

# remara.

## Private Credit Income Fund

### December Update [2024]



#### Fund Objective

Fund strategy targets a return of 6.00% [net of fees]\* above the BBSW rate. The Fund may suit investors seeking a higher yield return with a low to moderate risk tolerance.

#### Fund Withdrawal Windows

Applications for the March redemption window will close 28 February 2025 at 5pm AEST. At 31 December, the Fund held 26.34% of its asset base in cash and/or short dated credit contracts. Redemption requests can be made via our investor portal, on our mobile app, or via the online form located at [www.remara.com](http://www.remara.com)

#### Applications

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



#### Fund Strategy

Remara has established direct lending platforms within the SME and Real Estate finance sectors. Remara uses its vertically integrated model to generate credit assets for the Fund & institutional investors. The Fund invests in a series of securitised warehouses and direct loans originated and serviced via Remara portfolio companies.

Through our direct ownership, Remara can 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 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 10 notes across 5 facilities, providing exposure across Asset Finance, Business Loan and Overdraft, Real Estate and Insurance Premium Finance with strong diversification across obligors, contract type, asset class and geography.

During December, the Fund increased its investment in a real estate lending structure, increasing its look-through exposure to real estate loans. Additionally, the Fund invested in a note trust and a multi-asset securitisation warehouse, providing exposure to a substantial portion of asset finance, business loans, real estate finance, and insurance premium finance loans. As a result, the number of contracts to which the Fund has exposure has grown significantly. The Fund also divested a small portion of its position in an insurance premium finance warehouse.

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

Platform 30+ days arrears increased marginally 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 there was a decrease in arrears to 38bps (previously 48bps), driven by the changing composition of the Fund portfolio. 30+ days arrears across the Platform and Fund portfolios remains considerably lower than the S&P's ABS and RMBS Standard & Poor's Performance Index (SPIN).

+ Target returns are not guaranteed.

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

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## Fund Details

Particulars			
Distributions	Monthly	Benchmark (post fees)	BBSW1M + 6.00%
Applications	Daily	Buy/Sell Spread	N/A
Withdrawals	Quarterly	Distribution Reinvestment	Yes
Next Redemption Window	31 March 2025	APIR Code	MSC8502AU
Pricing & Reporting	Monthly	ASRN	669 647 643
Inception Date	1 August 2022	Management Fee	0.50% p.a.

## Service Providers

Entities	
Responsible Entity & Trustee	Melbourne Securities Corporation Limited [ACN 160 326 545, AFSL 428 289]
Investment Manager	Remara Investment Management Pty Ltd [ACN 644 751 815, AFSL 546 046]
Custodian	Perpetual Corporate Trust Limited
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**	
12 Month Return <sup>1</sup>	13.27% p.a.
Volatility - [Calculated since inception of the fund on monthly returns]	0.14%
Average Credit Duration - [underlying contracts]	19.45 months
Fund Portfolio 30+ Days Arrears	0.38%
Look Through Obligor Exposures - Fund	22,046
Look Through Obligor Exposures - Platform	22,264
Average Position Exposure	\$1,391,002.17
Max Position Exposure	\$2,758,091.95
Current Loan Balance - Platform	\$1,365,117,312.24
Fund Weighted Average (W.A) Seasoning <sup>2</sup>	7.38 months
Fund Weighted Average (W.A) Remaining Term	19.48 months
Fund Weighted Average (W.A) Interest Rate	13.42%
Fund Weighted Average (W.A) Credit Score	713.14

<sup>1</sup> Return for the past 12 consecutive calendar months.

<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	1.00%	0.36%	0.64%
3 Month	3.17%	1.08%	2.09%
6 Month	6.55%	2.16%	4.39%
12 Month	13.27%	4.31%	8.97%
2 Years [annualised]	12.78%	4.10%	8.67%
Since inception [annualised]	12.33%	3.86%	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%	1.08%	1.09%	1.08%	1.00%

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

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

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## Portfolio Quality & Diversification Statistics\*\*

As at 31 December 2024	Fund%	Platform %
<b>Fund Composition</b>		
Real Estate / Project Finance	40.17%	10.80%
Asset Finance	21.14%	71.38%
Cash & Cash Equivalents	14.17%	2.75%
Insurance Premium Finance	12.17%	6.01%
Business Loan & Line of Credit	11.70%	8.59%
Floorplan	0.49%	0.10%
Other	0.16%	0.37%
<b>Credit Score Distribution</b>		
500 - 700	41.42%	30.54%
700 - 900	45.84%	50.45%
900 - 1000	5.79%	12.04%
Over 1000	2.78%	5.90%
Under 500	2.48%	0.59%
Untracked	1.69%	0.49%
<b>Geographic Concentration</b>		
NSW	30.74%	32.41%
VIC	27.76%	25.38%
QLD	21.13%	23.01%
WA	8.63%	10.85%
SA	7.12%	5.43%
TAS	1.62%	1.20%
ACT	1.41%	0.94%
Untracked	1.15%	0.23%
NT	0.44%	0.56%
<b>Current Loan Balance Distribution</b>		
Under 100k	27.94%	50.46%
100k to 250k	13.76%	27.06%
250k to 500k	5.42%	7.81%
500k to 1M	6.12%	2.22%
Over 1M	46.75%	12.46%
<b>Collateral type - Top 10</b>		
Business Loan: Real Estate Backed	46.80%	8.96%
Insurance Premium Finance	14.18%	6.18%
Business Loan	9.40%	5.69%
Trucks and Trailers	6.18%	31.46%
Cars & Light Commercial	5.09%	18.30%
Line of Credit	4.24%	3.14%
Plant & Equipment	3.07%	8.36%
Consumer Assets	2.75%	0.26%
Solar system	2.50%	1.97%
Other Tertiary	2.16%	2.87%
Other	3.65%	12.82%
<b>Remaining Loan Term</b>		
0 - 12 months	57.87%	17.42%
12 - 24 months	6.76%	6.32%
24 - 36 months	12.75%	20.14%
36+ months	22.61%	56.12%
<b>Seasoning</b>		
0 - 12 months	78.48%	59.17%
12 - 24 months	18.58%	27.22%
24 - 36 months	2.54%	11.23%
36+ months	0.40%	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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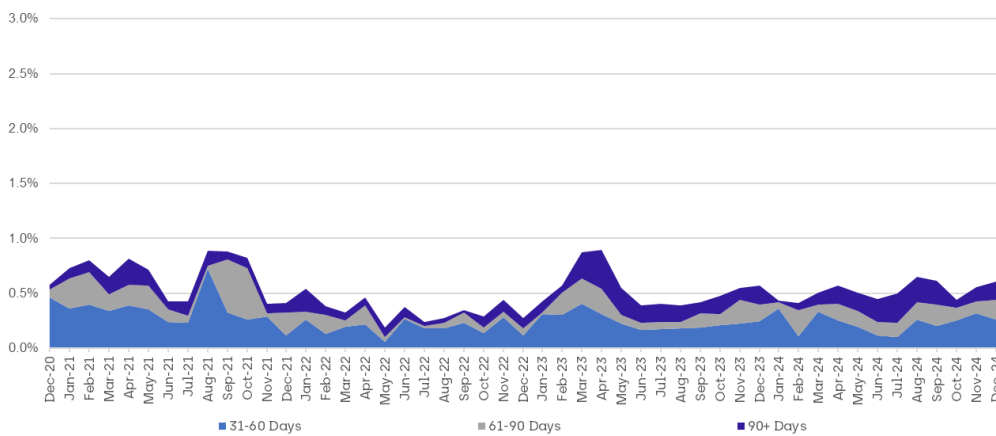


## Portfolio Quality & Diversification Statistics\*\*

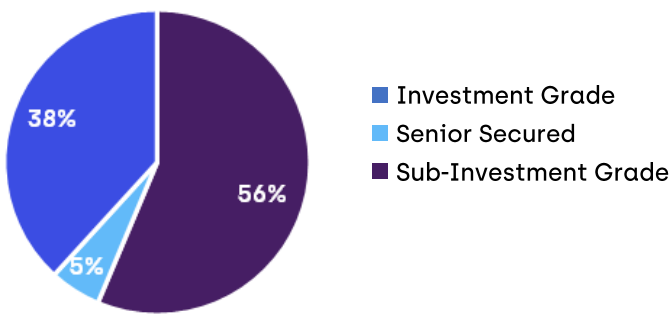
### Platform Arrears (30+ Days)\*\*

SPIN	RMBS	ABS	Fund	Platform
Prime	0.87%	1.33%	0.38%	0.60%
Sub Prime	3.89%	N/A		

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



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



### Platform Availability



\*\*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 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](http://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](http://www.remara.com).

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