

# remara.

## Credit Opportunities Fund

### December 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 March redemption window close 28 February 2025 at 5pm AEST. Redemption requests can be made via our investor portal or via the online form located [www.remara.com](http://www.remara.com)

#### Applications

Apply via our [online portal](#) or [download](#) the Remara Investment App for Apple or Android.

#### Platform Arrears & Fund W.A Arrears\*\*

Platform 30+ days arrears increased in December to 60.4bps (previously 55bps), which is below the SPIN RMBS and Auto ABS benchmarks, reflecting the continued strong performance of the underlying credit exposures.

Across the Fund Portfolio, we observed an increase in 30+ days arrears from 56.3bps to 95.8bps. This increase in arrears is attributable to a real estate loan that fell into arrears during December; the loan is forecasted for repayment in January 2025, with a full recovery anticipated.

We note that across our portfolios, 30+ days arrears continue to trend 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 vertically integrated model to produce credit assets for its Fund and institutional investors. The Fund invests in securitised warehouses & 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\*\*

As of December 31, the Fund's portfolio comprised eight notes and one subordinated note across five facilities, alongside twelve direct real estate loans. During the month, the Fund invested in eight new direct real estate loans and increased its position in two existing direct real estate loans. Additionally, the Fund divested a mezzanine note in a multi-asset facility and reduced its exposure to an asset finance facility.

The Fund continues to outperform the benchmark, delivering an annualized return of 10.87% above the BBSW rate since inception.

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

<sup>\*\*</sup>Source: Remara Investment Management – Portfolio Statistics as at 31 December 2024.

## 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 March 2025	APIR Code	AMT1125AU
Pricing & Reporting	Monthly	ISIN	AU60AMT11256
Inception Date	January 2024	Management Fee	1.25% p.a
Performance Fee	20% of performance above a hurdle of 10% + BBSW p.a. [subject to a rolling return high water mark].		

## Service Providers

Entities	
Responsible Entity & Trustee	AMAL Trustees Pty Limited (ACN 609 737 604; AFSL 483 459)
Investment Manager	Remara Investment Management Pty Ltd (ACN 644 751 815; AFSL 546 046)
Auditor	Ernst & Young
Administrator	AMAL Trustees Pty Ltd

## Market Overview

Markets experienced a turbulent year-end, with most indices declining amid hawkish central bank commentary and geopolitical concerns. Australian economic growth remained subdued, with Q3 GDP increasing by just 0.3% quarter-on-quarter and annual growth slowing to 0.8%. Public spending provided some support to the economy but also contributed to inflationary pressures, limiting the Reserve Bank of Australia's (RBA) ability to reduce rates.

CreditorWatch research indicates that Australian businesses face a challenging start to 2025, with insolvencies up 57% over the 11 months to November 2024 and late payments continuing to rise sharply. At its December meeting, the RBA held the cash rate steady at 4.35% but adopted a more dovish tone, hinting at potential rate cuts in early 2025.

Meanwhile, the US Federal Reserve lowered interest rates by 25 basis points in December. It also surprised markets by signalling fewer rate cuts in 2025 than previously expected, reigniting fears of stagflation.

Bond markets displayed upward momentum in December, with the Bloomberg AusBond Composite Index increasing by 0.51%, Australian 10-year bonds rising by 0.52%, US 10-year bonds rising by 9.61%, and Eurozone 10-year bonds rising by 13.36%.

Global equities experienced mixed results amid hawkish central bank commentary and geopolitical concerns. The ASX 200 fell by 3.15%, the S&P 500 declined by 2.38% and the MSCI World Index ended December down 2.61%. The MSCI Europe Index dipped 0.49%, while the Nikkei surged 4.53% on optimism surrounding Japanese domestic policy changes. Emerging markets posted modest gains, led by stimulus-driven optimism in China, with the MSCI Asia ex-Japan index up 0.15%.



## Performance & Availability

### Fund Statistics\*

Metrics**	
Annualised Running Yield <sup>1</sup>	15.17% p.a.
Volatility - [Calculated since inception of the fund on monthly returns]	0.06%
Average Credit Duration - [underlying contracts]	27.04 months
Fund Portfolio Arrears - 30+ Days	0.958%
Look Through Obligor Exposures - Fund	22,069
Look Through Obligor Exposures - Platform	22,264
Average Position Exposure	\$1,264,123.42
Max Position Exposure	\$6,775,170.00
Current Loan Balance - Platform	\$1,365,117,312.24
Fund Weighted Average Seasoning <sup>2</sup>	8.48 months
Fund Weighted Average Remaining Term	15.27 months
Fund Weighted Average Interest Rate	18.96%
Fund Weighted Average Credit Score	691.17

<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	1.26%	0.36%	0.90%
3 Month	3.89%	1.08%	2.81%
6 Month	7.83%	2.16%	5.67%
Since inception [annualised]	15.18%	4.31%	10.87%

### 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%	1.33%	1.29%	1.26%

### Platform Availability



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

\*\*Source: Remara Investment Management – Portfolio Statistics as at 31 December 2024.



## Portfolio Quality & Diversification Statistics\*\*

As at 31 December 2024	Fund%	Platform %
<b>Fund Composition</b>		
Real Estate / Project Finance	51.15%	10.80%
Cash & Cash Equivalents	24.55%	2.75%
Asset Finance	18.66%	71.38%
Business Loan & Line of Credit	2.99%	8.59%
Insurance Premium Finance	2.27%	6.01%
Other	0.20%	0.37%
Floorplan	0.18%	0.10%
<b>Credit Score Distribution</b>		
Under 500	0.05%	0.59%
500-700	68.85%	30.54%
700-900	23.89%	50.45%
900-1000	4.44%	12.04%
Over 1000	2.09%	5.90%
Untracked	0.68%	0.49%
<b>Geographic Concentration</b>		
VIC	32.10%	25.38%
QLD	30.11%	23.01%
NSW	28.45%	32.41%
WA	4.00%	10.85%
SA	3.03%	5.43%
TAS	0.86%	1.20%
ACT	0.75%	0.94%
Untracked	0.48%	0.23%
NT	0.22%	0.56%
<b>Current Loan Balance Distribution</b>		
Under 100k	19.57%	50.46%
100k to 250k	8.66%	27.06%
250k to 500k	4.63%	7.81%
500k to 1M	3.54%	2.22%
Over 1M	63.60%	12.46%
<b>Collateral Type - Top 10</b>		
Direct Loan: Real Estate Mortgage	38.49%	2.15%
Asset Finance: Business Loan: Real Estate Backed	20.55%	8.96%
Business Loan: Real Estate Mortgage	12.39%	31.46%
Asset Finance: Cars & Light Commercial	7.93%	18.30%
Asset Finance: Plant & Equipment	4.01%	8.36%
Insurance Premium Finance	3.82%	6.18%
Asset Finance: Business Loan	3.38%	5.69%
Business Loan: Term	2.73%	6.60%
Line of Credit	1.67%	3.14%
Solar system	1.19%	1.97%
Other	3.85%	7.21%
<b>Remaining Loan Term</b>		
0 - 12 months	50.06%	17.42%
12 - 24 months	17.29%	6.32%
24 - 36 months	12.56%	20.14%
36+ months	20.09%	56.12%
<b>Seasoning</b>		
0 - 12 months	73.30%	59.17%
12 - 24 months	17.17%	27.22%
24 - 36 months	7.90%	11.23%
36+ months	1.64%	2.37%

\*\*Source: Remara Investment Management – Portfolio Statistics as at 31 December 2024 vs full book of Remara managed credit assets.

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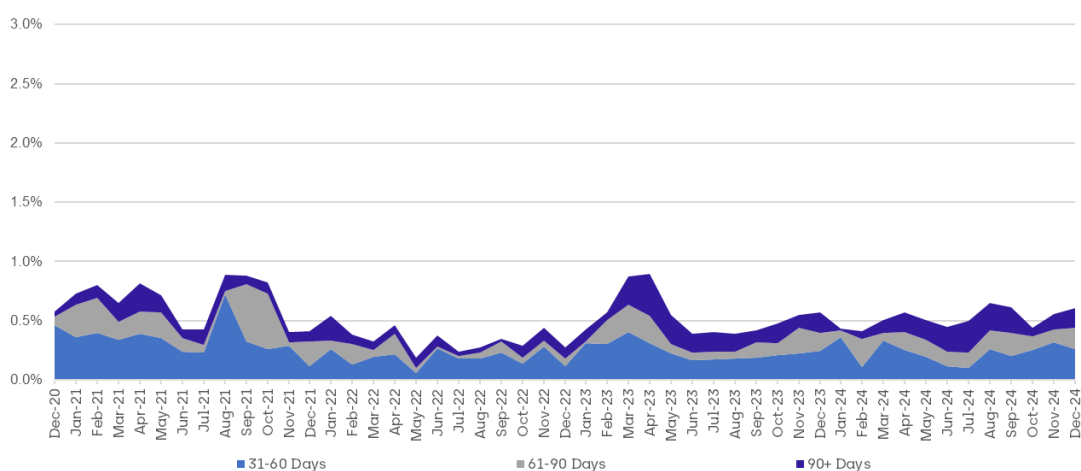


## Portfolio Quality & Diversification Statistics\*\*

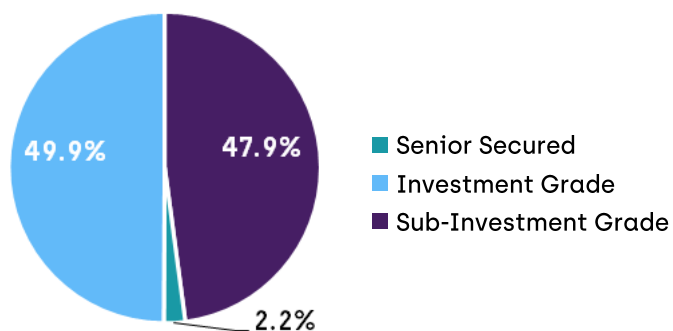
### Platform Arrears (30+ Days)\*\*

SPIN	RMBS	ABS	Fund	Platform
Prime	0.87%	1.33%	0.96%	0.60%
Sub Prime	3.89%	N/A		

### Remara Credit Platform | 30+ Days Arrears\*



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



\*\*Source: Remara Investment Management – Portfolio Statistics as at 31 December 2024.

<sup>1</sup>Notes may be shadow rated

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## Disclaimer

Units in the Remara Credit Opportunities Fund ("Fund") are issued by AMAL Trustees Pty Ltd [ABN 98 609 737, AFSL 483459] ("Issuer"). Remara Investment Management Pty Limited [ABN 26 644 751 815, AFSL 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, an Investment Memorandum ("IM") which is available at [www.remara.com](http://www.remara.com). Offers of units in the Fund are only available to persons receiving the offer in Australia and qualify as wholesale clients under s 761G and s 761GA of the Corporations Act.

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