CFMG Capital

CFMG Monthly Income Fund

ARSN 602 609 638

Fund Portfolio and Investment Report

December 2025

Current Targeted Return

TARGETED RETURN

8.05% p.a.

(net of all fees)

TERM

12

months

> An investment in the Fund is not a bank deposit, and investors risk losing some or all of their principal investment. You should take this information into account in deciding whether to invest in the Fund.

The Targeted Return is reviewed monthly and is quoted net of management fees and costs. Interim distributions are paid monthly in arrears. Please note, past performance is not a reliable indicator of future performance. Current as at 1 January 2026.

Funds Overview

Key Metrics

Inception	May 2024
Funds Under Management	$37,871,311
Total Unit Holders	523
Target Asset Allocation	100% targeted for project development finance loans with a maximum LVR of 70%, and a 12 month term.

Fund Information

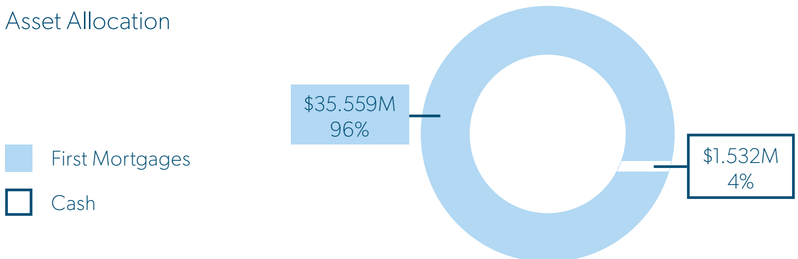
Unit Price	$1.00
Minimum Investment	$5,000
Distribution Frequency	Monthly. Current distribution rate 8.05% p.a. (as at 1 January 2026).
Withdrawal Notice Period	Requests to withdraw can be made after the minimum holding period of 12 months. Payments are to be made on the 20th calendar day of the month (or the next business day) if a withdrawal request is made 7 business days prior to the last calendar day of the month.

Investment Strategy and Performance

The trust is an unlisted registered managed investment scheme which invests in financing the development of residential real property sites that meet certain criteria as determined by CFMG Equity and Income Funds Limited A.C.N 112 753 876 AFSL 291 390 ('Responsible Entity'). Each loan has a maximum LVR of 70% of the as-if completed value of each development, with a maximum 12 month term. The interest and fees charged vary from loan to loan ranging between 8 – 15% p.a.

Fund Snapshot

Asset Allocation



Units in the CFMG Monthly Income Fund ARSN 602 609 638 are issued by CFMG Equity and Income Funds Limited ACN 112753876 AFSL 291 390 ("CFMG") and offered pursuant to the Product Disclosure Statement ("PDS"). An investment in Units under the PDS is considered a speculative investment because the receipt of the anticipated return (or return of your capital invested) is dependent on the successful repaying of loan funds as outlined in the PDS. The directors of CFMG Capital do not guarantee investors will receive any or a particular rate of a return or capital. Prospective investors should carefully consider the PDS including the risks outlined in those documents before making any investment decision in connection with this investment. See our Target Market Determination https://bit.ly/3PT6qRn

Fund Portfolio Metrics

	%	$	#
Authorised Investments			
Cash	4.13%	1,532,263	N/A
Development Finance	95.87%	35,559,489	6
Total	**100.00%**	**37,091,726**	**6**
Mortgage Investment Portfolio Profile			
Weighted Average LVR	23%	-	-
Weighted Average Gross Return (since inception)	12.89%	-	-
Average Mortgage Investment	-	3,951,054	-
Largest Mortgage Investment	31.75%	11,291,275	-
Top 10 largest Mortgage Investments in aggregate	100.00%	35,559,489	-
Undrawn loan commitments	19.73%	8,738,583	-
Pre-paid & capitalised interest loans	-	-	-
Mortgage Investments by State			
QLD	100.00%	35,559,489	6
Total	**100.00%**	**35,559,489**	**6**
Mortgage Investments Return Profile			
<10%	-	9,546,045	1
10-10.99%	-	-	-
11-11.99%	-	-	-
12-12.99%	-	14,972,895	2
13-13.99%	-	11,040,549	3
>14%	-	-	-
Total		**35,559,489**	**6**
Loan Maturity Profile			
0-3 Months	-	1,315,198	1
4-6 Months	-	3,681,620	1
7-9 Months	-	11,291,275	1
10-12 Months	-	19,271,396	3
Total		**35,559,489**	**6**

	%	$	#
LVR Profile			
<30%	4%	1,315,198	1
30-50%	12%	6,519,943	1
50-60%	-	-	-
60-75%	84%	27,724,348	4
Total	**100.00%**	**35,559,489**	**6**
Rate Type			
Fixed Rate	100.00%	35,559,489	6
Variable Rate	-	-	-
Total	**100.00%**	**35,559,489**	**6**
Investment Amount			
<= 50,000	21.75%	8,590,532	366
50,000 to 100,000	19.18%	7,575,350	90
100,000 to 250,000	19.27%	7,612,010	42
250,000 to 500,000	15.24%	6,020,000	16
500,000 to 1,000,000	14.43%	5,700,000	7
>1,000,000	10.13%	4,000,000	2
Total	**100.00%**	**39,497,892**	**523**
Security Location			
Metro	100.00%	35,559,489	6
Regional	-	-	-
Other	-	-	-
Total	**100.00%**	**35,559,489**	**6**

Fund and Market Update

The Fund delivered a return of 8.05% per annum as at the month ending 31 December 2025. Since inception in May 2024 funds continued to see steady deployment with six loans being deployed across the CFMG Capital strategic pipeline of projects.

Over the period a number of loans have been repaid by the borrowers with those repaid funds also being re-deployed into new loans and CFMG Capital continuing to retain its track record of returning 100% of capital to investors in respect of all capital that has fallen due for redemption.

However, note that past performance should not be relied upon as indicative of future performance.

National Market Update

Residential real estate remains Australia's largest asset class, with an estimated value of around $12.3 trillion, far exceeding other major household wealth pools such as superannuation ($4.5 trillion) and listed shares ($3.6 trillion). Australia now has approximately 11.4 million dwellings, supported by around $2.5 trillion in outstanding mortgage debt. Annual home sales are estimated at roughly 561,000, generating about $553.6 billion in gross sales value. Housing continues to dominate household balance sheets, accounting for around 55.4% of total household wealth.

Australian dwelling values finished 2025 strongly, rising 8.6% over the year to December 2025, the fastest annual growth rate since the 12 months ending May 2024. Growth was widespread, with every capital city and "rest of state" region recording gains over the year, although performance differed significantly by location. Darwin led annual growth at 18.9%, while Melbourne recorded the weakest annual result at 4.8%. Over the December quarter, national dwelling values rose 2.9%, slightly stronger than the September quarter, but the report notes that monthly growth momentum began to ease late in 2025, suggesting conditions remained positive overall but softened heading into early 2026.

A key feature of the market during 2025 was the outperformance of more affordable housing segments. The report highlights that lower-quartile dwelling values increased 11.0% over the year, compared with 6.7% growth in the upper quartile. This indicates that demand has been more concentrated in cheaper parts of the market, likely reflecting affordability pressures and buyer preference for attainable price points.

Short-term indicators show a divergence emerging across the capital cities. In early January 2026, the rolling 28-day growth rate showed Sydney and Melbourne values edging down by 0.1%, while growth remained clearly positive in Perth (+1.8%), Adelaide (+1.7%) and Brisbane (+1.4%). The report links this easing in some markets to weaker confidence late in 2025 as inflation lifted slightly and the Reserve Bank's tone became more hawkish, along with the ongoing drag from stretched housing affordability. Despite this, several cities remain at or near record highs. Sydney values were down slightly in December (-0.1%) but still up 5.8% over the year and just 0.1% below their November 2025 record. Melbourne also slipped 0.1% in December, with annual growth of 4.8%, and remains 0.9% below its March 2022 peak. In contrast, Brisbane, Adelaide, Perth and Darwin are at record highs, supported by stronger annual gains including Brisbane (+14.5%) and Perth (+15.9%).

Housing market activity strengthened overall through 2025, with annual sales volumes rising 4.9% nationally. This uplift was driven more by regional areas (+8.1%) than the capital cities (+3.2%). Conditions remained supportive of relatively fast turnover, with capital city homes selling in a median of 24 days over the December quarter, while regional markets recorded a median of 32 days, both faster than one year earlier. Listing conditions remain tight: new listings totalled 20,487 over the four weeks to 28 December 2025, marginally higher than the same time last year but still 5.0% below the five-year average, and total advertised stock sat at 108,634 dwellings. Total listings were down 15.8% year-on-year and 20.6% below the five-year average, reinforcing ongoing supply constraints across most markets.

Auction conditions softened late in 2025. Clearance rates peaked around 72% in late September before trending lower into the end of the year, reaching 57.1% by mid-December, which was the lowest reading since December 2024. This decline is consistent with the slowing rate of home value growth observed as 2025 came to a close.

Rental conditions continued to ease from the extreme tightness seen in the years immediately following the pandemic, but rental growth remained elevated compared to longer-term norms. National rents rose 5.2% over 2025, slightly higher than the 4.8% increase in 2024, but well below the peaks of more than 8% recorded between 2021 and 2023. The national vacancy rate tightened again, falling from 2.1% to 1.7% by December 2025. Rental growth was positive across all broad regions, ranging from 2.9% in Melbourne to 10.1% in regional Western Australia. Gross rental yields declined as dwelling values continued to outpace rents, falling to 3.56% in December 2025, the lowest since September 2022. Despite moderating yields, investor activity increased, with investors accounting for around 41% of mortgage activity in the September quarter.

On the supply and credit side, dwelling approvals lifted sharply in November, rising 15.2%, driven by a 36% surge in unit approvals, which may signal improving momentum in higher-density construction pipelines. Lending also strengthened, with the value of new home loan commitments reaching a record $98 billion in the September quarter. Investor lending was the main driver, rising 17.6% over the quarter, and investors accounted for 40.6% of total lending value, the highest share since late 2016. Overall, the report reflects a housing market that remains undersupplied and resilient, supported by rising values and strong lending activity, while also showing clear signs of moderation and growing sensitivity to affordability and interest rate expectations as the market moves into 2026.

Queensland Market Update

Queensland remains one of the stronger housing markets in the country, with both Brisbane and regional Queensland continuing to record solid price and rental growth into the end of 2025, even as the broader national market began to lose momentum.

In the owner-occupied market, Brisbane dwelling values are at a record high, rising 1.6% in December, 5.6% over the December quarter, and 14.5% over the year to December 2025. This places Brisbane among the best-performing capitals on an annual basis, and it is still showing positive short-term growth (unlike Sydney and Melbourne, which were slightly negative on the rolling 28-day measure).

Importantly, the data suggests Queensland's strength is not limited to Brisbane. Regional Queensland dwelling values rose 3.7% over the three months to December 2025, which is stronger than Sydney (2.7%) and Melbourne (3.5%), and broadly in line with several of the stronger markets nationally. This highlights that buyer demand is still flowing into lifestyle and affordability-driven areas outside the capital, which has been a major theme of the post-COVID housing cycle.

Activity levels in Queensland also remain supportive of price growth, with properties continuing to sell relatively quickly. Over the December quarter, the report shows Brisbane homes had a median selling time of 28 days, while regional Queensland homes had a median of 37 days. Although regional markets take longer to transact than the capitals, these timeframes still point to reasonably strong absorption and buyer engagement across the state.

On the rental side, Queensland is still experiencing above-average pressure. Over 2025, Brisbane rents rose 6.2%, while regional Queensland rents increased 6.8%—both higher than the national rental increase of 5.2% and well above Melbourne's 2.9%. This confirms Queensland remains a key contributor to Australia's ongoing rental inflation, likely reflecting a combination of tight vacancy conditions and continued population/household growth impacts.

Overall, Queensland's market profile in this report is still clearly "growth mode": values are rising strongly (particularly in Brisbane), regional conditions remain supportive, and rental growth is running hot across both metro and non-metro areas. The main watchpoint is that the report flags a general easing in growth momentum across Australia as confidence softened late in 2025 amid inflation concerns and a more hawkish RBA tone, so Queensland may also see growth moderate from these levels—but it is entering 2026 from a much stronger position than the weaker-performing southern markets.

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Printed: January 2026