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Betashares Private Capital
Cliffwater Private Credit Fund

Quarterly Report Q2 2026

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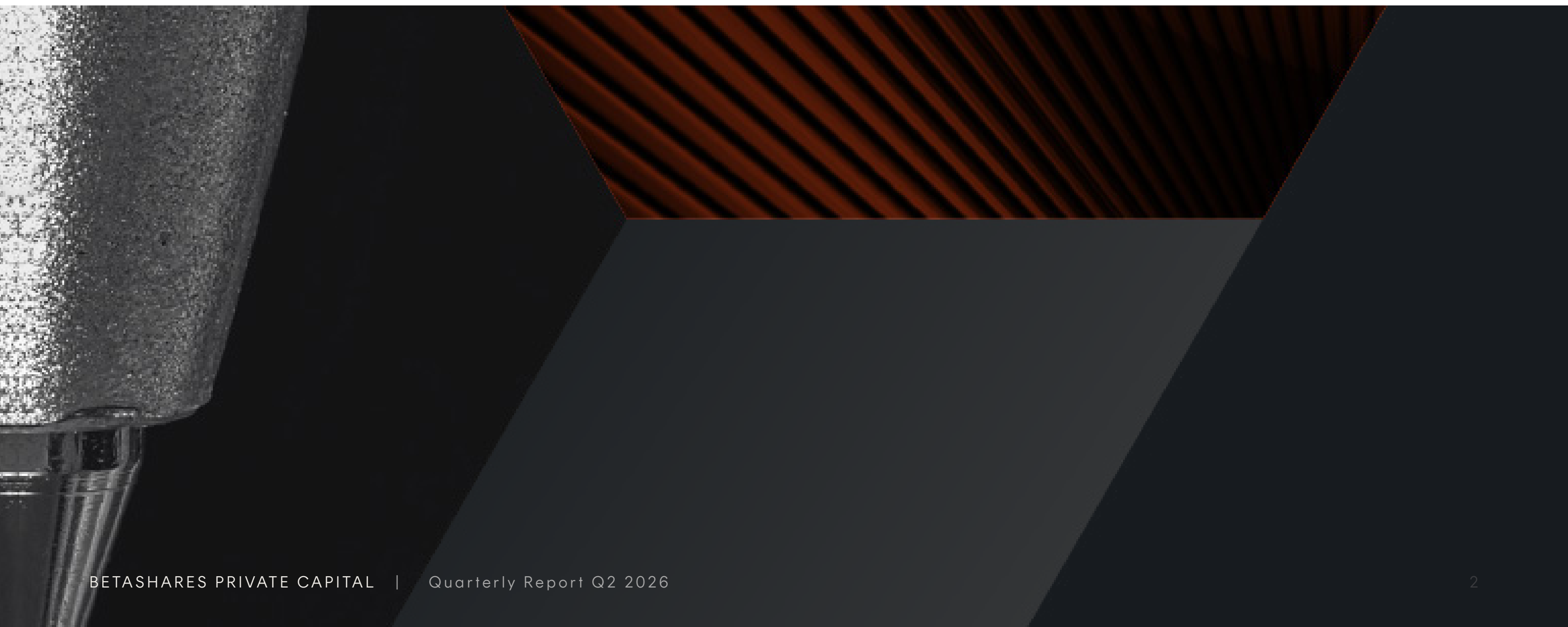
Market commentary and outlook

- Despite ongoing headlines surrounding private credit redemptions, the underlying fundamentals of the asset class remained resilient throughout the second quarter.
- Institutional investors continued allocating capital to direct lending, with the quarter recording the second-highest quarterly inflows in the past four years, highlighting continued confidence from long-term investors despite softer retail sentiment.[1]
- Market conditions also showed signs of improving over the quarter and lender sentiment strengthened materially. A recent survey[2] reported 56% of respondents (compared to 37% of respondents last quarter) were optimistic toward the U.S. economy. Additionally, expectations for increased middle market M&A lending activity rose, supporting a constructive outlook for new lending opportunities.
- Direct lending continued to offer an attractive premium over broadly syndicated loans, with spreads on leveraged buyout transactions widening further during the quarter. This pricing advantage, combined with continued demand from institutional borrowers, reinforces the attractive income opportunity available within private credit.
- While first quarter CDLI data reflected higher unrealised markdowns, primarily within software businesses, realised credit losses remained well below long-term averages. Importantly, unrealised losses represent valuation adjustments rather than actual defaults and have historically only partially translated into realised losses.
- Against this backdrop, Cliffwater as the manager of the Fund, has remained consistent in its investment approach, maintaining a focus on senior secured lending, conservative leverage and disciplined credit selection. This emphasis on downside protection positions the portfolio well to navigate changing market conditions while continuing to capture attractive risk-adjusted income opportunities.

[1] Financial Times, "Big investors commit billions to private credit despite turmoil," July 6, 2026
[2] LSEG LPC's Middle Market Connect 3Q26 Lender Outlook Survey



Key Fund Facts

(as at 30 June 2026, unless otherwise noted):

BPC Cliffwater Private Credit Fund Annualised Distribution Rate:
9.00% (annualised based on June 2026 distribution)

BPC Cliffwater Private Credit Fund Net Return:
0.47% for the month of June

Underlying Fund Average Yield-to-Maturity*:
9.4% p.a.**

Underlying Fund Portfolio:
US$30.4B across 4000+ credits^

Underlying Fund Average LTV:
40%

Underlying Fund Average Borrower EBITDA:
US$109M

Underlying Fund First Lien:
96.0%

Past performance is not indicative of future performance.
*The weighted average yield-to-maturity of the Underlying Fund's direct loan portfolio as of the specified date. The yield-to-maturity for a loan is the annualised total expected rate of return (based on interest payments and any capital gains or losses) if the loan is held to maturity and the borrower does not default.
**Yield will vary and may be lower at time of investment.
^Direct and underlying credits

Fund Performance Table (%)

	J	F	M	A	M	J	J	A	S	O	N	D	Net annual return
2026	0.34	0.23	0.19	0.76	0.44	0.47	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	0.56	0.45	0.76	0.54	-

Fund Total Net Returns (%)

1 month	0.47%
3 months	1.68%
6 months	2.45%
1 year	-
Inception	4.79%

Past performance is not indicative of future performance. Inception date for the Fund is 27 August 2025. Returns for the Fund are calculated in Australian dollars using net asset value per unit at the start and end of the specified period. Returns are after fund management costs, assume reinvestment of any distributions and do not take into account tax paid as an investor in the Fund. Current performance may be higher or lower than the performance shown.

Quarterly portfolio update Q2 2026

- The Underlying Fund continued to demonstrate its defensive investment approach throughout the quarter, maintaining approximately 96% of the portfolio in first lien senior secured loans, with 98% of investments backed by private equity sponsors. Loans originated during each month of the quarter were entirely senior secured, with average loan-to-value ratios remaining between 38% and 41%.
- Portfolio leverage remained conservative throughout the quarter, ranging between 0.26x and 0.30x, materially below broader private credit market averages. This conservative balance sheet positioning continues to provide flexibility while supporting downside protection.
- Cliffwater maintained a disciplined underwriting process, declining opportunities primarily due to credit quality considerations while continuing to originate only senior secured loans. The increasing presence of covenant protections within the pipeline further reflects the manager's emphasis on capital preservation and disciplined risk selection.
- Deal activity remained healthy across the quarter, with financing initially spread across multiple transaction types before shifting toward add-on financings in May and leveraged buyouts in June. Despite selective underwriting, the Fund continued to deploy capital into attractive opportunities while maintaining broad diversification across more than 4,000 underlying loans.

For more information on the Underlying Fund, please visit https://www.cliffwaterfunds.com/cclfx

Betashares Private Capital

Betashares Private Capital is a dedicated division of Betashares focused on delivering institutional grade private market investment solutions to wholesale investors, Australian financial advisers and their clients.

Betashares Private Capital offers simple access to professionally managed, high-quality private investments, through partnerships with leading global managers.

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Past performance is not indicative of future performance. Any information provided is not a recommendation or offer to make any investment or to adopt any particular investment strategy.

The Fund is available to wholesale investors, and other investors with a financial adviser using an investment platform. It may suit investors who are seeking income and capital preservation from an allocation to private credit, and who have a medium risk and return profile for that portion of their investment portfolio. Investors must be comfortable with the risks associated with private credit, including exposure to an asset class that is inherently illiquid and limited ability for investors to withdraw their investment. A minimum investment timeframe of 5 years is suggested.

There are risks associated with an investment in the Fund, including liquidity risk, interest rate risk, leverage risk and credit risk. Investment value can go up and down. An investment in the Fund should only be considered as a part of a broader portfolio, taking into account your particular circumstances, including your tolerance for risk. For more information on risks and other features of the Fund, please see the PDS and TMD, both available at www.betashares.com.au.