



Lending & Investment Solutions Made Easy

INVESTOR REPORT MARCH 2025

*“Outpace the ordinary with **APM CRED Investments** -
an **Alternative Income Solution**”*

QUARTER THREE



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Founder of APM | Director

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Unlocking **Alternative Income Solutions** with **Australian Private Mortgages**

Australian Private Mortgages is a leading boutique alternative investment manager and non-bank lender, specialising in commercial real estate private credit. APM provide sophisticated investors with tailored alternative income solutions by presenting high-quality investment opportunities through Commercial Real Estate Debt (CRED) investments.

Since 2018, APM has successfully funded over \$355 million in transaction settlements, all secured by first-ranking mortgages, maintaining a 100% capital return track record. Our proven approach focuses on delivering secure and consistent returns through comprehensive credit assessments, deep industry expertise, and strong lending relationships.

Based in Albert Park, Victoria, APM is committed to offering investment solutions that prioritise capital preservation while delivering attractive, stable risk-adjusted income. We continue to provide sophisticated investors in Commercial Real Estate Debt (CRED).

For more information, please click the link below for additional details about APM:

[Learn more about APM](#)

"Our primary goal is to provide our investors with reliable and consistent alternative income options through opportunities in Commercial Real Estate Debt (CRED)."

Anthony D'Alessandro
APM Founder & CEO

Latest Highlights

Key Highlights – March 2025 Quarter

This third quarter has been a pivotal period for the APM as we continue laying the operational foundations for the next phase of our growth. With ongoing economic uncertainty and market volatility, our focus remains on maintaining discipline, transparency, and investor trust—principles that underpin both our track record and our future direction.

Private Credit in Focus – Navigating Growth with Discipline

As we progress through 2025, volatility continues to shape global investment sentiment. Traditional diversification strategies—once reliant on the inverse correlation between equities and bonds—are proving less effective, driving a renewed search for asset classes that offer both protection and performance. In this environment, private credit is increasingly being recognised as a reliable source of income, capital stability, and portfolio defence.

This shift is being led by institutional and high-net-worth investors alike. Australia’s largest superannuation funds—AustralianSuper, Aware Super, and Cbus—have materially increased their private credit allocations, while global investment houses such as BlackRock have signalled strong commitments to the Australian market. These moves reflect growing recognition of the strength of Australia’s legal frameworks, governance standards, and underlying economic resilience in private credit space.

Fund Launch Update – APMCG Income Fund

As part of our broader strategic refinement and transition to an enhanced licensing and governance framework, we have rebranded our upcoming wholesale fund to the APMCG Income Fund (previously referred to as the APMI Mortgage Income Fund). This change reflects the alignment of fund management under Australian Private Mortgages Capital Group (APMCG), which we are proud to formally introduce as the Investment Manager of the Fund.

The APMCG Income Fund will be an open-ended, wholesale-only fund designed to deliver stable, risk-adjusted returns through quality, first mortgage-secured commercial real estate debt (CRED). In partnership with Boutique Capital, all legal documentation has now been finalised, and the Information Memorandum (IM) is in the final stages of preparation. Once released, the IM will provide eligible investors with a detailed overview of the Fund’s structure, governance, and investment strategy. The first investment is anticipated in June 2025, marking a significant step forward in our platform evolution.

This new fund structure does not represent a departure from our existing approach but rather an expansion of investor choice. APM will continue to offer two distinct investment pathways: direct peer-to-peer lending opportunities and participation in the APMCG Income Fund. This dual model allows investors to tailor their exposure based on liquidity preferences, diversification needs, and return objectives.

Our investment pipeline remains strong, with several high-quality transactions currently undergoing due diligence. These include construction and development loans supported by reputable sponsors and secured by first-ranking mortgages. Many of these opportunities are expected to be transitioned into the Fund post-launch, forming a solid foundation for its early deployment.

To further strengthen our governance framework, we are pleased to welcome Simon Grant as Non-Executive Director and Chairman of the APMCG Income Fund. Simon brings extensive experience in financial services, governance, and regulatory oversight—an invaluable asset as we prepare to scale.

Commitment to Governance and Investor Confidence

While the APMCG Income Fund is yet to launch, our lending platform has been active since 2018, with over \$355 million in mortgage-backed transactions completed and a 100% capital preservation record. Our evolution from a peer-to-peer model to a diversified platform reflects our long-term commitment to flexibility, investor access, and high-quality outcomes.

APM's CRED investment strategy has consistently delivered strong, risk-adjusted returns, supported by conservative lending practices and a focus on capital preservation. Over the 12 months to 31 March 2025, investors earned an average return of 9.15% p.a., outperforming traditional fixed income and the RBA cash rate by a significant margin. Over a three-year period, APM/Zagga investments returned 8.65% p.a., and over five years, the average return remained robust at 8.00% p.a.

This sustained performance highlights the resilience of APM's private credit portfolio through various market cycles and reinforces our commitment to delivering stable income outcomes for our investors.

We welcome the increasing scrutiny across the private credit sector, particularly from regulators and ratings agencies. Recent commentary from ASIC and SQM Research has placed greater emphasis on governance, liquidity, and transparency. At APMCG, these are not new themes—they are the cornerstones of how we operate. Our investment process is underpinned by:

- **Disciplined credit selection**, with conservative LVRs
- **Exclusive focus on first-ranking mortgage security**
- Robust governance, including independent oversight
- And soon, **enhanced reporting and investor access** via a new digital portal powered by **Registry Direct**.

We support the industry-wide push for a formal code of conduct, establishing best practices across valuation, pricing, liquidity, and disclosure. We believe such standards are essential to preserving investor trust and ensuring the sustainability of the asset class.

Looking Ahead

As global capital continues to flow into Australian private credit, APMCG is well-positioned to lead with clarity, prudence, and performance. With the launch of the APMCG Income Fund on the horizon and a healthy pipeline of secured investment opportunities, we remain focused on delivering value to our investors through disciplined underwriting, active management, and transparent communication. The next quarter will also see the launch of our new corporate website, offering a refreshed brand experience and greater accessibility to fund information, performance data, and updates.

As always, we thank our investors for their continued support and trust as we navigate this exciting new chapter in APM Group's journey.

Investment Return Comparison

Period ending 31 March 2025

	1 Year (p.a.)	3 Years (p.a.)	5 Years (p.a.)
APM/Zagga CRED Investments	9.15%	8.65%	8.00%
S&P/ASX 200 Australian Equities Index	-0.68%	1.51%	9.09%
S&P/ASX 200 Australian Equities Index (total return including dividends)	2.63%	5.38%	12.99%
S&P/ASX Australian Fixed Interest	3.05%	1.44%	-0.84%
RBA Cash Rate	4.46%	3.56%	2.15%

Please find attached the [General Market Outlook](#) for your reference.

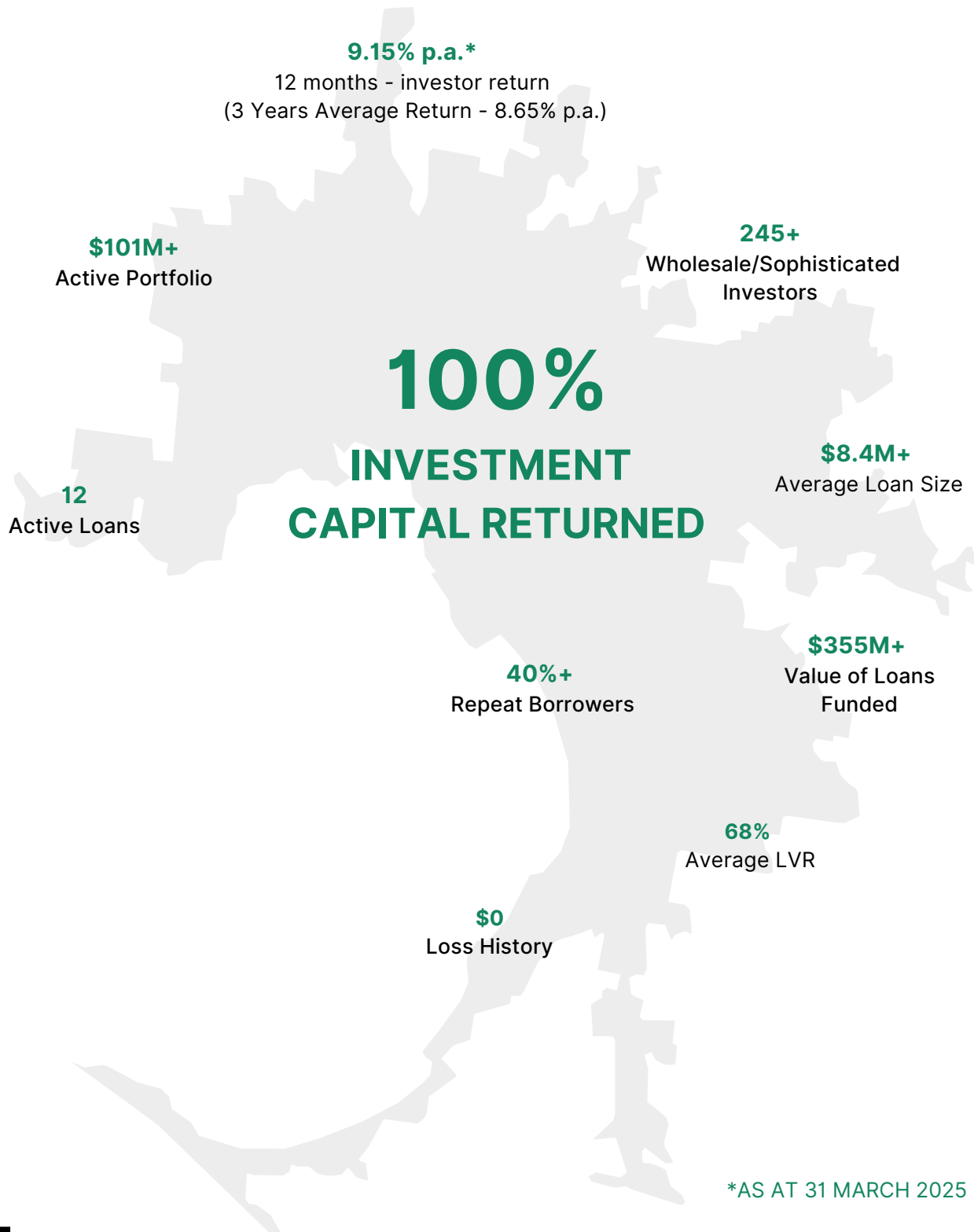
Disclaimer:

Past performance is not a reliable indicator of future performance, and investments are subject to investment risk, fees and costs. Returns are not guaranteed.

*“Outpace the ordinary with **APM CRED Investments - an Alternative Income Solution**”*



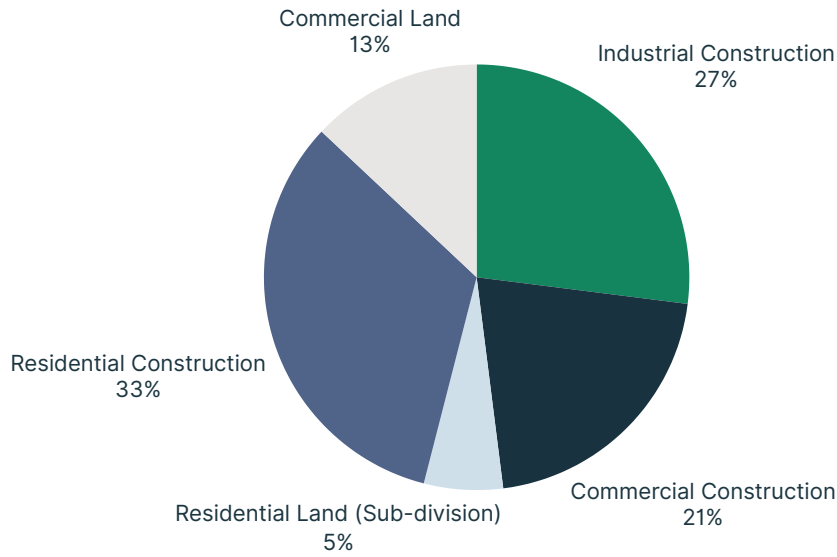
Quarterly APM Stats and Facts



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CRED Investments based on Security Category

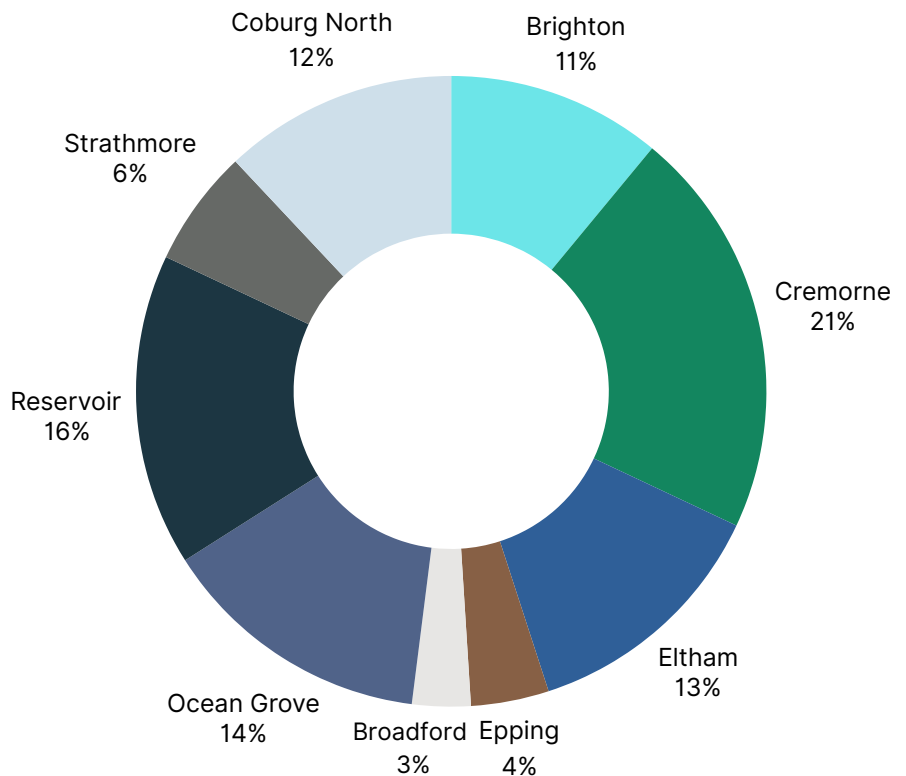


Geographic Location

Victoria*

- Brighton - \$11.20M
- Broadford - \$3.30M
- Coburg North - \$11.64M
- Cremorne - \$20.99M
- Eltham - \$13.20M
- Epping - \$4.32M
- Ocean Grove - \$14.64M
- Reservoir - \$15.82M
- Strathmore - \$5.89M

Total Active Loans: \$101M



*All loans within the Active Portfolio over the period from January 2025 to March 2025.

Quarterly APM Stats and Facts

	JANUARY 2025	FEBRUARY 2025	MARCH 2025
Active Loans (Opening Balance)	\$105,292,500	\$105,292,500	\$103,491,500
New Loan Settled	-	-	-
Loan Discharged	-	\$1,801,000	\$2,674,000
Total FUNDS UNDER MANAGEMENT (FUM)	\$105,292,500	\$103,491,500	\$100,988,500

Quarterly Stats & Insights (Q3 FY24/25)

The third quarter of FY24/25 reflects APM's continued transition towards the launch of the APMCG Income Fund while maintaining prudent capital management and preparing for a refreshed investment platform. The quarter saw a measured reduction in Funds Under Management (FUM) due to scheduled loan discharges, with no new loans settled as we prioritise finalising our licensing and governance framework.

Key Figures

- Opening FUM (January 2025): **\$105.29M**
- FUM (Closing March 2025): **\$100.99M**
- Total Loans Discharged this Quarter: **\$4.47M**

Observations

- The reduction in FUM was entirely due to scheduled loan repayments, with **no loss of capital, maintaining our 100% capital preservation record.**
- This aligns with our strategic decision to temporarily pause new loan settlements as we prepare for a new fund structure and investor portal integration.
- **Investor confidence remains strong, supported by clear communication and robust pipeline development for Q4 FY24/25.**
- The team is focused on sourcing quality mortgage opportunities that meet the APM's standards and align with the upcoming APMCG Income Fund, in coordination with our new trustee and administrator, Boutique Capital.

Anthony D'Alessandro
 Founder / CEO
 Head of Treasury/ Credit



Market Updates

In the current construction landscape, we continue to receive valuable feedback from our alliance partners, noting the ongoing dynamics within both the residential and commercial sectors. The consistent pipeline of work remains a positive indicator, even as specific challenges persist within the industry.

Residential Sector

Current Trends:

1. **Specialist Disability Accommodation (SDA):** There is a noticeable uptick in funding inquiries related to SDA, driven by increasing support from the National Disability Insurance Scheme (NDIS) and heightened demand for accessible living options. This segment is expected to maintain robust interest as funding mechanisms evolve.
2. **Rooming Houses (1B):** These projects present an affordable housing solution, particularly appealing to students, shift workers, and short-stay individuals. The demand for 1B rooming houses in suburban and outer city areas continues to grow, enhancing their attractiveness as high-yield investment opportunities.
3. **Co-Living Developments:** Co-living has emerged as a modern response to housing shortages, gaining traction particularly among younger professionals and essential workers seeking flexible and community-oriented living arrangements.

Commercial/Industrial Sector

Current Dynamics:

- **Land Values and Demand:** Despite inflationary pressures creating concerns in the investment market, recent transactions indicate that land values remain on the rise. There is a persistent shortage of well-located industrial zoned land, especially in key regions such as the east, southeast, and inner western precincts. This scarcity may lead to increased competition and potential upside for well-positioned developments.
- **Construction Costs:** While construction cost growth has begun to moderate, achieving cost certainty is critical for stimulating supply. A more stable pricing environment will foster confidence among developers and financiers alike.

Key Considerations Moving Forward

As we navigate these evolving market conditions, we will remain vigilant in identifying and accepting new funding opportunities across both residential and commercial segments. Throughout this process, we will rigorously adhere to our credit principles, placing a strong emphasis on assessing the creditworthiness of sponsors and the viability of security property locations.

The construction landscape is indeed dynamic, influenced by various factors including demand trends, pricing stability, and labor availability. By staying attuned to these developments and maintaining our commitment to sound underwriting practices, we aim to position ourselves favourably for future opportunities in this market.

Lino Pelaccia
*Executive Director & Business
Development at APM*



Market Updates

The end of 2024 was marked by a notable lack of confidence across most construction and property sectors—industrial being the clear exception. However, that sentiment has shifted significantly in early 2025, with confidence returning across the board.

A slight reduction in interest rates, coupled with stamp duty concessions, has reinvigorated the residential market. The slowdown in development opportunities during the latter part of 2024 has led to heightened demand for sub-contractor engagement. This, in turn, has created a highly competitive construction environment. Projects—particularly those focused on residential or mixed-use developments—have transitioned from limited builder pricing and trade options to a competitive marketplace driven by strong project pipelines.

Mavenstone has seen strong traction in the high-end downsizer market, as well as investor and owner-occupier townhouse developments, with very successful sales campaigns. Conversely, office assets remain a concern. With many developments not yet secured through leasing or sales, there's a notable gap in project completion and the financial viability required—setting this asset class apart from residential and industrial, which continue to perform well.

The high-performing asset classes of 2024 remain strong in 2025 and are expected to continue through 2026. The industrial sector, in particular, has seen substantial growth, with over \$60M in construction and management for 2025. Similar segments like Large Format Retail (LFR), Quick Service Retail (QSR), and Self-Storage are also emerging as top performers—especially for sites that are otherwise less desirable.

Looking ahead to the latter half of 2025, we anticipate continued improvement in the apartment sector across VIC, driven by stabilizing interest rates and increased market competition. The industrial and micro-industrial markets will also continue their upward trajectory, supported by a wave of new permits issued from 2024 applications. Additionally, opportunities in LFR, QSR, and Self-Storage will likely remain strong.

Michael Savoia
Project Manager at Mavenstone
APM External Consultant



Active Investments

As of March 2025, the APM portfolio includes **12 high-quality loans** in land banking, construction finance, residual stock, and investment. These loans were selected to align with our strategic vision and offer high-yielding CRED opportunities.



✓ DELU Pty Ltd (STRATHMORE) 3600059

- Construction facility to assist with the development of 5 residential townhouses situated at 110 Lebanon Street, STRATHMORE VIC.
- The Development is completed with Certificate of Occupancy received and the Plan of Subdivision pending.
- A sales campaign is scheduled to launch in May 2025.
- Loan expected to be repaid in Q4 FY24/25, subject to the planned sales timeline.

✓ Kokodaeng Pty Ltd (RESERVOIR) 3600048

- Construction facility to assist with the development of 9 residential townhouses situated at 8-10 Thackeray Rd, RESERVOIR VIC
- **7 pre-sales have been secured, representing FULL debt cover.**
- Development is complete, with final council compliance received. The project is ready for submission of the plan of subdivision and is currently awaiting the Certificate of Occupancy.
- Settlement and repayment are anticipated in mid-June 2025.



✓ 11 Wilton Rd Ocean Grove Pty Ltd (OCEAN GROVE) 3000107

- 9-lot subdivision 100% completed.
- **Sold 7 lots and broker is assisting the purchasers in finalising their financing**
- Anticipated to be loan to be discharged by the end of May 2025.





**Salco Investments Pty Ltd
(ELTHAM) 5000153**

- Loan facility to assist with purchase of industrial property for future commercial development located at 25-31 Brisbane Street, Eltham, VIC.
- Planning Permit: Successfully obtained.
- **Construction Loan Facility: APM to provide a new construction facility in Q4 FY24/25, strong repeated borrower.**



**Northpoint Pty Ltd
(EPPING) 5000163**

- Construction facility to support the purchase of industrial vacant land and the development of two office/warehouses at 69 Trafalgar Rd, Epping.
- Construction is fully completed.
- The Plan of Subdivision (POS) registered, and the two new titles officially issued in February 2025.
- **Lot 1 has been successfully sold for \$3,225,000 + GST**
- Borrower has confirmed their intention to exercise the early repayment option by June 2025



**3 Wolseley Grove, BRIGHTON
3400040**

- Borrower has exercised the 2-month loan extension until 06 May 2025.
- Loan to be refinanced via the new APM Platform on 15 June 2025.
- Investor will have the option to participate in the new platform or redeem their investment.
- Borrower plans to reduce the existing debt by \$4M as part of the refinance.
- Interest from May to June 2025 will be capitalised by APM.
- Construction works are now completed with landscaping currently underway, further updates to be provided



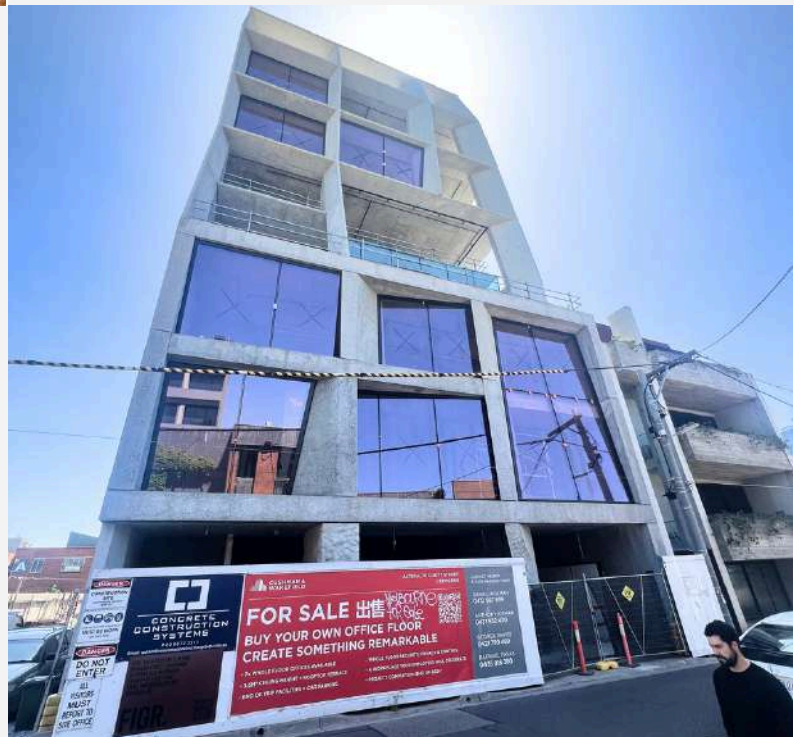
✓ **Broadford 45 Pty Ltd
(BROADFORD) 4200058**

- Equity release to complete six residential homes.
- Loan Maturity: Scheduled for July 2025.



✓ **Broadford 45 Pty Ltd
(BROADFORD) 3000117**

- Funding provided to assist with property purchase in Kilmore for future development
- Loan Maturity: Scheduled for July 2025.



✓ **Cubitt Street Pty Ltd
(CREMORNE) 5000143**

- Construction of a 7-level boutique office building at 70-72 Cubitt Street, Cremorne, VIC.
- Construction is 82% complete.
- APM/Zagga is awaiting updated Quantity Surveyor and Project Management reports to validate the Cost to Complete.
- Once the reports are available, a further investor update will be provided - expected in early May 2025.
- Enforcement proceedings for 84 Cubitt Street, Cremorne (additional security) are scheduled to commence in May 2025.
- Recovery fund proceeds from enforcement sale may be used as a partial capital return to investors along with interest coverage - TBA



**67 Dare St Ocean Grove Pty Ltd
(OCEAN GROVE) 5000154**

- Loan Facility to assist with the development of 4 Luxury Townhouse Residential
- **Update:** Due to delays in the construction program, the borrowers are seeking alternative financing to refinance the loan facility.
- **Next Steps:** Further details will be provided in May 2025.



**Roto Electrical Pty Ltd
(RESERVOIR) 5600118**

- Industrial development comprising 32 storage units, offices, warehouses, and showrooms at 3/3A Newlands Rd, Reservoir, VIC
- **As of March 2025, 12 pre-sales have been secured, totalling \$3,960,000 (net of GST).**
- **Estimated project completion in May 2025.**
- Development is on track and within costs.
- Loan Maturity: Scheduled for August 2025.



**Namdat Pty Ltd
(COBURG NORTH) 5600121**

- Industrial development of 18 high-quality office warehouses at 50 Bakers Road, Coburg North, VIC.
- Construction costs to date represent 70% of the contract sum, with works progressing toward completion.
- **As of March 2025, two office/warehouses have been sold, totalling \$3,075,000 (net of GST).**
- Loan Maturity: Scheduled for December 2025.
- Development is on track and within costs.



Explore Live Investment Opportunities

Our current pipeline includes carefully assessed, first mortgage-backed loans offering attractive, risk-adjusted returns. Invest directly or prepare to participate via the upcoming APMCG Income Fund.

✓ Roto Electrical Pty Ltd (RESERVOIR) 5600118 - Tranche 5

- **Purpose:** Refinancing and construction of 32 storage units, warehouses, and showrooms.
- **Loan-to-Value Ratio (LVR):** 73% based on "As If Complete" value.
- **Investor Return:** 9.80% p.a., with interest paid in advance.
- **Progress:** Construction costs to date represent 81% of the contract sum.
- **Pre-Sales:** As of March 2025, 12 pre-sales have been secured, totalling \$3,960,000 (net of GST).
- **Funding Date:** April 2025.



✓ Namdat Pty Ltd (COBURG NORTH) 5600121 - Tranche 5

- **Project:** Industrial development of 18 high-quality office warehouses.
- **Loan-to-Value Ratio (LVR):** 44% based on "As If Complete" value.
- **Investor Return:** 9.00% p.a., with interest paid in advance.
- **Progress:** Construction costs to date represent 70% of the contract sum.
- **Pre-Sales:** Two office/warehouses sold, totalling \$3,075,000 (net of GST)
- **Funding Date:** April 2025.

Recent Loan Repayment

Each successful loan repayment reinforces APMCG's disciplined approach to credit selection, risk management, and capital preservation. The following projects highlight secured investments that were delivered on time, within budget, and fully repaid, demonstrating the strength of our underwriting process.

✓ Lukand Pty Ltd (ELSTERNWICK) 5600117

- First Mortgage Development Loan for three luxurious townhouses at 239 Kooyong Rd, Elsternwick, VIC.
- Construction was progressing well and within cost parameters.
- Project contributes to the delivery of high-quality housing in Elsternwick
- **Loan Fully Repaid on 12 February 2025**



✓ 25 Launceston Pty Ltd (WILLIAMSTOWN NORTH) 5000149

- Construction of an industrial warehouse located at 25 Launceston St, Williamstown North
- Project completed 100% on time and within budget
- **Loan fully repaid on 6 March 2025**
- Reinforces APM's strong track record in project oversight and capital protection
- **Example of a successful peer-to-peer opportunity transitioning to full repayment**

APM Team

The APM team is committed to a common goal: helping you achieve your lending and investing objectives. We take the necessary time and effort to understand your unique requirements and aspirations, and create a customised plan that holds us accountable to implement your strategies for success.



ANTHONY D'ALESSANDRO

CEO & Founder
Head of Treasury / Credit



LINO PELACCIA

Executive Director
& Business Development



SELENA KHOO

Head of Investor Relations &
Compliance/Audit



CHRISTOPHER DÉSIÉ

Treasury Funding &
Investor Relations



ROSS PALMINGTON

Mortgage Administration
Manager



NATALIA D'ALESSANDRO

Head of Marketing



MICHAEL SAVOIA

Project Manager at
Mavenstone
APM External Consultant



Proposed Commercial Development: The Mesh Industry Park - Salco Investments Pty Ltd (ELTHAM)
Investment Opportunity to be Available in June/July 2025

Contact us

Feel free to reach out to our APM team for further details or assistance. We are here to support you and provide guidance whenever you need it.



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