remara.

Private Credit Income Fund
March Update

Fund overview

Fund Objective

Fund strategy targets a return of 4.00% (net of fees)+ above the RBA cash rate. The Fund may suit investors seeking a higher yield return with a low to moderate risk tolerance.

Fund Withdrawal Windows

The next fund withdrawal window will be closing at 5pm AEDT on 31 May 2024, with redemptions payments made 15 July 2024. The fund currently holds 26% of its asset base in cash or short dated credit contracts. Redemption requests can be made via our investor portal or via the online form located at www.remara.com

Applications

Online application portal at www.remara.com/funds/private-credit-fund/

VERY STRONG COMPLEX Foresight Analytics

Favourable SQM RESEARCH

Fund Strategy

Remara has established direct lending platforms within the SME and Real Estate finance sectors. Remara uses its vertical integration model to generate credit assets for the Fund & other institutional investors. The Fund invests into a series of securitised warehouses and direct loans originated and serviced via Remara portfolio companies. Through our direct ownership, Remara has the ability to actively manage and control the generation of credit assets and respond to macro and micro changes quickly.

Remara via its equity investments into its portfolio companies invests a minimum of 5% into the first loss of each and every loan generated across the platform, Remara believes this creates superior alignment with investors as our money is at risk ahead of Fund investors.

Fund Update

The Fund is currently invested across 7 major asset classes, with strong diversification across contract type, geography and obligors. During the month, the Fund disposed of a number of assets, reinvesting the proceeds in early March into new ABS positions. The Fund focuses on Prime commercial borrowers. We have seen a continuation of the strength of these borrowers with arrears across the underlying portfolio + 30 days arrears of 0.26% and underlying net losses maintaining at 0.12% annualised.

Fund details

Particulars			
Distributions	Monthly	Benchmark	RBA/BBSW1m + 4.00%
Applications	Monthly	Buy/Sell Spread	N/A
Withdrawals	Quarterly	Distribution Reinvestment	Yes
Next Redemption Window	30 June 2024	APIR Code	MSC8502AU
Pricing & Reporting	Monthly	ASRN	669 647 643
Inception Date	1 August 2022	Management Fees	0.50%

Performance overview*

Period	Total Return	RBA / BBSW1m	Active Gain
1 Month	1.00%	0.36%	0.64%
3 Month	3.27%	1.09%	2.18%
6 Month	6.59%	2.14%	4.45%
12 Month	12.44%	4.10%	8.34%
Since Inception (Annualised)	11.76%	3.60%	8.16%

+ Target returns are not guaranteed.
* Past performance is not an indicator of future performance.

Signatory of: PRI Principles for Responsible Investment

Market overview

Market Update

February 2024 saw a notable performance in the global financial markets. Equity markets experienced significant gains, with the S&P 500 Index surpassing 5000 and Nvidia achieving a record single-day market capitalisation gain.

The month concluded with a 5.3% gain for the S&P 500, contributing to a year-to-date return of 7.1%. Emerging markets also saw a robust performance, aided by policy support from China, including a surprise cut to its 5 year loan prime rate. This policy move helped the MSCI China Index add 8.4% in February. However, the MSCI EAFE Index, representing developed markets outside North America, lagged with a 1.8% increase, reflecting the economic challenges in Europe. Japanese equities reached a 30-year high, further underscoring the global equity market's strength during the month.

The global economic landscape exhibited resilience, with strong economic data and corporate earnings driving gains in equity markets. This resilience was despite pressure on fixed-income markets, where the Bloomberg Global Aggregate index lost 1.3% over February. Emerging markets were among the top performers, largely thanks to a rebound in China. Developed markets also saw notable activity, with Japan's Nikkei 225 Index hitting an all-time high for the first time in over 30 years, although UK stocks lagged.

There was no rush to cut interest rates in terms of monetary policy, with several Federal Open Market Committee (FOMC) members reiterating the 'higher for longer' stance. This moderation in rate cut expectations impacted the markets, with significant moves in bond yields and adjustments in the equity sectors. The month also saw the introduction of fiscal measures, such as the EU's €50 billion package for Ukraine, signalling ongoing geopolitical and economic considerations.

Commodity markets, however, faced challenges, with the Bloomberg Commodity Index falling 1.5% in February. Despite a slight increase in spot WTI crude oil prices, declines in other energy and agricultural commodities weighed on overall commodity market performance. This decline reflects broader global market trends, including supply dynamics and varying demand levels across regions.

Overall, February 2024 was marked by robust equity market performance, economic resilience, and policy interventions to support growth and address sector-specific challenges. These dynamics underscore the complexity of the global financial landscape and the interplay between economic indicators, policy measures, and market performance.

The Reserve Bank of Australia (RBA) meeting minutes for February 5-6, 2024, indicated that inflation in Australia had moderated more than expected in the December QTR of 2023. Core goods price inflation declined faster than anticipated, which, alongside services price inflation, though still high, showed signs of a slow decline. This adjustment prompted thought of the potential further decline in goods price inflation and its implications for overall inflation, especially with various subsidies set to expire.

Economic growth in Aust. slowed due to high inflation, increased taxes, and tighter monetary policy through 2023. Despite weak household spending, strong growth in business investment and public demand partially offset these effects. The labour market remained tight but showed signs of easing, with unemployment and underemployment rates increasing slightly from mid 2023, although starting from low levels.

Wages growth remained robust, albeit with signs of slowing in specific labour market segments. Talk also touched on the impact of weak productivity outcomes on labour costs and the potential for artificial intelligence to support productivity growth in the future.

The RBA noted progress towards its objectives regarding monetary policy considerations but acknowledged that more was required amid ongoing uncertainties. While inflation was expected to return to the target range by 2025, the path there appeared uncertain, particularly regarding services inflation and its responsiveness to monetary policy.

The 10-year Aust Government bond sold off through February, opening at 4.0% and closing at 4.14%.

The Remara Private Credit Fund provides a resilient return to investors through the market cycle through significant diversification of credit instruments & industry exposure. The Fund's underlying obligor profile is a Prime borrower, meaning credit quality is strong and should be resilient in the face of market or liquidity shocks. The nature of the contracts is either floating or shorter-dated, allowing our Fund to capture any rate increases and ensure investors are compensated for rate changes as and when they occur. The Fund is currently achieving an annualised yield of 12.44% (post fees) against a benchmark of 8.3% (BBSW1m 4.3% + Active Gain of 4.0%).

2024 Monthly performance*

Month	Total Return	RBA Cash Rate	Active Gain
January	1.14%	0.36%	0.78%
February	1.00%	0.36%	0.64%

* Past performance is not an indicator of future performance.

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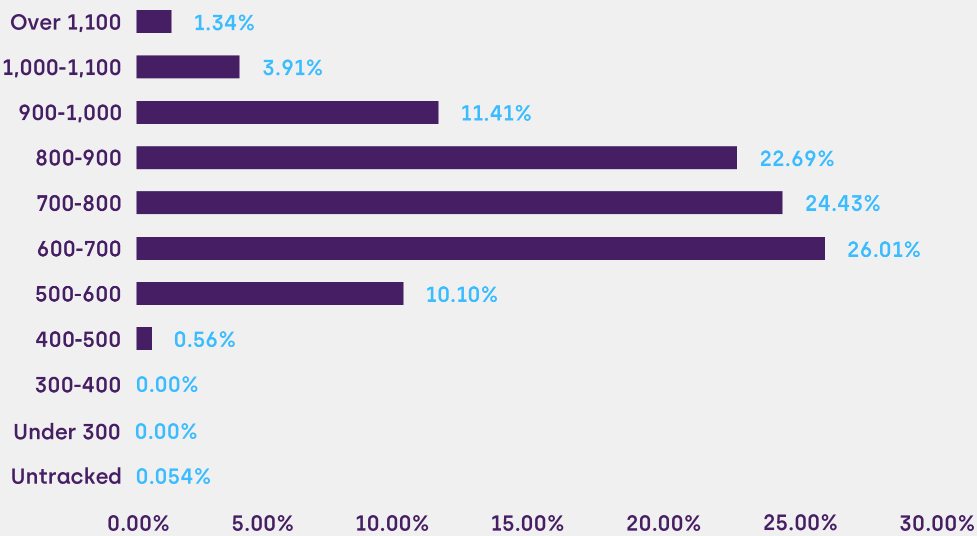
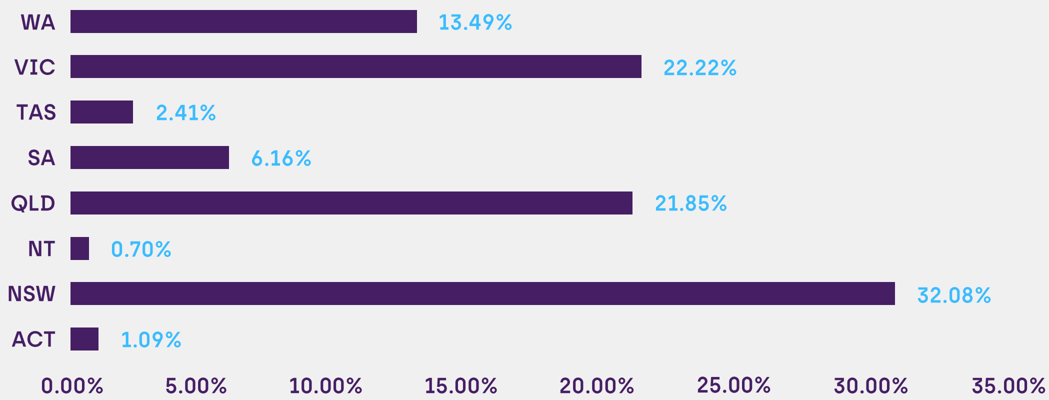
Credit Score[1]



Geographic Distribution[1]

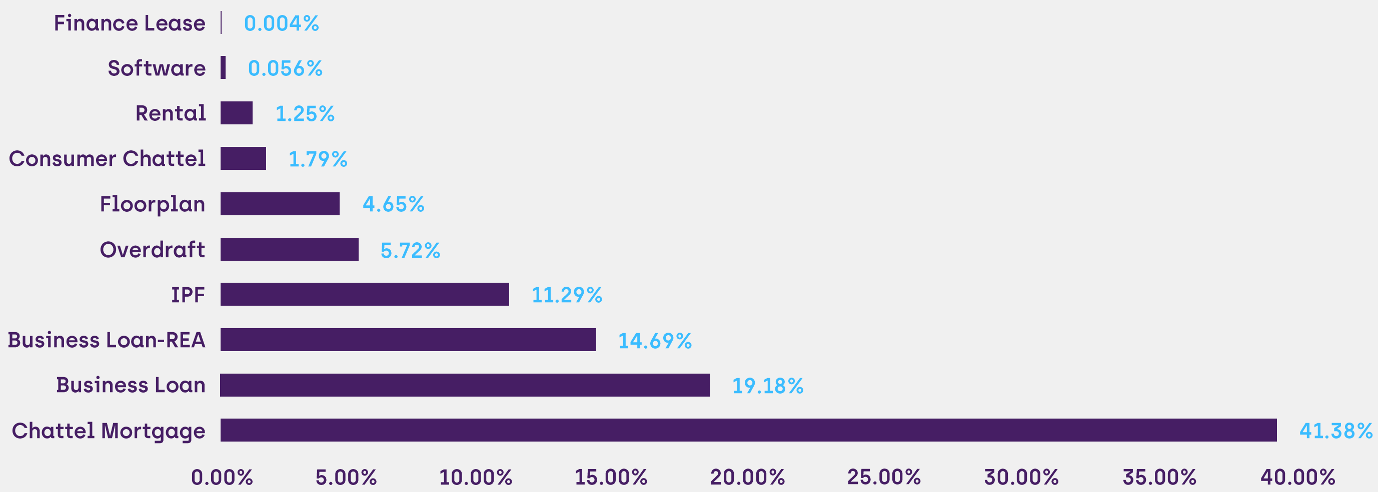


Fund Statistics*

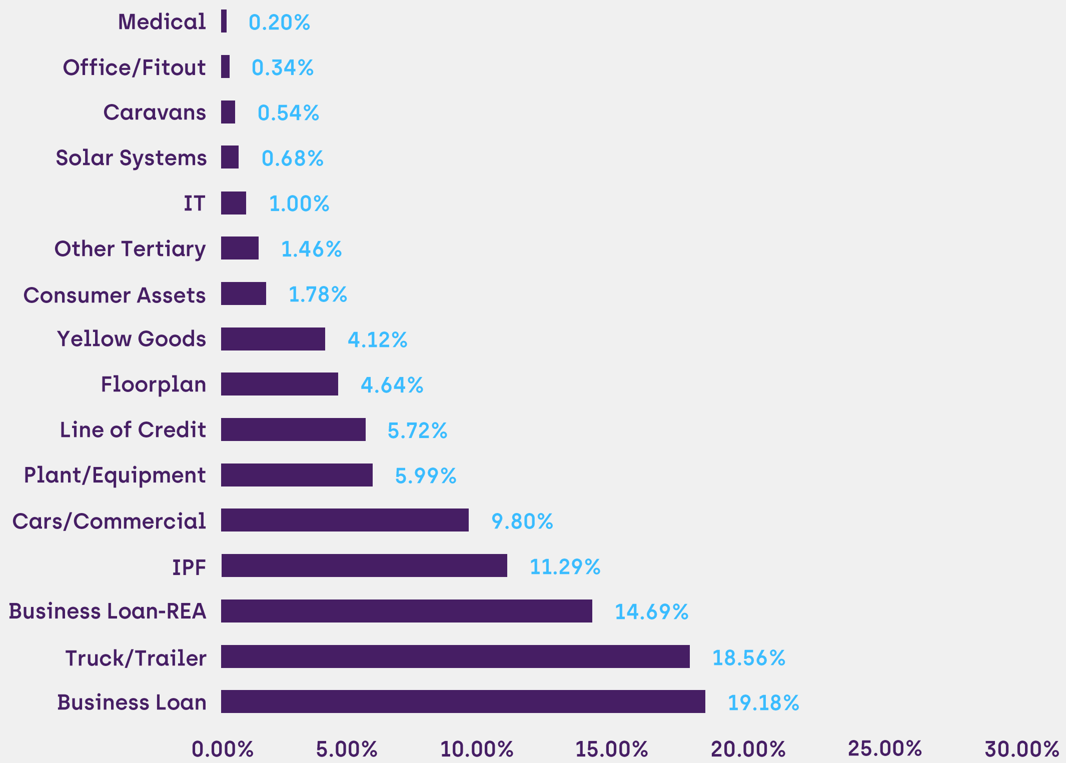
Metrics	
Running Yield (Annualised)	12.44% p.a.
Volatility# [Calculated since inception of the fund on monthly returns]	0.15%
Credit Duration	14 months
Look Through Obligor Exposures	6,585
Average position exposure	52,988

* Past performance is not an indicator of future performance.
[1] Source: Remara Private Credit Income Fund – Portfolio Statistics as at 31 January 2024.

Contract Type[1]



Collateral Type[1]



[1] Source: Remara Private Credit Income Fund – Portfolio Statistics as at 31 January 2024.

Disclaimer

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A Target Market Determination ("TMD") has been prepared which describes the type of customers who the Fund is likely to be appropriate for. The TMD is available at www.remara.com.au.

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