

MA Secured Real Estate Income Fund

MA Asset Management



MA Financial Group

Monthly report: 30 June 2021

Trust

MA Secured Real Estate Income Fund
ARSN 648 810 904

Responsible Entity

MAAM RE Limited
ACN 135 855 186; AFSL 335 783

Manager

MA Investment Management Pty Ltd
ACN 621 552 896

The Manager and Responsible Entity are wholly owned subsidiaries of MA Financial Group Limited. MA Financial Group is an ASX-listed financial services firm specialising in asset management, corporate advisory and equities.

Investment Strategy

The Fund seeks to provide investors with exposure to a range of first mortgage loans secured by Australian residential and commercial property by investing directly or indirectly via third party originated special purpose trusts. The Fund may co-invest in loans with other MA Financial Group related trusts and entities. The Manager seeks investment opportunities that it considers offer an attractive risk adjusted return after application of its investment process. The Manager will seek to construct the Portfolio with the following features:

- diversified lending base, with low underlying individual obligor exposure;
- predictable and resilient through the cycle returns;
- bias towards capital preservation and on minimising losses; and
- portfolio driven analysis that supports strong serviceability prospects.

Available Platforms (APIR: MAA6243AU)

HUB24, Mason Stevens, Netwealth

ASIC RG 45 Disclosure Benchmarks

There have been no changes to either the ASIC RG 45 Disclosure Benchmarks or Disclosure Principles subsequent to the issue of the PDS dated 3 May 2021. An update against the Portfolio 'target' levels (Disclosure Principle 3) is included in the Appendix to this Report.

Monthly Commentary

- The Fund has investments in six loans, each being a co-investment with other funds managed by the Manager. Having regard to the size of the Fund, this was considered the most appropriate option to maximise portfolio diversification during the portfolio construction phase.
- The Fund has exceeded its target return to date, delivering a 5.3% annualised return¹ since inception.
- During this ramp-up phase, as disclosed in the PDS, the portfolio may not meet all of the Fund's Target Allocation. The Manager expects to meet all of the Fund's Target Allocation post ramp-up.

Since 30 June 2021

- The Fund issued a further 6,113,000 units on 1 July 2021 taking total FUM to \$7.06m.

FUND OVERVIEW (AS AT 30 JUNE 2021)

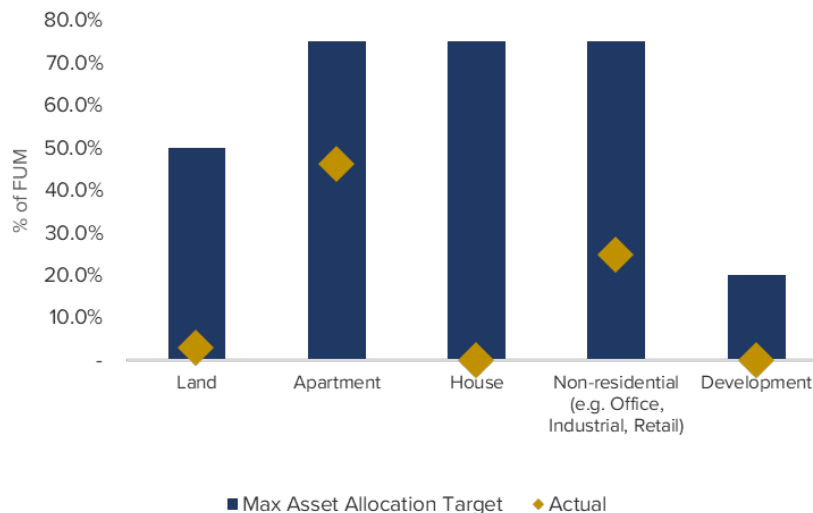
Investment type	Unlisted pooled mortgage trust
Fund size	\$0.95m
Fund inception date	April 2021
Fund term	Open-ended
Unit price	\$1.00
Target LVR	60% (max 65%)
Weighted Average LVR	54.6%
Target return	RBA Cash Rate + 5% p.a.
Net return over the period	4.3% p.a. ¹

Fund Performance¹

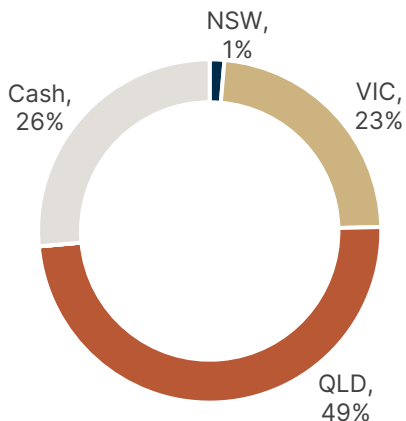
	1 month	2 months	6 months	1 year	Since Inception
Return to investor (\$/unit)	0.0035	0.0087	NA	NA	0.0087

¹Fund returns assumes no compounding because distributions are paid out monthly. This month's annualised return is 4.3% p.a and the since inception annualised return is 5.3% p.a.. The calculation methodology used and presented in this table (including the return calculation) is not in accordance with the guidelines provided by the Financial Services Council (FSC). The FSC, of which MA Financial Group is a member, recommend that returns of investment options over periods less than one year should not be annualised to ensure that short term returns are not used to compare lower risk and higher risk investment options & unrealistic expectations are not generated through the annualising of unusually high or low short-term returns. The Manager considers that due to the nature of the mortgage backed investments of the Fund, showing an annualised return is appropriate. **Please refer to the PDS for details on the valuation methodology.**

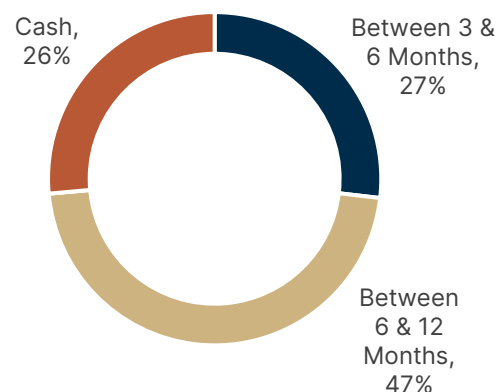
Collateral Type:



Borrower State Concentration²



Maturity Profile of Loans²



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Loan book

Security Property	Location	Total Loan Limit	Total Loan Outstanding	SREIF Investment	%FUM	Maturity	LVR
Land - residential	Brisbane South East	\$0.69m	\$0.68m	\$0.027m	2.9%	Nov-21	41%
Commercial	Sydney Inner West	\$1.61m	\$1.61m	\$0.007m	0.7%	Nov-21	62%
Commercial	Sydney Northern Suburbs	\$3.30m	\$3.24m	\$0.006m	0.6%	Mar-22	55%
Apartment	Brisbane South	\$0.58m	\$0.56m	\$0.200m	21.1%	Dec-21	63%
Apartment	Brisbane Inner City	\$8.68m	\$8.68m	\$0.236m	24.9%	Dec-21	50%
Industrial	Melbourne South East	\$8.21m	\$5.23m	\$0.220m	23.3%	Oct-21	53%
Invested Portfolio				\$0.698m	73.6%		
Cash				\$0.248m	26.4%		
Total Funds Under Management (FUM)				\$0.946m	100.0%		

Update on ASIC RG 45 Disclosure Principle 3: Loan Portfolio and Diversification

Portfolio Target	Target Met	Result
No. of Loans		6
Max LVR <65%	Y	62.6%
Land <50%	Y	2.9%
Apartment <75%	Y	46.1%
House <75%	Y	0.0%
Non-residential <75%	Y	24.6%
Development <20%	Y	0.0%
VIC <50%	Y	23.3%
NSW <75%	Y	1.4%
QLD <50%	Y	48.9%
Other <25%	Y	0.0%
Regional <25%	Y	0.0%
Median Loan Investment <5%		2.9%
Borrower Concentration <25%		24.9%
Single Loan Concentration <25%		24.9%
Weighted Average Loan to Value Ratio <60%		54.4%
Maximum Loan to Cost Ratio <75%		N/A
Development loan % completion		N/A
Loan under "watch"		1 ¹

¹A 53% loan to valuation ratio (LVR) residual stock loan secured over industrial units in Truganina, VIC. A dispute between the former business partners and the borrower resulted in a caveat being registered on the security, in breach of loan conditions. The Manager is in discussions with the Borrower and former partner about removal of the caveat. Sales of the residual stock continues to take place at approximately 1 unit per month, and the Manager has no current concern regarding recoverability.

²Shown as % of FUM

MORE INFORMATION

For more information speak to your financial adviser, call us on **02 8288 5594**, email **MAclientservices@MAFinancial.com**, or visit **MAFinancial.com/asset-management**.

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