

## Investment strategy

The MA Secured Real Estate Income Fund (Fund) provides 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.

## Monthly commentary

- The Fund has 17 investments, eight of which are co-investments with other funds managed by the Manager.
- The Fund's annualised distribution yield for the month of October 2023 was 9.86% p.a., which is 5.76% above the 4.10% RBA Cash Rate which applied during the month (rate as at 1 October 2023). The Fund's total return since inception is 7.07% p.a.
- The Manager continues to see a strong pipeline of transactions, notwithstanding the increase in interest rates, including new construction loans, bridging loans, residual stock loans and land loans. As always, substantial due diligence is undertaken on all loans, including downside scenario analysis.
- Construction costs are starting to stabilise and land loans are in the process of being rolled into construction loans and refinanced.
- During the month, the Victorian residual stock housing land lot loan was repaid.

### Fund overview

Investment type	Unlisted pooled mortgage trust
Fund size (FUM)	\$62.36m
Inception date	May 2021
Fund term	Open-ended
Unit price	\$1.00
Target LVR	60% (max 65% on any asset)
Weighted average LVR	58.99%
Weighted average loan duration	5.4 months
Target return	RBA Cash Rate + 5.00% p.a.
Available Platforms (APIR: MAA8010AU)	Australian Money Market, HUB24, Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, Praemium
Research	IIR – 'Recommended'; SQM <sup>1</sup>

## 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 Product Disclosure Statement (PDS) dated 1 October 2021.

An update against the Portfolio 'target' levels (Disclosure Principle 3) is included this Report.

## Since 31 October 2023

The Fund issued units on 1 November 2023 taking total FUM to \$65.49m.

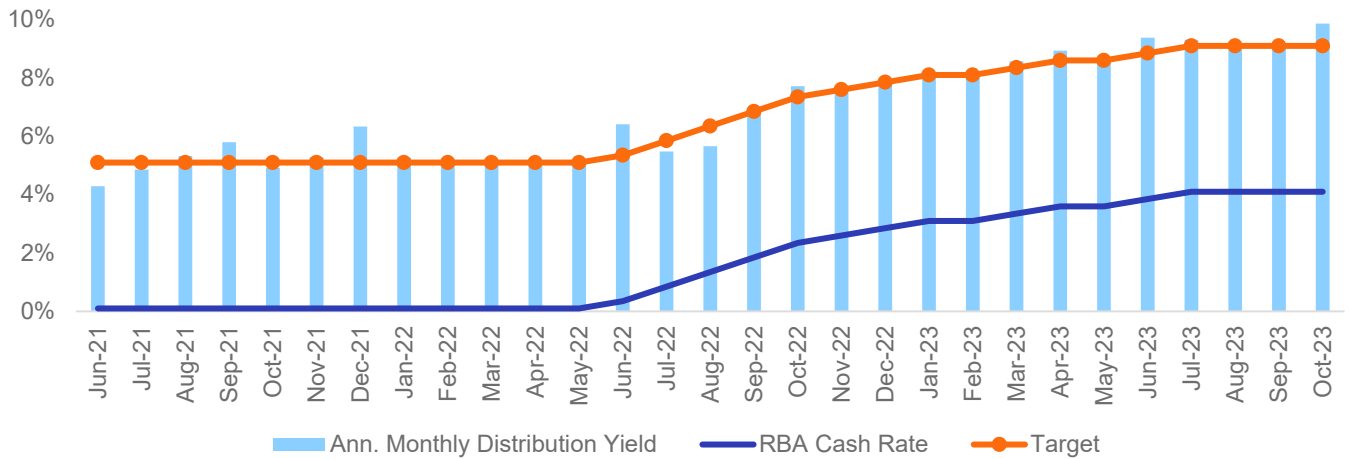
The Manager has invested \$4.2m in a 65% LVR residential land loan in New South Wales.

This update has been prepared by MA Investment Management Pty Ltd (ACN 621 552 896) (AFSRN 001 258 449) (Manager), the appointed Fund Manager of the MA Secured Real Estate Income Fund ARSN 648 810 904 (Fund) and is subject to the disclaimer at the end of this document. MAAM RE Ltd (ACN 135 855 186) (AFSL 335783) is the responsible entity (Responsible Entity) of the Fund. The Manager and Responsible Entity are wholly owned subsidiaries of MA Financial Group Limited (MA Financial Group).

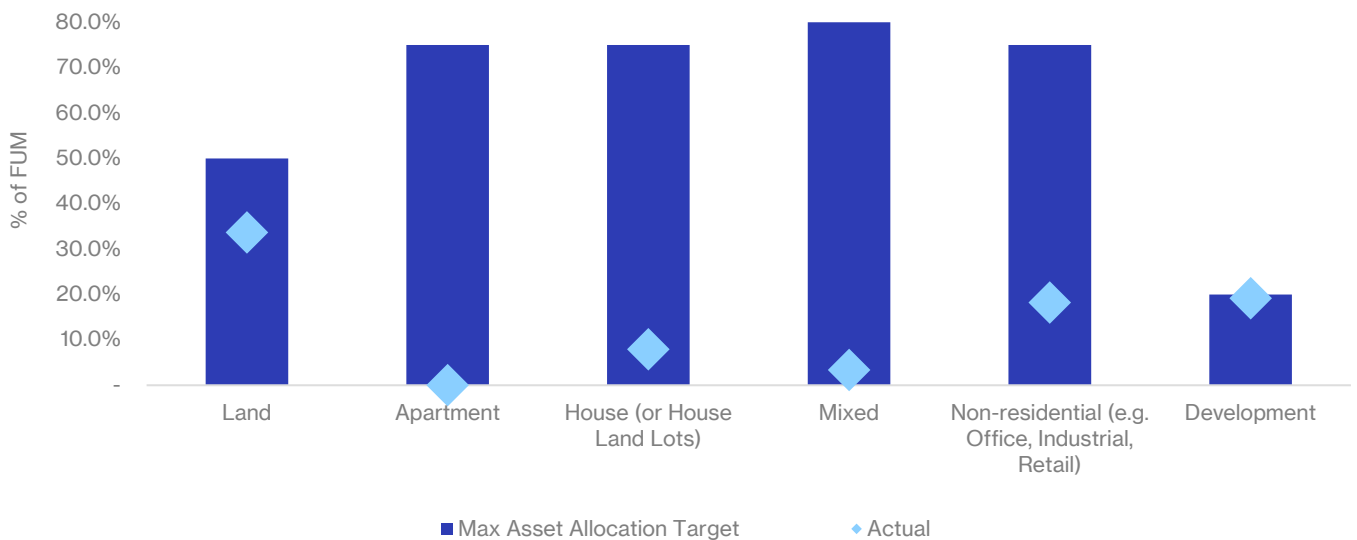
## Fund performance<sup>1</sup>

	1 month	3 months	6 months	1 year	Since inception <sup>2</sup>
Total return (%)	0.84%	2.36%	4.73%	9.08%	7.07%

## Distribution history<sup>3</sup>



## Collateral Type of drawn investment



\* Pie charts may not add to 100% due to rounding.

1. Returns reflect the value of a continuing investor's investment assuming the reinvestment of all distributions.

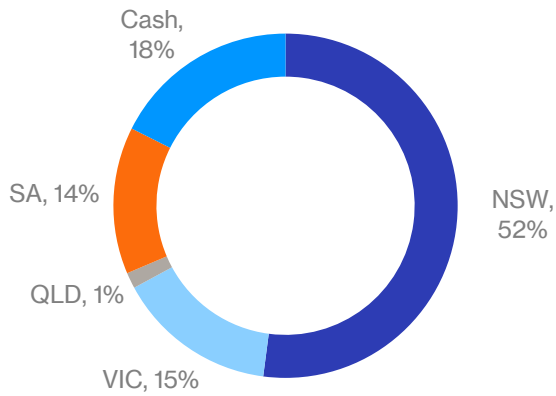
2. Annualised from the inception date on 1 May 2021, with first distribution paid in June 2021.

**Please refer to the PDS for details on the valuation methodology.**

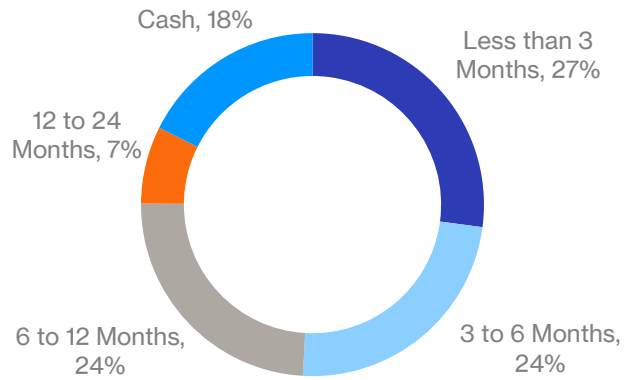
3. Actual distributions paid in that month assuming they were annualised. Past performance is not a reliable indicator of future performance.

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#### Borrower State Concentration<sup>4,\*</sup>



#### Maturity Profile of Loans<sup>4,\*</sup>



#### Additional Portfolio Targets

Portfolio Targets as percentage of FUM	Target met	Result
Land <50%	Y	33.4%
Apartment <75%	Y	0.0%
House <75%	Y	8.2%
Non-residential (e.g. Office, Industrial, Retail) <75%	Y	18.2%
Development <20%	Y	19.2%
VIC <50%	Y	15.0%
NSW <75%	Y	52.1%
QLD <50%	Y	1.5%
Other <25%	Y	13.8%
Regional <25%	Y	19.8%
Median loan investment <5%	Y	3.4%
Borrower concentration <25%	Y	13.4%
Single loan concentration <25%	Y	13.4%
Other Portfolio metrics	Target met	Result
Max LVR (approved limit / valuation) <=65% per asset	Y	65.0%
Weighted Average Loan to Value Ratio <60% (for each loan up to the approved limit / valuation)	Y	55.6%
Funding of Undrawn loan commitments	Y	\$6.64m undrawn is less than cash of \$10.98m
% Of the portfolio that can be liquidated in 545 days > 80%	Y	100% of the portfolio matures within 545 days.
% Of invested portfolio with capitalising interest	n/a	50.0%

4. Shown as % of FUM.

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## Appendix: Loan book as at 31 October 2023

	Location	Total Loan Limit (m)	Total loan outstanding (m)	Fund investment (m)	% FUM	Maturity	Interest margin over RBA cash bands (%)	LVR (%)
<b>Land residential</b>								
1	Southern NSW	\$2.75	\$2.65	\$0.19	0.30%	Nov-23	6-8	50
2	Southern NSW	\$12.77	\$10.78	\$3.36	5.40%	Feb-24	7-9	65
3	North of Sydney	\$1.14	\$1.06	\$1.06	1.70%	Apr-24	8-9	56
4	North west Melbourne	\$9.26	\$8.37	\$8.37	13.40%	Jun-24	6-8	59
<b>Land commercial</b>								
5	Western Sydney	\$9.95	\$9.91	\$1.22	2.00%	Dec-23	7-9	65
6	Western Sydney	\$7.80	\$7.80	\$5.80	9.30%	May-24	6-8	65
7	Inner North Melbourne	\$5.10	\$5.10	\$1.00	1.60%	Dec-23	6-8	60
<b>House of house land lots</b>								
8	Western Sydney	\$2.99	\$1.96	\$1.96	3.10%	Mar-24	7-9	61
9	Lake Macquarie NSW	\$21.77	\$17.02	\$2.04	3.30%	Dec-23	7-9	60
10	South of Brisbane	\$0.93	\$0.93	\$0.93	1.50%	Sep-24	6-8	60
<b>Mixed portfolio</b>								
11	Canberra	\$2.28	\$2.11	\$2.11	3.40%	Mar-24	6-8	60
<b>Non-residential</b>								
12	North of Sydney	\$3.70	\$3.44	\$3.44	5.50%	Dec-23	6-8	60
13	South Australia	\$21.78	\$21.78	\$6.50	10.40%	Nov-23	6-8	65
14	Lake Macquarie NSW	\$1.43	\$1.43	\$1.43	2.30%	Mar-24	7-9	44
<b>Development</b>								
15	Eastern Sydney	\$8.68	\$4.95	\$4.95	7.90%	Feb-24	7-9	40
16	Southern NSW	\$8.19	\$2.49	\$2.49	4.00%	Jan-24	5-6	58
17	Central Coast NSW	\$138.00	\$45.14	\$4.53	7.30%	Apr-25	7-9	65
<b>Invested Portfolio</b>				\$51.38	82.40%			
<b>Cash</b>				\$10.98	17.60%			
<b>Total Funds under Management (FUM)</b>				\$62.36	100.00%			

## Investments under watch

Loan No. 1 is on the Manager's watchlist, as the borrower has put itself in administration in order to remove a caveat. The Manager is comfortable with the strategy being adopted by the administrator and is receiving regular updates on the progress.

Loan No. 2 was extended as at 31 October 2023, with an equity injection received on 3 November 2023 to pay accrued

interest and provide sufficient availability under the limit to allow capitalisation to the new maturity in February 2024. The 65% LVR reflects the Fund's maximum approved exposure as a proportion of the value of the property.

The Manager has no concerns with respect to the recovery value of any of the Fund's investments.

## About MA Financial Group

We are a global alternative asset manager specialising in private credit, core and operating real estate, hospitality, private equity and venture capital as well as traditional asset classes. We lend to property, corporate and specialty finance sectors and provide corporate advice.

We offer solutions for wholesale, retail and institutional investors who entrust us to manage \$9.2 billion on their behalf.<sup>5</sup>

We have a team of over 600 professionals across locations in Australia, China, Hong Kong, New Zealand, Singapore and the United States.

### More information

The Target Market Determination for Units in the Fund is available free of charge on the Fund webpage: [mafinancial.com/au/invest/private-credit/ma-secured-real-estate-income-fund](https://mafinancial.com/au/invest/private-credit/ma-secured-real-estate-income-fund)

For more information, please speak to your financial adviser or the MA Client Services team at:

**E:** [clientservices@MAFinancial.com](mailto:clientservices@MAFinancial.com)

**T:** +61 2 8288 5594

[mafinancial.com](https://mafinancial.com)

### DISCLAIMER

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5. As at 1 November 2023.

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