

## Credit Opportunities Fund

### September Update [2024]



#### Fund Objective

Fund strategy targets a return of 10.00% (net of fees)<sup>†</sup> above the BBSW rate. The Fund may suit investors seeking a higher yield return with a preference for an elevated risk-profile.

#### Fund Withdrawal Windows

Applications for the December redemption window will close 15 November 2024 at 5pm AEST. Redemption requests can be made via our investor portal or via the online form located at [www.remara.com](http://www.remara.com)

#### Applications

Online application portal at <https://remara.com/funds/credit-opportunities-fund/>

#### Platform Arrears\*\*

For the month ending 30 September 2024, we observed a 0.03% decrease in 30+ days arrears across the platform, bringing the total platform arrears to 0.62%. This decrease is within the normal operating expectations on a prime and secured credit portfolio with +20k underlying contracts.

Across the Fund Portfolio we observed a marginal decrease in 30+days arrears from 0.76% to 0.54% due to the changing composition of the underlying Fund portfolio. We note that across our portfolios, 30+ days arrears is trending below S&P's ABS and RMBS Standard & Poor's Performance Index (SPIN).

#### Fund Strategy

Remara has established itself in the SME, Floorplan, Consumer and Real Estate finance sectors through direct lending platforms, utilising a vertical integration model to produce credit assets for its Fund and institutional investors. The Fund invests in securitised warehouses and direct loans, all originated and serviced by portfolio companies, allowing for direct ownership and active management to swiftly adapt to changes.

The Fund offers investment opportunities in below-investment-grade credit opportunities, including BB-B rated or shadow rated securitised products, mezzanine project finance, and special situations debt, targeting higher returns due to their relatively high credit risk and potential for higher default rates.

#### Fund Update\*\*

During the September 2024 period the Fund divested from a business loan and asset finance warehouse trust and topped up its investment into a direct loan and invested into two new warehouse notes which provide additional exposure to real estate assets. The Fund continues to perform above the benchmark rate, returning 11.49% above the BBSW rate since inception (annualised).

### Fund Details

Particulars			
Distributions	Monthly	Benchmark	BBSW1M + 10.00%
Applications	Daily	Buy/Sell Spread	N/A
Withdrawals	Quarterly	Distribution Reinvestment	Yes
Next Redemption Window*	31 Dec 2024	APIR Code	AMT1125AU
Pricing & Reporting	Monthly	ISIN	AU60AMT11256
Inception Date	March 2024	Management Fee	1.25% p.a
Performance Fee	20% of outperformance above benchmark		

<sup>†</sup> Target returns are not guaranteed.

\*Subject to restrictions on redemptions, including a 12 month lockup.

\*\*Source: Remara Credit Opportunities Fund – Portfolio Statistics as at 30 September 2024.

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## Service Providers

Entities	
Responsible Entity & Trustee	AMAL Trustees Pty Limited (ACN 609 737 604; AFSL 483459)
Custodian	Remara Investment Management Pty Ltd
Auditor	Ernst & Young
Administrator	AMAL Trustees Pty Ltd

## Market Overview

In September 2024, global markets experienced volatility due to geopolitical instability. In the United States, the Federal Reserve reduced rates by 50 basis points to a target of 4.75%- 5.00%, following softer inflation data, which showed a decrease to 2.5%, marking a notable decline. In China, the People's Bank of China announced measures to stimulate bank lending and investment, which had a notable impact in Australia, boosting iron ore prices and resource sector equities.

In Australia, the Reserve Bank of Australia (RBA) held the cash rate steady at 4.35% for the seventh consecutive meeting. The RBA indicated that rates are unlikely to be cut before 2025, maintaining a cautious stance. Inflation appears to be moderating; however, RBA Governor Michele Bullock noted that inflation remains above target and is proving to be 'sticky.' Economic growth remains weak, with household consumption continuing to slow amidst the pressures of high cost of living and housing costs.

Inflation is expected to stabilise over the coming months with support from energy subsidies and tax relief measures, and there is anticipation that the RBA may consider rate cuts in the first half of 2025. CreditorWatch has released its August 2024 Business Risk Index, which indicates that business failures have reached their highest point since January 2021. This is a result of inflationary pressures, rising interest rates and a decrease in discretionary spending. Court actions have increased 15.4% year-on-year as lenders and the ATO resume their collection activities. During the month, the Bloomberg AusBond Treasury 10+ Year Index Yield rose approximately 3 basis points to 4.23%, and the ASX 200 Index closed 2.2% higher at 8,269.8 points.



## Performance & Availability

### Fund Statistics\*

Metrics**	
Annualised Running Yield <sup>1</sup>	15.79% p.a.
Volatility - [Calculated since inception of the fund on monthly returns]	0.07%
Average Credit Duration - [underlying contracts]	10.69 months
Fund Portfolio Arrears - 30+ Days	0.54%
Look Through Obligor Exposures	20,109
Average Position Exposure	\$760,416
Max Position Exposure	\$2,290,000
Current Loan Balance - Platform	\$1,179,233,454
Fund Weighted Average Seasoning <sup>2</sup>	16.34 months
Fund Weighted Average Remaining Term	34.80 months
Fund Weighted Average Interest Rate	17.37%
Fund Weighted Average Credit Score	729

<sup>1</sup> Existing monthly return multiplied by 12.

<sup>2</sup> 'Seasoning' refers to the length of time a loan has been in place.

### Performance Overview\*

Period	Total Return	BBSW1M	Active Gain
1 Month	1.32%	0.36%	0.96%
3 Month	3.94%	1.08%	2.86%
6 Month	7.53%	2.15%	5.37%
Since inception [annualised]	15.02%	4.30%	11.49%

### Distribution History %\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2024		1.24%	1.14%	1.24%	1.16%	1.19%	1.28%	1.34%	1.32%			

### Platform Availability



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\*Past performance is not an indicator of future performance.

\*\*Source: Remara Credit Opportunities Fund – Portfolio Statistics as at 30 September 2024.



## Portfolio Quality & Diversification Statistics\*\*

As at 30 September 2024	Fund%	Portfolio %
<b>Fund Composition</b>		
Real Estate / Project Finance	63.76%	7.78%
Asset Finance	27.67%	74.00%
Insurance Premium Finance	4.39%	7.47%
Corporate Loan (Syndicated or Bi-Lateral)	3.09%	7.66%
Other	1.00%	0.56%
Cash & Cash Equivalents	0.09%	2.53%
<b>Credit Score Distribution</b>		
Under 500	1.64%	0.91%
500-700	20.74%	29.48%
700-900	24.10%	50.12%
900-1000	35.46%	12.48%
Over 1000	16.96%	6.19%
Untracked	1.11%	0.81%
<b>Geographic Concentration</b>		
VIC	57.62%	24.41%
NSW	20.38%	33.55%
QLD	11.54%	22.40%
WA	4.56%	11.20%
SA	3.14%	5.35%
Untracked	1.36%	0.53%
ACT	0.85%	1.04%
TAS	0.35%	0.97%
NT	0.20%	0.54%
<b>Current Loan Balance Distribution</b>		
Under 100k	36.18%	78.61%
100k to 250k	4.92%	12.90%
250k to 500k	3.49%	2.55%
500k to 1M	3.39%	1.87%
Over 1M	52.02%	4.07%
<b>Collateral type</b>		
Other	49.39%	9.31%
Business Loan – Real Estate Backed	18.51%	7.69%
Trucks and Trailers	11.87%	32.63%
Cars & Light Commercial	6.65%	18.10%
Insurance Premium Finance	4.40%	7.66%
Plant & Equipment	3.52%	9.68%
Yellow Goods	2.57%	7.06%
Business Loan	2.11%	5.18%
Line of Credit	0.97%	2.68%
<b>Remaining Loan Term</b>		
0 - 12 months	52.91%	16.24%
12 - 24 months	18.40%	5.66%
24 - 36 months	7.36%	19.60%
36+ months	21.33%	58.50%
<b>Seasoning</b>		
0 - 12 months	48.58%	59.41%
12 - 24 months	46.12%	27.43%
24 - 36 months	4.53%	11.08%
36+ months	0.77%	2.08%

\*\*Source: Remara Credit Opportunities Fund – Portfolio Statistics as at 30 September 2024 vs full book of Remara managed credit assets.

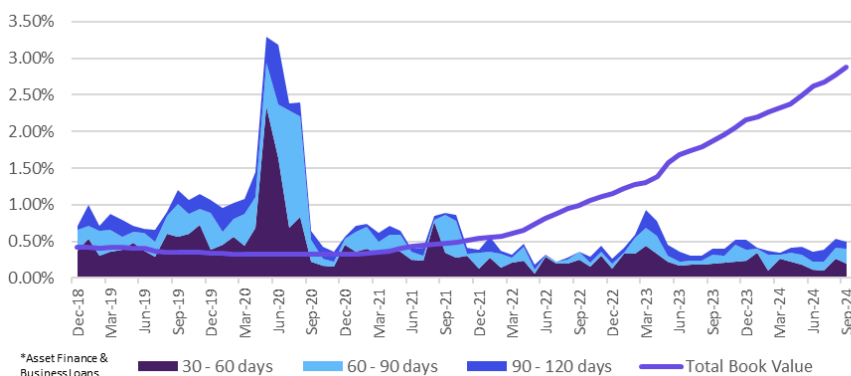
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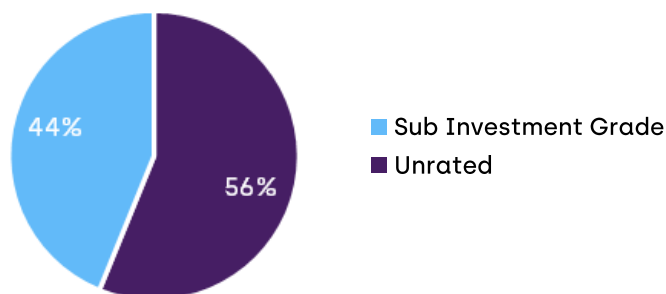
## Portfolio Quality & Diversification Statistics\*\*

### Platform Arrears (30+ Days)\*\*

SPIN - August 2024	RMBS	ABS	Fund
Prime	0.89%	1.35%	0.54%
Sub Prime	4.25%	N/A	



### RCIF - Note Ratings<sup>1</sup>



\*\*Source: Remara Credit Opportunities Fund – Portfolio Statistics as at 30 September 2024.

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## Disclaimer

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