

remara.

Private Credit Income Fund

August Update [2024]



Fund Objective

Fund strategy targets a return of 6.00% (net of fees)* over BBSW1M. The Fund may suit investors seeking the potential for a higher yield return.

Fund Withdrawal Windows

Applications for the September withdrawal window have now closed. Payments are scheduled to be made on or around 15 October 2024. Applications for the December redemption window will close 15 November 2024 at 5pm AEST. At 31 August, the fund held 39.06% 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/



Fund Strategy

Remara has established direct lending platforms within the SME and Real Estate finance sectors. Remara uses its vertical integrated 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 holds 6 notes across 4 securitisation warehouses, providing exposure across 6 major asset classes, with strong diversification across contract type, geography and obligors.

The Fund increased its exposure to IPF receivables during the month, driven by the seasonal nature of the Financial Year end insurance period; this has increased the Fund's exposure to Investment Grade assets while increasing the exposure to shorter-dated credit exposures. The Manager believes this will provide an improved risk/reward opportunity for Fund investors for the short term.

Further, a mortgage-backed securities portfolio matured during the month, with proceeds reinvested into new ABS securities. This provides the benefit of further granularity of the obligor exposure levels for Fund investors.

The Fund continues to focus on Prime commercial borrowers; we have seen a continuation of the strength of these borrowers, with 30+ days arrears across the underlying Fund portfolio of 0.52% for the month.

Platform Arrears**

For the month ending 31 August 2024, we observed a 0.17% increase in 30+ days arrears across the platform, bringing the total platform arrears to 0.59%.

This increase is within the normal operating expectations on a prime and secured credit portfolio with +19k underlying contracts.

When looking at the fund specifically, the 30+ days arrears are weighted according to the fund's specific exposures. As a result, the fund's 30+ days arrears increased by 0.12%, reaching 0.52%, which reflects a difference from the platform-wide arrears due to the fund's distinct investment profile.

+ Target returns are not guaranteed.

**Source: Remara Private Credit Income Fund – Portfolio Statistics as at 31 August 2024.

Signatory of:



Fund Details

Particulars			
Distributions	Monthly	Benchmark	BBSW1M + 6.00%
Applications	Daily	Buy/Sell Spread	N/A
Withdrawals	Quarterly	Distribution Reinvestment	Yes
Next Redemption Window	31 Dec 2024	APIR Code	MSC8502AU
Pricing & Reporting	Monthly	ASRN	669 647 643
Inception Date	August 2022	Management Fees	0.50% p.a.

Service Providers

Entities	
Responsible Entity & Trustee	Melbourne Securities Corporation Limited (ACN 160 326 545, AFSL 428 289)
Custodian	Perpetual Corporate Trust Limited
Auditor	Ernst & Young
Administrator	AMAL Trustees Pty Ltd

Market Overview

In August 2024, the Australian economy continued to navigate a complex environment, with inflation showing signs of easing but remaining above the RBA's 2-3% target. The RBA held the cash rate steady at 4.35%, maintaining a cautious approach due to persistent inflationary pressures, especially in the public sector and services. Australian bond yields also fell during the month, with the Bloomberg AusBond Treasury 10+ Year Index falling approximately 16bps to 4.19%. The ASX 200 reached its year-end target of 8,100pts early in the month but sharply declined mid-month before recovering towards the end, closing at 8,091. Early company profit reports revealed challenges, especially in sectors like energy, which faced profit declines, while utilities and healthcare showed growth.

Despite this recovery in Australian shares, driven by gains in IT, retail, and financials, the market remained vulnerable to further volatility due to stretched valuations and geopolitical risks. The RBA projected that rate cuts were unlikely before 2025 as inflation risks remained elevated despite signs of weaker economic momentum.

Globally, August 2024 saw declining inflation in major economies like the US, supporting expectations for interest rate cuts. The Federal Reserve was on track for potential reductions in September, with US 10-year government bond yields falling around 13bps to 3.90%. US inflation data for July signalled further cooling, and the Federal Reserve shifted its focus to the softening jobs market.

In Europe, inflation also showed signs of easing, and the Bank of England was expected to cut rates at least twice before year-end. However, global manufacturing struggled, particularly in the Eurozone and China, raising concerns about a global economic slowdown. Despite mixed economic data, global equity markets experienced a moderate recovery, driven by strong earnings in the US. However, risks remained due to geopolitical tensions, particularly in the Middle East, and the uncertain outcome of the US election, which contributed to continued caution and market volatility.

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Performance & Availability

Fund Statistics*

Metrics**	
12 Month Return ¹	13.48% p.a.
Volatility - [Calculated since inception of the fund on monthly returns]	0.15%
Average Credit Duration - [underlying contracts]	22.9 months
Fund Portfolio 30+ Days Arrears	0.52%
Look Through Obligor Exposures	19,278
Average Position Exposure	\$76,989.53
Max Position Exposure	\$674,140.85
Current Loan Balance - Platform	\$1,126,676,251.23
Weighted Average (W.A) Seasoning ²	5.34 months
Weighted Average (W.A) Remaining Term	30.88 months
Weighted Average (W.A) Interest Rate	14.91%
Weighted Average (W.A) Credit Score	739.34

¹ 12 month return is the annualised return for the past 12 consecutive calendar months.

² 'Seasoning' refers to the length of time a loan has been in place

Performance Overview*

Period	Total Return	BBSW1M	Active Gain
1 Month	1.17%	0.36%	0.81%
3 Month	3.41%	1.08%	2.33%
6 Month	6.89%	2.15%	4.73%
12 Month	13.48%	4.27%	9.20%
Since inception [annualised]	12.25%	3.79%	8.45%

Distribution History %*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2022								0.52%	1.06%	0.79%	0.88%	0.97%
2023	1.01%	0.96%	1.00%	0.99%	1.00%	0.84%	0.93%	1.09%	1.11%	1.11%	1.10%	1.13%
2024	1.14%	1.00%	1.14%	1.09%	1.24%	1.12%	1.13%	1.17%				

*Past performance is not an indicator of future performance.

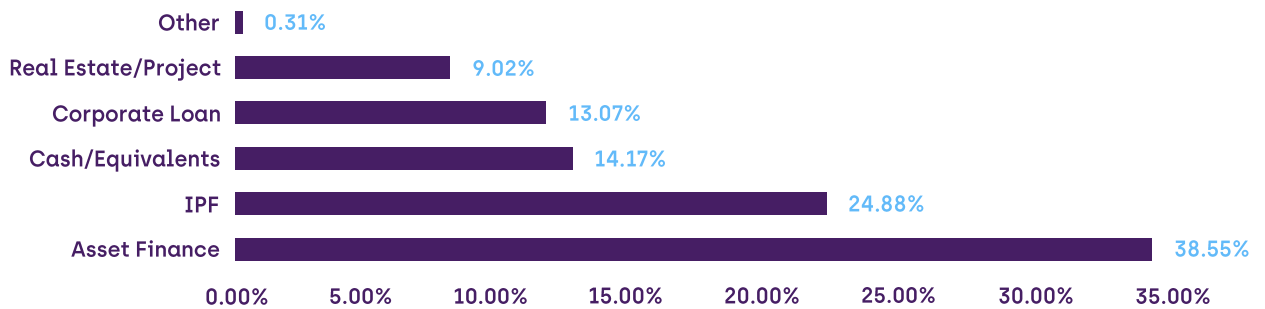
**Source: Remara Private Credit Income Fund – Portfolio Statistics as at 31 August 2024.

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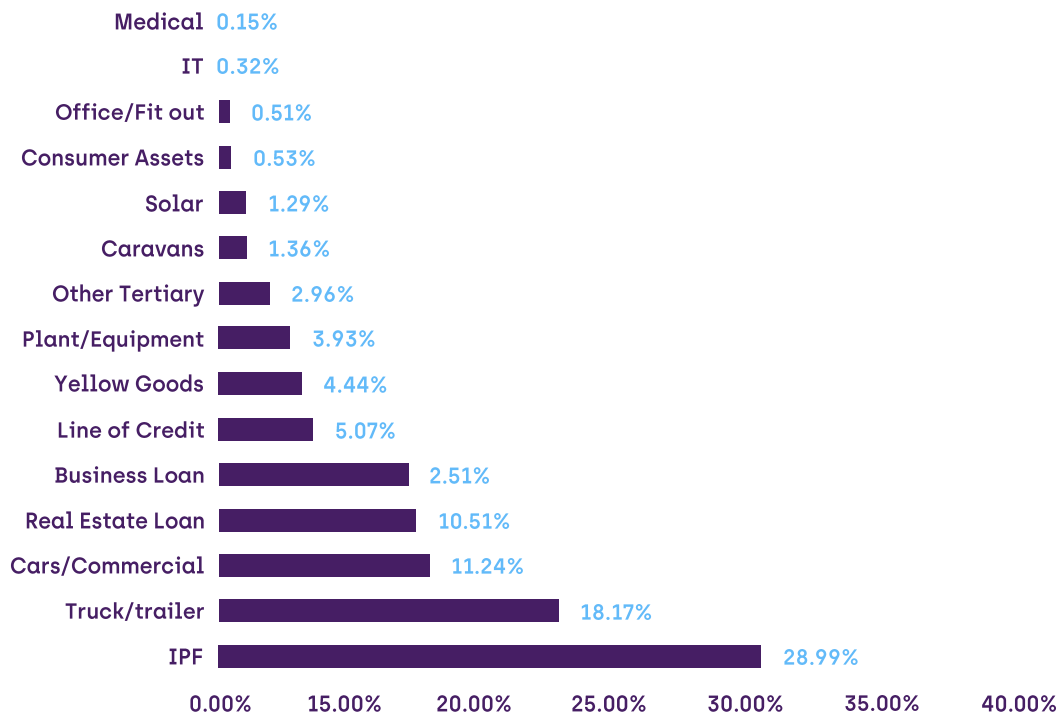


Portfolio Quality & Diversification Statistics**

Exposure**



Equipment Type**



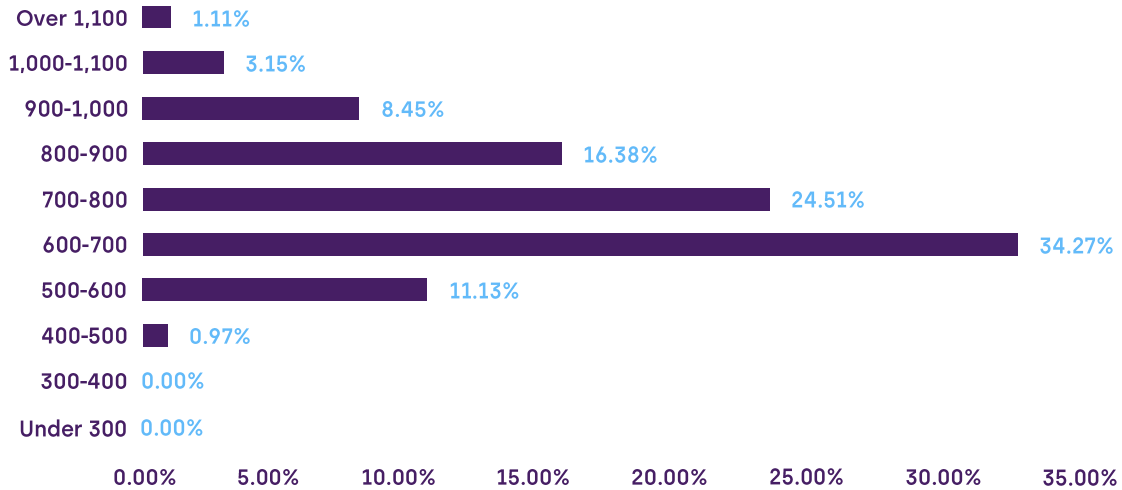
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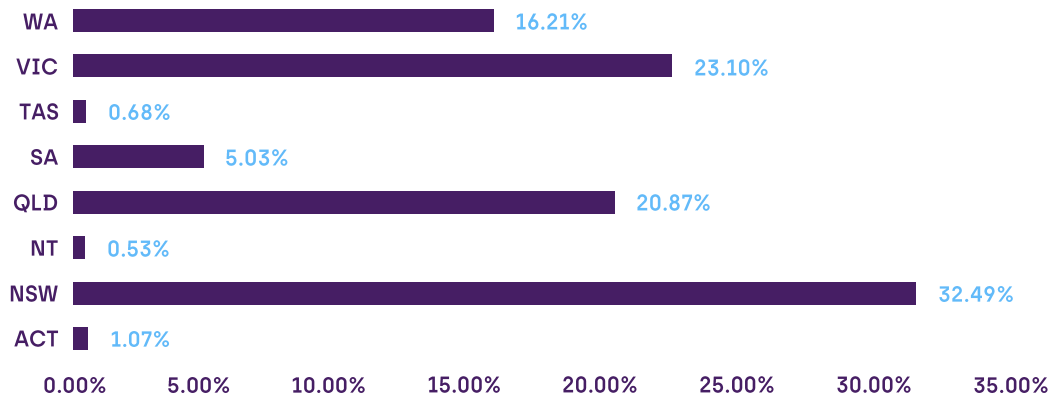


Portfolio Quality & Diversification Statistics**

Credit Score**



Geographic Distribution**



Platform Availability



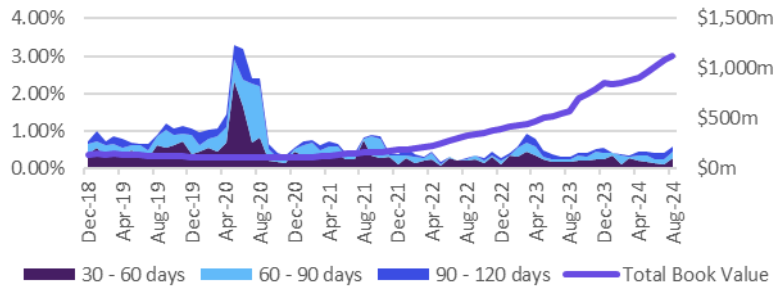
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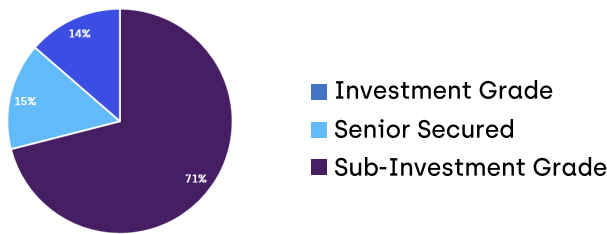


Portfolio Quality & Diversification Statistics**

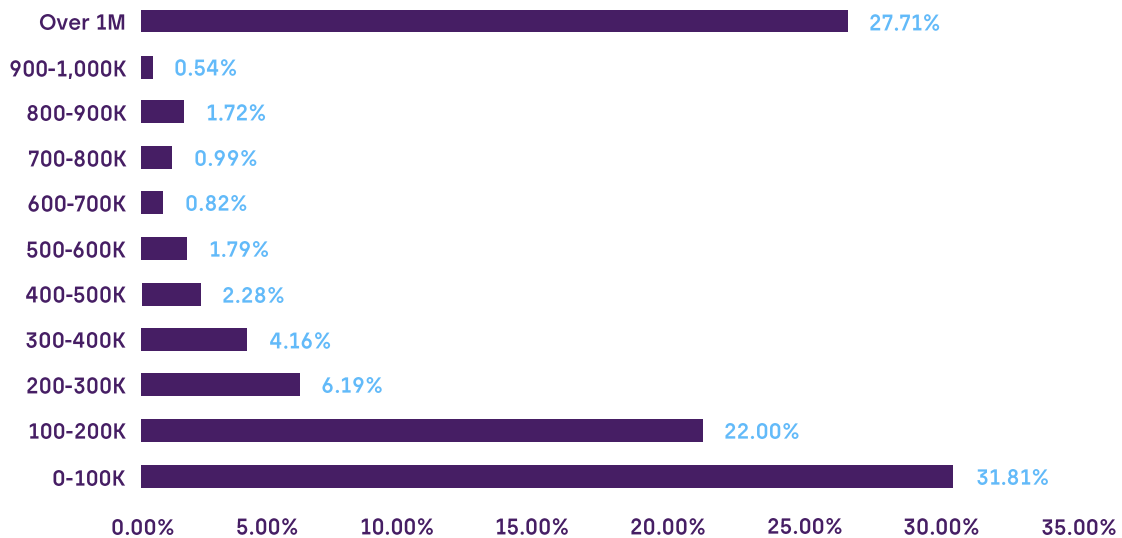
Platform Arrears (30+ Days)**



RCIF - Note Ratings¹



Current Balances**



**Source: Remara Private Credit Income Fund – Portfolio Statistics as at 31 August 2024.

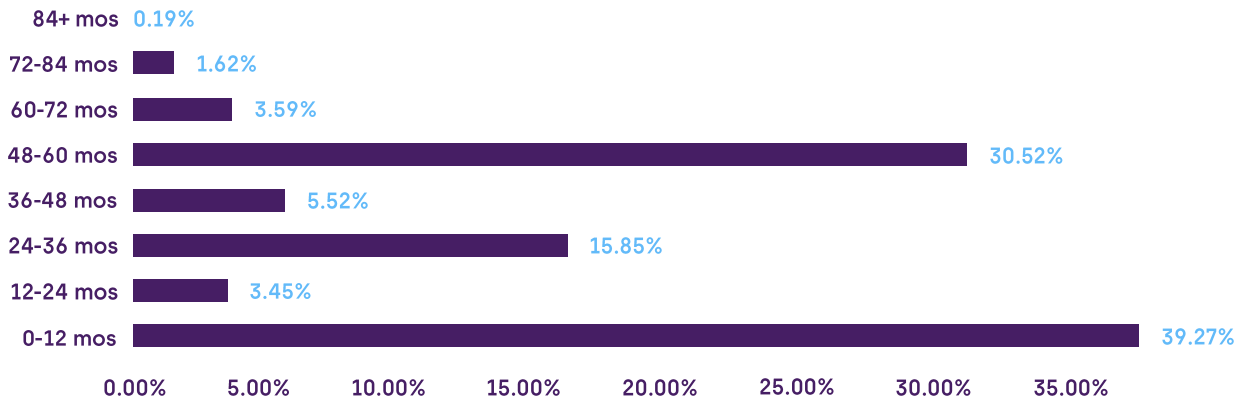
¹Notes may be shadow rated

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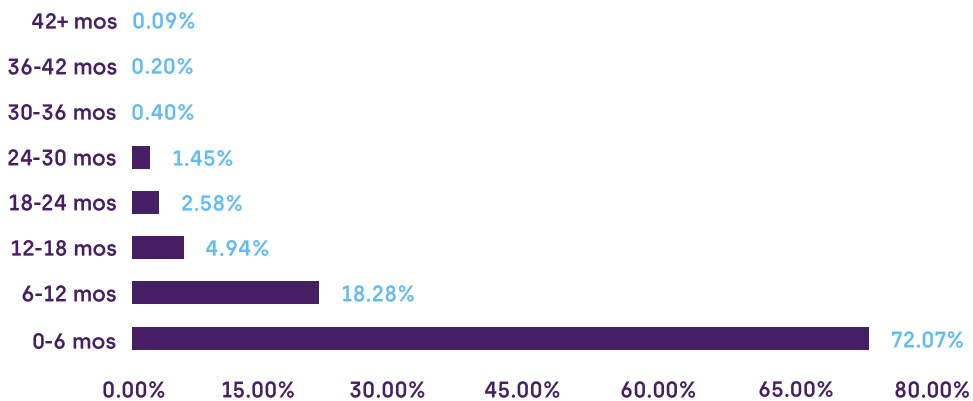


Portfolio Quality & Diversification Statistics**

Remaining Term Distribution**



Seasoning Distribution**



**Source: Remara Private Credit Income Fund – Portfolio Statistics as at 31 August 2024.

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Disclaimer

Units in the Remara Private Credit Income Fund ("Fund") are issued by Melbourne Securities Corporation Ltd (ACN 160 326 545, AFSL 428289) ["Issuer"]. Remara Investment Management Pty Limited (ABN 26 644 751 815, AFSL number 546046) ["Remara"] is the Investment Manager of the Fund. This document is issued by Remara. Offers of units in the Fund will only be made in, or accompanied by, a Product Disclosure Statement ("PDS") which is available at www.remara.com. 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.

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1300 310 926

