CFMG Monthly Income Fund

ARSN 602 609 638

Fund Portfolio and Investment Report

June 2026

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 July 2026.

Funds Overview

Key Metrics

Inception	May 2024
Funds Under Management	$43,987,261
Total Unit Holders	442
Target Asset Allocation	100% targeted for project development finance loans with a maximum LVR of 70%, and a 12 month term.

Fund Information

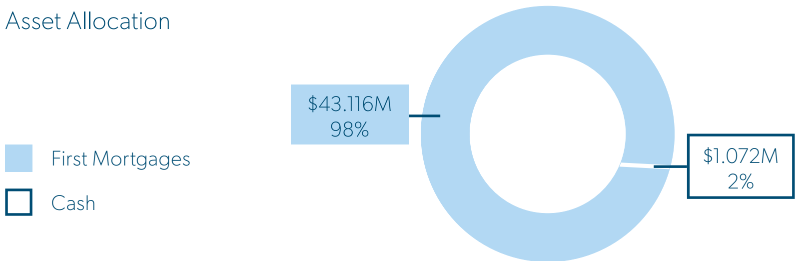
Unit Price	$1.00
Minimum Investment	$5,000
Distribution Frequency	Monthly. Current distribution rate 8.05% p.a. (as at 1 July 2026).
Withdrawal Notice Period	Requests to withdraw can be made after the minimum holding period of 12 months. Payments are to be made on the 20th calendar day of the month (or 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 – 14% 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	2.4%	1,072,953	N/A
Development Finance	97.6%	43,116,502	5
Total	**100.00%**	**44,189,455**	**5**
Mortgage Investment Portfolio Profile			
Weighted Average LVR	61.88%	-	-
Weighted Average Gross Return (since inception)	12.67%	-	-
Average Mortgage Investment	-	8,623,300	-
Largest Mortgage Investment	30.20%	13,020,994	-
Top 10 largest Mortgage Investments in aggregate	100.00%	43,116,502	-
Undrawn loan commitments	13.52%	6,739,634	-
Pre-paid & capitalised interest loans	-	-	-
Mortgage Investments by State			
QLD	100.00%	43,116,502	5
Total	**100.00%**	**43,116,502**	**5**
Mortgage Investments Return Profile			
<10%	-	9,682,177	1
10-10.99%	-	-	-
11-11.99%	-	-	-
12-12.99%	-	17,846,892	2
13-13.99%	-	15,587,433	2
>14%	-	-	-
Total		**43,116,502**	**5**
Loan Maturity Profile			
0-3 Months	-	4,825,897	1
4-6 Months	-	13,345,368	2
7-9 Months	-	-	-
10-12 Months	-	24,945,237	2
Total		**43,116,502**	**5**

	%	$	#
LVR Profile			
<30%	-	-	-
30-50%	-	-	-
50-60%	41%	17,846,892	2
60-75%	59%	25,269,610	3
Total	**100.00%**	**43,116,502**	**5**
Rate Type			
Fixed Rate	100.00%	43,116,502	5
Variable Rate	-	-	-
Total	**100.00%**	**43,116,502**	**5**
Investment Amount			
<= 50,000	15.65%	6,884,801	269
50,000 to 100,000	15.51%	6,823,100	81
100,000 to 250,000	22.20%	9,766,010	57
250,000 to 500,000	21.22%	9,333,350	24
500,000 to 1,000,000	13.48%	5,930,000	8
>1,000,000	11.94%	5,250,000	3
Total	**100.00%**	**43,987,261**	**442**
Security Location			
Metro	100.00%	43,116,502	5
Regional	-	-	-
Other	-	-	-
Total	**100.00%**	**43,116,502**	**5**

Loan Summary

Borrower	Limit	Purpose	LVR	Compliant
Millwood Rise Developments Pty Ltd	6,471,500	Construction	52.20%	Yes
Bellmere Developments 2 Pty Ltd	9,800,000	Land	69.16%	Yes
Gardner Road Developments Pty Ltd	12,981,682	Construction	64.30%	Yes
Farriers Creek Pty Ltd	16,877,046	Construction	54.01%	Yes
Farriers Creek No. 2 Pty Ltd	3,725,909	Land	68.82%	Yes

Fund and Market Update

The Fund delivered a return of 8.05% per annum as at the month ending 30 June 2026. Since inception in May 2024 funds continued to see steady deployment with seven loans being issued (five currently 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.

A summary of the status with the current loans including the borrowers, loan limit and loan to valuation ratio is outlined in the table above.

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

National Market Update

Residential real estate remains Australia's largest household asset class and a central influence on wealth, credit demand and consumer confidence. However, the housing cycle shifted decisively during the June quarter of 2026. Higher interest rates, worsening affordability, weaker sentiment and increased choice for buyers have brought the national upswing to an end, although conditions remain highly varied across locations and price segments.

Cotality's June 2026 Home Value Index shows national dwelling values fell 0.4% over the month and 0.7% over the quarter, marking the largest monthly decline since December 2022. Annual growth slowed to 7.3%, while the national median dwelling value stood at approximately $937,722. The national index is now 0.7% below its March peak, with values declining in each month of the June quarter.

The downturn remains concentrated in the larger and more expensive capital cities. Sydney values fell 1.2% in June and 3.2% over the quarter, while Melbourne declined 1.0% for the month and 2.6% over the quarter. Canberra also weakened, falling 0.6% in June and 1.3% over the quarter. By contrast, Brisbane recorded quarterly growth of 1.3%, Adelaide 1.3%, Perth 2.0%, Hobart 1.4% and Darwin 5.0%, although momentum across most of these previously strong markets has slowed materially.

Affordability and borrowing capacity are increasingly shaping market performance. Even before interest rates began rising in early 2026, buyers were being pushed toward lower-priced properties and more affordable locations. Three cash-rate increases since the beginning of the year have intensified serviceability constraints, particularly in Sydney and Melbourne, while also beginning to temper growth in Brisbane, Adelaide and Perth. The Reserve Bank noted in June that financial conditions had tightened, consumer spending momentum was slowing and housing prices were falling in some capital cities.

Regional housing markets continue to outperform the capitals. Combined regional values rose 0.3% in June and 1.1% over the quarter, compared with declines of 0.6% and 1.3% respectively across the combined capitals. Regional Queensland increased 1.5% over the quarter, regional South Australia rose 1.6%, regional Western Australia gained 3.7% and regional Tasmania rose 2.8%. Regional markets collectively remain at record highs, supported by comparative affordability and limited available stock, although their rate of growth is also moderating.

Transaction conditions have softened considerably. Cotality estimates capital-city home sales over the three months to June were 16.2% lower than a year earlier and 14.5% below the five-year average. Auction clearance rates remained below 50% from late May, while advertised capital-city supply was close to its five-year average and almost 11% higher than a year earlier. These indicators suggest buyers have become less urgent and more price-sensitive, while vendors are taking longer to adjust their expectations.

Despite weaker housing values, rental conditions remain exceptionally tight. National rents rose 0.5% in seasonally adjusted terms in June, with annual rental growth holding at 5.9% and adding approximately $40 a week to the median rent over the financial year. The national vacancy rate edged up from 1.5% in May to 1.6% in June, but remained well below the decade average of 2.5%.

Gross rental yields are beginning to recover as rents rise faster than dwelling values. The national gross dwelling yield was approximately 3.7% in June, while combined capital-city yields increased to 3.5%, up from 3.34% in December 2025. However, leveraged investor cash flow remains challenging, with average variable investor mortgage rates around 6.4% and ownership costs such as insurance, maintenance and strata fees continuing to rise.

The supply outlook remains mixed. ABS data shows total dwelling approvals fell 1.1% in May to 17,019, following considerable volatility in higher-density approvals. Private house approvals rose 2.8% to 10,537, while approvals for private dwellings excluding houses fell 10.4% to 6,034. Although the construction pipeline is gradually improving, approval levels remain insufficient to quickly resolve Australia's underlying housing shortage.

Housing credit has also moved beyond its late-2025 peak. The value of new dwelling loan commitments fell 3.8% in the March quarter to $103.0 billion, while the number of commitments declined 6.2%. Owner-occupier lending values fell 4.3% and investor lending values fell 3.0%. Even after these quarterly declines, total new home lending remained 18.5% higher than a year earlier, indicating that credit activity is still elevated but is now responding to higher interest rates and tighter serviceability conditions.

Overall, the national housing market has moved from a broad upswing into a fragmented correction. The Reserve Bank left the cash rate unchanged at 4.35% in June after three increases earlier in the year, but warned that inflation remained too high and that further tightening could be required. In this environment, the near-term outlook is likely to remain uneven: continued weakness in Sydney and Melbourne, slower but still positive conditions in several mid-sized capitals, and relative resilience across regional markets where affordability and supply remain more supportive.

Queensland Market Update

Queensland remains one of Australia's more resilient housing markets, although the state is no longer immune to the demand headwinds affecting the broader market. Brisbane and regional Queensland continued to record positive growth during the June quarter, supported by limited established housing supply, strong rental demand and comparative affordability relative to Sydney. However, the pace of appreciation has slowed sharply as higher interest rates and stretched household borrowing capacity begin to take effect.

Brisbane dwelling values rose 0.3% in June and 1.3% over the quarter, taking annual growth to 17.4%. The city's median dwelling value was approximately $1.12 million at the end of June, with values remaining at a record high. While this performance remains substantially stronger than Sydney and Melbourne, quarterly growth has moderated markedly from the rapid increases recorded through late 2025 and early 2026.

The composition of Brisbane's market also remains important. House values increased by 0.2% in June and 1.1% over the quarter, with annual growth of 16.8%. Units continued to outperform, reflecting their relatively accessible price points and strong investor and owner-occupier demand. This affordability advantage is becoming increasingly significant as the median value of a Brisbane dwelling moves further above $1 million and mortgage serviceability becomes more restrictive.

Regional Queensland also remains in expansionary territory. Dwelling values rose 0.4% in June, 1.5% over the quarter and 13.8% over the year, with the regional median reaching approximately $855,835. Regional Queensland remains at a record high and has delivered total growth of almost 68% over the past five years, highlighting the strength of demand across the state's coastal, lifestyle and major regional markets.

Nevertheless, Queensland's growth profile is becoming more subdued. Brisbane's quarterly increase of 1.3% was well below the rates recorded earlier in the cycle, while the June monthly rise was only 0.3%. Cotality has identified Brisbane as one of the markets to experience substantial downward revisions as demand conditions weakened more quickly than previously estimated. Higher mortgage rates, rising ownership costs and the cumulative increase in dwelling values are narrowing the pool of buyers able to compete at current prices.

Rental fundamentals remain a major source of support. Brisbane house rents increased 6.6% over the year to June, while unit rents rose 5.8%. Regional Queensland's gross dwelling rental yield was approximately 4.1%, compared with around 3.3% in Brisbane. These yields, together with persistently low vacancy rates nationally, continue to underpin investor interest, particularly in regional centres and more affordable Brisbane unit markets.

Queensland also remains comparatively well positioned against the southern capitals. Brisbane values are still at record highs, regional Queensland continues to grow, and both markets retain stronger annual momentum than the national average. However, the transition from rapid growth to slower expansion is now clearly underway. Future performance is likely to depend increasingly on local affordability, property type and access to infrastructure and employment rather than the broad-based uplift that characterised 2025.

Overall, Queensland's housing market remains resilient but is entering a more mature phase of the cycle. Brisbane and regional Queensland should continue to benefit from tight supply and strong rental demand, but higher interest rates are likely to constrain the pace of capital growth. Relative to Sydney and Melbourne, Queensland remains better positioned, although buyers and investors are likely to become more selective as affordability pressures intensify and market conditions continue to normalise.

Government policy continues to support demand for new housing. The extension of first home buyer incentives, together with ongoing infrastructure investment and population growth across South East Queensland, continues to underpin demand for new estates. These factors remain particularly supportive in growth corridors such as Ripley Valley, Yarrabilba, Caboolture West, Logan, Moreton Bay and the northern Gold Coast, where significant residential development pipelines are aligned with major transport, education and employment investment.

For investors, the economics of new housing remain compelling in many locations. Although construction costs have compressed development margins compared with previous years, strong rental demand, historically low vacancy rates and depreciation benefits continue to support investment in well-selected house-and-land opportunities. As established dwelling values have moved above $1 million across much of Brisbane, new housing in emerging growth corridors continues to provide a relatively affordable entry point for both owner-occupiers and investors.

Looking ahead, the new build market is expected to remain more resilient than many segments of the established market, provided interest rates remain broadly stable. Australia continues to face a significant structural housing shortage, and while building approvals have recovered modestly, they remain well below the level required to meet the National Housing Accord target of 1.2 million new homes over five years. This ongoing imbalance between population growth and new housing supply is likely to provide continued support for quality house-and-land projects over the medium term, particularly in Queensland's high-growth corridors.

Queensland remains resilient, and rental fundamentals are supportive of continued investor participation. Relative to the southern capitals, Queensland still appears better positioned to absorb a slower national backdrop.

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