



TierONE Capital

TierONE Capital is a market leading and innovative Investment Manager which aims to provide opportunities and outcomes that enhance wealth creation for its investors.

Established in 2017, TierONE Capital has a track record of providing investors with competitive risk adjusted returns with capital stability.

TierONE Capital's suite of investment products include:



Cash Unit Account



Diversified Portfolio Investments, including:



Cash Enhanced Investment



12 Month Term Income Investment



Contributory Mortgages

TierONE Capital is pleased to issue the first annual report for the 12 Month Term Income Investment product which was established in December 2025 and forms part of its Diversified Portfolio Investments.

The objective of the 12 Month Term Income Investment is to invest in mortgage loans originated by TierONE Capital and other licenced fund managers approved by the Investment Manager, in addition to cash held at call with Australian banks and cash-styled products via approved, licenced fund managers.

Key Metrics as at 30 June 2026

Monthly Return	8.15% p.a.
Benchmark Target Return	Official Cash Rate + 3.8% p.a.
Mortgage Investments:	
Total Allocation	78.40%
Average Weighted LVR	56.81%
Single Borrower Allocation	20.00%
Construction Allocation	50.00%
Cash and cash-styled Investments:	
Total Allocation	21.60%

Highlights



The 12 Month Term Income Investment has achieved its target return each month since inception, being the Official Cash Rate plus a margin of 3.8% p.a. As at 30 June 2026 the target return was 8.15% p.a.



The growth of the 12 Month Term Income Investment has been steady throughout the first seven months of operation, with investors taking the opportunity to seek greater diversification, competitive returns and a balanced portfolio.



All investments made by the 12 Month Term Income Investment are performing within the terms of the investment mandate and there were no arrears or underperforming loans during the reporting period.



Mortgage Investments have been diversified across the three main property classes being commercial, residential and industrial with no exposure greater than 45% of total FUM for the 12 Month Term Income Investment.



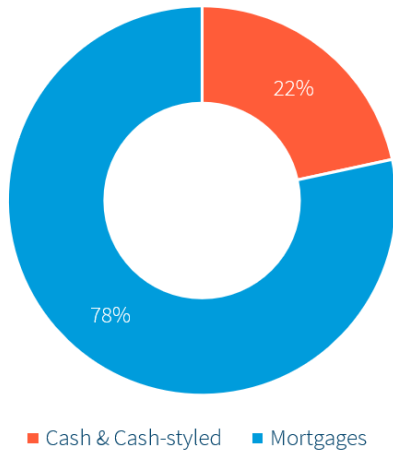
Cash retention as at 30 June 2026 was slightly higher than the target band, but gives the Investment Manager readily available capital to avail new mortgage investment opportunities and higher liquidity as we move into the second half of the year.



Geographically, we have seen a larger concentration of lending activity in Victoria, with 93% of FUM for the 12 Month Term Income Investment currently invested across a range of property assets located in Victoria where the business and loan origination team are based. We continue to seek quality lending opportunities Australia wide to further diversify the portfolio.



Total FUM



Market Insights

LENDING ENVIRONMENT

The past year continued to reflect the challenges of a shifting lending environment, influenced by both macroeconomic conditions and sector-specific dynamics. The RBA's decision to increase the cash rate by 0.25% p.a. in February, March and May 2026 increased uncertainty for developers and investors and overall funding costs. This, combined with geopolitical volatility created by the war between USA and Iran, and increased global energy prices, continues to create uncertainty in markets across the world.

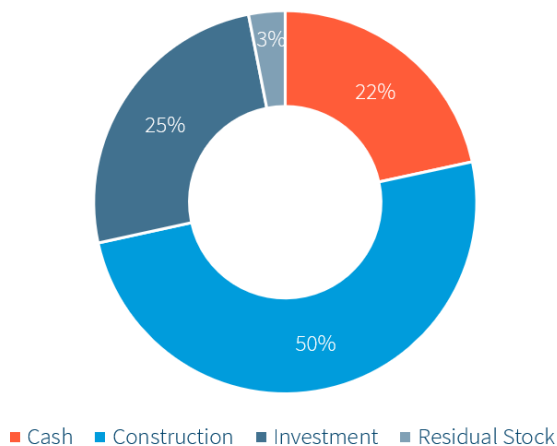
RESIDENTIAL CONSTRUCTION

At a sectoral level, the residential construction industry continues to be challenged, with commencement of new developments subdued and cost inflation tapering but not retreating. Labour and material availability remain key constraints. Concurrently, changes to the treatment of CGT and negative gearing have created further complexity for residential property investors, but may ultimately drive new demand in the development and new residential build sector and also see more activity in the commercial credit space. At an individual state level, Victoria continues to be one of the slowest markets in driving new growth in the construction sector, however continues to provide the bulk of enquiries at origination level.

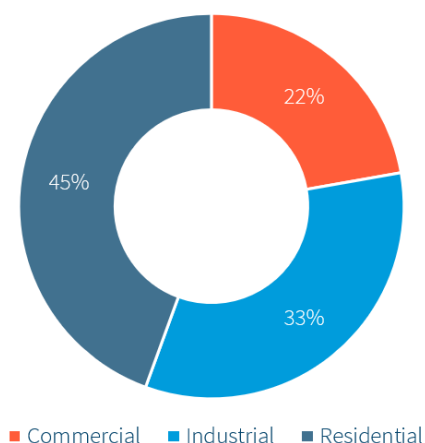
PORTFOLIO ACTIVITY

At a portfolio level, the Investment Manager has seen an increase in borrower activity and enquiry towards the end of the financial year and into the new year. Key drivers to increase origination of quality mortgage loan applications has seen the Investment Manager actively making adjustments to pricing and returns when quoting on new opportunities, which is driving greater enquiry levels.

Investment Allocations



Property Type





Disclaimers

This report has been prepared by TierONE Capital, the Investment Manager for the 12 Month Term Income Investment. It is for informational purposes only and does not constitute financial, legal, tax, or investment advice. The content is intended solely for the recipient and should not be distributed to, or relied upon by, third parties without prior written consent.

The information provided in this report is derived from sources believed to be reliable and accurate as of the date of publication. However, TierONE Capital does not warrant or guarantee the completeness, accuracy, or timeliness of the information contained herein. Opinions, projections, and forecasts expressed are based on current assumptions and are subject to change without notice.

Investments in the 12 Month Term Income Investment involve risks, including the potential loss of capital. Past performance is not a reliable indicator of future results, and no assurance can be given that investment objectives will be achieved.

Prospective investors are advised to read the investment's Supplementary Information Memorandum and consult with their own financial, tax, and legal advisors before making any investment decision. This report does not constitute an offer to sell or a solicitation to purchase any investment product or service in any jurisdiction where such offer or solicitation would be unlawful.

TierONE Capital and its affiliates accept no liability for any loss or damages arising from the use of this report or reliance on the information provided.

By reviewing this report, you acknowledge and agree to the terms outlined in this disclaimer.