



6 July 2022

Builder default on a small investment by the MA Secured Real Estate Income Fund in a construction loan for a 982sqm, three storey commercial building in Inner East Sydney

MAAM RE Ltd ACN 135 855 186 (AFSL 335783), in its capacity as responsible entity (**Responsible Entity**) of the MA Secured Real Estate Income Fund ARSN 648 810 904 (**Fund**), provides the following update as part of its continuous disclosure obligations.

The Fund has a \$0.15m investment in a construction loan, representing 0.5% of funds under management (**FUM**) at 30 June 2022. This is the only construction loan exposure of the Fund. The current total loan outstanding is \$0.78m, which is 14% of the \$5.65m land value of the project. The security for the loan includes a first registered mortgage over the land. The project is c.18% complete, with excavation and lift well finished and the crane in place.

The Manager was notified on 5 July that the builder had just been placed into administration (confirmed via ASIC search). The Manager, along with its construction specialist consultant, met with the Borrower and its consultants including an alternate builder, to immediately commence an action plan.

The Manager has no concerns on the recoverability of the loan investment and target return for the Fund.

The Manager will undertake due diligence on the proposed new builder, the change in delivery team and project timeframe, in consultation with the Manager's construction specialist and the independent quantity surveyor.

Given the speed with which the developer was able to engage with the proposed new builder, establish contact with key sub-contractors and proposed future delivery team, the Manager expects that a new builder will recommence works within the month of July 2022, thereby minimising any impact.

If you have any queries regarding the Fund, please call us on +61 2 8288 5594 or email us at MAclientservices@MAfinancial.com.

MAAM RE Ltd (ACN 135 855 186) (AFSL 335783) is the responsible entity (**Responsible Entity**) of the MA Secured Real Estate Income Fund (**Fund**) and the issuer of the units in the Fund. The information contained in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making any investment decision you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current product disclosure statement (**PDS**) of the Fund. The PDS for the Fund is available on the Fund website. Neither the Responsible Entity nor any member of the MA Financial Group Limited group guarantees repayment of capital or any particular rate of return from the Fund. All opinions and estimates included in this document constitute judgments of the Responsible Entity as at the date of this document and are subject to change without notice. Past performance is not a reliable indicator of future performance. The value or return of an investment will fluctuate and an investor may lose some or all of their investment. Whilst the Responsible Entity believes the information contained in these materials are based on reliable information, no warranty is given to its accuracy and persons relying on this information do so at their own risk. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Statements contained in this document that are not historical facts are based on expectations, estimates, projections, opinions and beliefs of the Responsible Entity as at the date of this document. Such statements involve known and unknown risks, uncertainties and other factors, and should not be relied upon in making an investment decision. These views may not necessarily reflect the views of any other entity in the MA Financial Group Limited group. Any references in this document to targeted or projected returns of the Fund are targets only and may not be achieved. Investment in the Fund is subject to risk including possible delays in payment or loss of income and principal invested. This information is intended for recipients in Australia only.

The target market determination for the Fund is available at the MA Financial website, free of charge, located [here](#).