follows:

Investment	Amount (A\$)	Gross LVR	Effective LVR
Botany Road Capital Trust	\$3,195,642	65.00%	34.49%
Marmont FM Capital Trust	\$7,500,000	65.00%	52.00%
8 River Terrace Capital Trust	\$7,500,000	65.00%	52.00%
10 Male Street FM Trust	\$5,619,500	62.50%	45.82%
Palmerston Street Capital Trust	\$245,000	65.00%	0.00%
Benelong Crescent Capital Trust	\$4,720,797	64.30%	43.87%
54 Montclair Avenue FM Trust	\$980,563	64.00%	0.00%
94 River Street Capital Trust	\$238,498	64.35%	0.00%
<b>Total</b>	<b>\$30,000,000</b>	<b>64.4%</b>	<b>n/a</b>

The Notes benefit from an investment protection (IP) mechanism which requires parties associated with Pallas FM to lodge cash and/or bank guarantees equal to 5.0% of the total principal amount outstanding in respect of the Notes. As at 28 February 2021, Pallas FM held \$1.7 million of cash reserves, including \$1.5 million monies held as IP Reserve, and \$0.2 million in interest received from investments. The first quarterly interest payment to noteholders is due on 31 March 2021.

## Investment Activity (Continued)

The table on page one shows the Loan to Value Ratio (LVR) on which each Qualifying Loan was made and the effective LVR, net of this IP protection. The table shows that of the eight (8) investments as at 28 February 2021, the highest effective LVR was below 52.0% and in the case of three (3) investments the effective LVR was 0%.

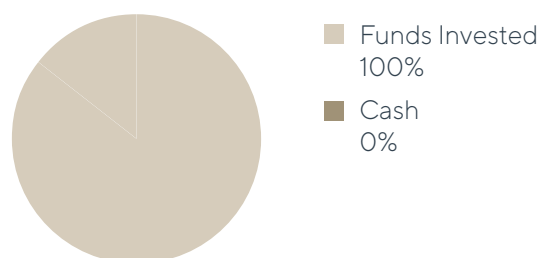
The Pallas FM trust issued funds were fully deployed at the report date. All investments held by Pallas FM are performing. Investment Manager Pallas Capital is satisfied with the deployment of Pallas FM funds to-date.

As stated in its Investor Memorandum dated 15 December 2020, until the earlier of:

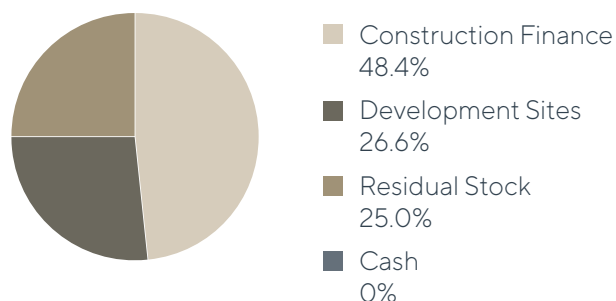
- a) The date on which the Issue Size reaches \$50 million; or
- b) 21 December 2021, the first anniversary of the first Issue Date of any Notes,

The restriction on the maximum single exposure is a requirement that the Issuer will not make a single Qualifying Loan or a single SPV Investment in an amount exceeding \$7.5 million.

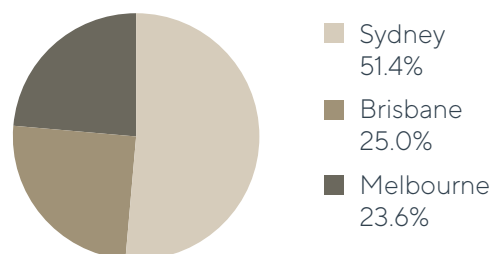
## Portfolio Composition



## Investment Type Diversification



## Geographic Diversification



\*Based on deployed funds only. Excludes any cash position of Pallas FM.

## About The Investment Manager

Pallas Capital is an Australian commercial real estate financier and investment manager that has originated and managed in excess of A\$720 million investments since December 2016 across 107 transactions.

The platform offers a range of real estate-backed single asset and diversified debt and equity investment opportunities for wholesale investors. Pallas Capital has offices in Sydney and Melbourne.

Pallas Capital currently has Funds Under Management (FUM) exceeding A\$440 million.

Pallas Capital has a flawless track record. All of the transactions by Pallas Capital have either been repaid together with all investment returns or are fully performing and has repaid in excess of A\$280 million to investors with no impairments.

Pallas Capital offers a range of investment types across the 'capital stack', including:

- Diversified pooled First Mortgage portfolio investments,
- Bespoke First and Second Mortgage investments, and
- Preferred equity and ordinary equity investment offerings in real estate development projects.

## Investor Queries

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Cremorne VIC 3121

[pallascapital.com.au](http://pallascapital.com.au)

[linkedin.com/company/pallascapital](https://www.linkedin.com/company/pallascapital)