

31 October 2024

Fund overview	
Fund size	\$101m
NAV per unit	\$1.0000
Weighted average duration ⁵	10.3 months
% portfolio with capitalising interest	31%
Funding of undrawn loan commitments	The Fund currently has sufficient cash to meet one undrawn construction loan facility

Compliance	Target	Actual
Max LVR on any individual asset at the time of making the loan	<= 65% per asset	65%
Weighted average LVR of the loan portfolio	< 60%	60%
Median loan investment	< 5%	5.7%
Borrower concentration	< 25%	9.3%
Single loan concentration	< 25%	9.3%
% portfolio that can be liquidated in 545 days	> 80%	100%

Target return¹

RBA Cash Rate + 5.00% p.a. (net of fees), over a rolling 12-month period

Monthly commentary

- In October 2024, the Fund delivered an 8.92% return over a rolling 12-month period. The monthly return is below target due to excess cash in the Fund above the target level.
- The Manager expects to deploy \$32m over the next month based on the current pipeline which should reduce the cash drag on returns. There are further investments under consideration for the Fund, albeit deployment has been taking longer than expected throughout the year. The Manager is seeing very competitive terms in the market and is remaining disciplined in its assessment of appropriate risk and return in investment decisions. The Manager is considering options to reduce the risk of cash drag in the Fund going forward.
- Median loan size of the Fund is currently marginally above target due to repayments of many smaller loans recently. Whilst the Manager is actively seeking smaller new loans as part of the deployment strategy, the median loan size is not expected to reduce until next year.

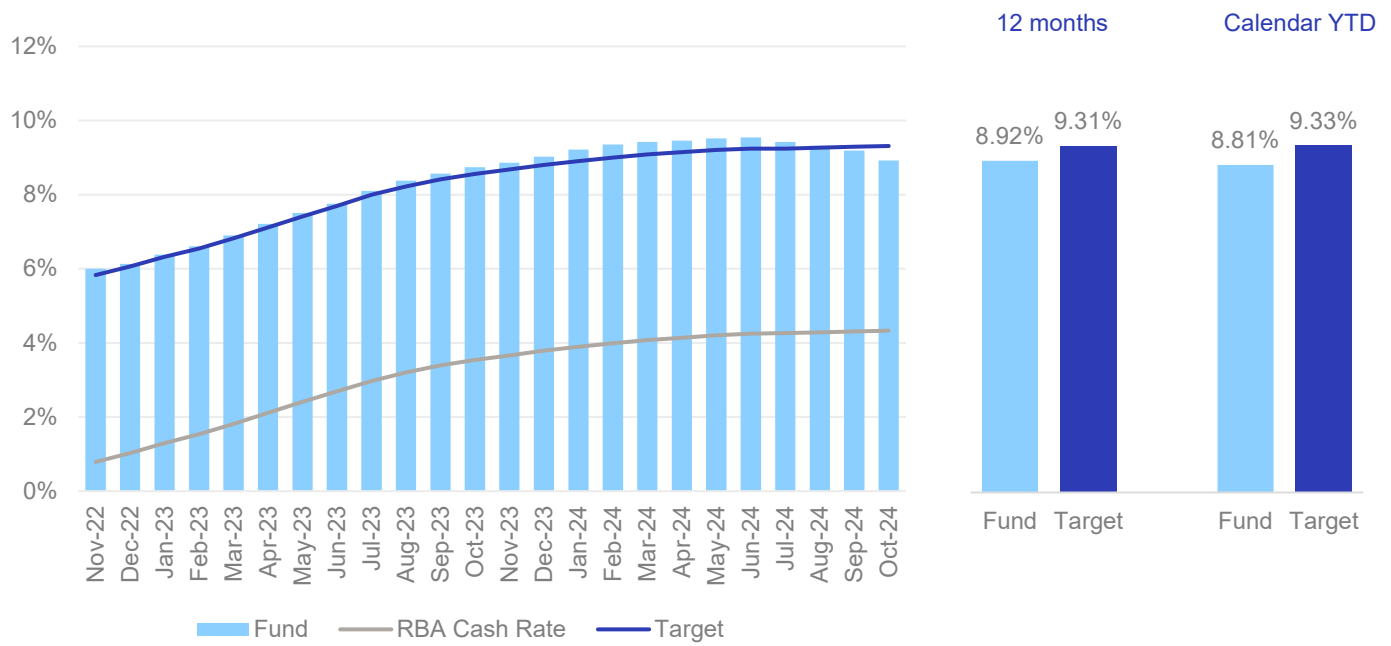
ASIC RG 45 Disclosure Benchmarks

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 2 April 2024.

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

Fund performance

Trailing 12 months distribution yields^{1,2}



Total return (%)³

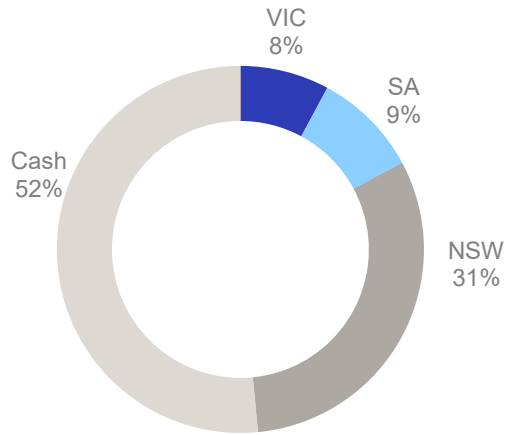
	1 month	3 months	6 months	1 year	2 years	3 years	Inception
Fund	0.56	1.86	4.20	9.32	9.20	8.11	7.71

Monthly total returns (%)

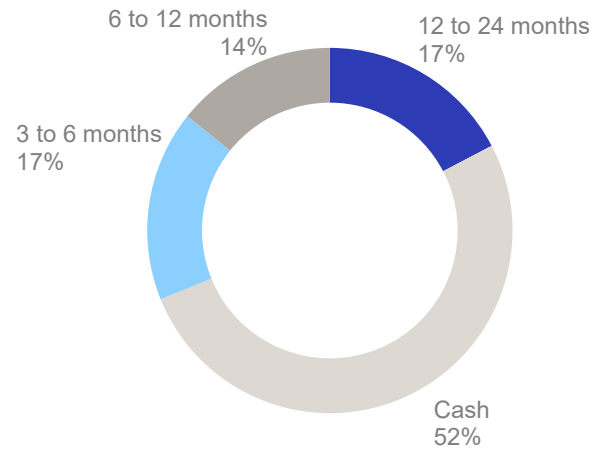
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2024	0.88	0.79	0.79	0.77	0.79	0.80	0.69	0.66	0.62	0.56	-	-	7.61
2023	0.69	0.62	0.73	0.73	0.73	0.77	0.79	0.76	0.75	0.84	0.75	0.84	9.38
2022	0.45	0.40	0.43	0.42	0.44	0.53	0.47	0.48	0.56	0.66	0.63	0.68	6.31
2021	-	-	-	-	-	0.35	0.41	0.45	0.48	0.42	0.43	0.54	3.66

Portfolio snapshot⁴

State concentration

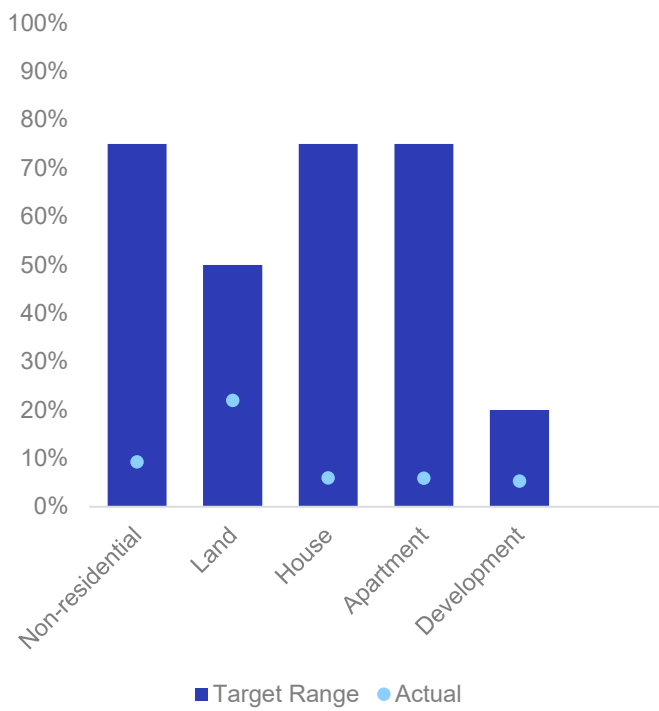


Maturity Profile

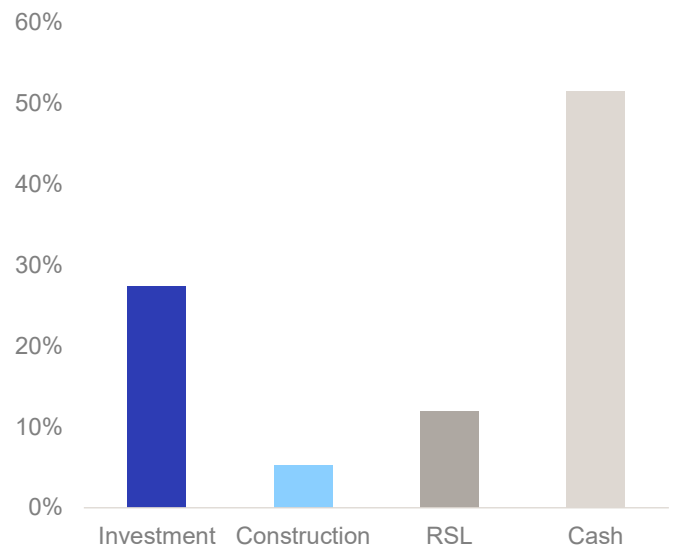


Additional portfolio targets

Collateral type



Loan Type



Loan book as at 30 October 2024

Location	Total loan limit	Total loan outstanding	Fund investment	% NAV	Maturity	Interest margin	LVR
Apartment							
Illawarra region (NSW)	\$21.51m	\$17.40m	\$6.02m	5.9%	Jun-24	7.50%	74%
Construction							
Central Coast (NSW)	\$138.00m	\$132.18m	\$5.36m	5.3%	Apr-25	11.0%	64%
Southern Highlands (NSW)	\$16.80m	\$15.14m	\$3.90m	3.8%	Jan-25	7.25%	57%
House or house land lots							
Southern Tablelands (NSW)*	\$6.80m	\$6.08m	\$6.08m	6.0%	Sep-24	6.00%	58%
Industrial							
Murray and Mallee Region (SA)	\$24.70m	\$24.70m	\$9.43m	9.3%	Nov-24	6.95%	65%
Land commercial							
Hills Shire (NSW)	\$9.95m	\$11.40m	\$1.40m	1.4%	Dec-23	7.75%	77%
Greater Melbourne (VIC)	\$5.10m	\$5.10m	\$1.00m	1.0%	Dec-24	6.80%	60%
Lake Macquarie (NSW)	\$1.97m	\$1.86m	\$1.86m	1.8%	Mar-25	8.15%	47%
Northern Sydney (NSW)	\$7.15m	\$7.15m	\$7.15m	7.0%	Sep-26	5.50%	65%
Land residential							
Northern Melbourne (VIC)	\$7.74m	\$6.97m	\$6.97m	6.9%	May-25	7.0%	52%
Invested Portfolio			\$49.17m	48%			
Cash			\$52.27m	52%			
Total			\$101.44m	100.0%			

*Approved for extension; currently in documentation.

Investments under watch

- Fund investments are actively managed, which includes close monitoring of progress against initial projections. Given challenges in the construction sector, the Manager has placed some investments on its 'Watch List' to help ensure additional oversight while specific and industry-wide challenges remain.
- Inclusion on the Manager's Watch List does not necessarily mean the Manager believes the particular investment will not recover the invested amount or expected return. Many of the circumstances being addressed in the Watch List were factored into the initial deal assessment and are within risk tolerances.
- The Manager categorises Watch List loans as 1, 2 or 3 depending upon the level of concern and/or further management oversight required. Category 3 loans have the highest level of concern/oversight level or in a formal recovery process.

Summary of Category 2 and 3 loans	Category	Outstanding by the Fund	% FUM
Residual stock loan in Illawarra Region NSW where apartment sales are slower than expected. The financing cost has increased the LVR to over the loan covenant of 65%. The Manager has requested the Borrower to arrange a refinance. A new valuation is being undertaken. Full recovery of the investment and returns is expected.	2	\$6.0m	5.9%
Loan secured by land in the Hills District of Sydney is past maturity date and the LVR has increased over the loan covenant of 65%. A receiver has been appointed and is negotiating with the purchaser. Full recovery of the investment and returns is expected.	3	\$1.4m	1.4%

Investment objective

The MA Secured Real Estate Income Fund (Fund) provides investors regular monthly cash distributions and a strong risk adjusted return through exposure to a range of first mortgage loans secured by Australian residential and commercial property.

Investment strategy

The 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 seeks 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.

Fund information	
Inception date	May 2021
Structure	Australian Unit Trust
Fund term	Open-ended fund
Fund currency	AUD
Minimum initial investment	\$10,000
Applications	Monthly
Redemptions	Monthly
Distributions	Monthly
Management fee	1.025% p.a. of the Net Asset Value
Performance fee	Nil
APIR code	MAA6243AU
Platform availability	Australian Money Market, Dash, HUB24, Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, Praemium

About MA Financial Group

We invest. We lend. We advise.

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.

Our investment teams have diverse skill sets and experience across a range of strategies and market conditions and are focused on delivering long-term growth. Our conviction runs deep and as testament to this we co-invest in many of our strategies alongside our clients, aligning our interests with theirs.

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/masecured-real-estate-income-fund

For more information, please speak to your financial adviser or the MA Client Services team at:
E: clientservices@mafinancial.com
T: +61 2 8288 5594
mafinancial.com

ENDNOTES

1. RBA Cash Rate is reset and fixed on the first calendar day of the month.
2. Distribution yield is calculated at a point in time by annualising the sum of distributions over the period and dividing it by the ending NAV price. Distribution yield will fluctuate when the distribution amount or the unit price changes.
3. Past performance is not a reliable indicator of future performance. Performance returns are net of fees and expenses and assume tax is not deducted. It is calculated using Net Asset Value (NAV) prices assuming the reinvestment of all distributions. Performance returns for periods greater than 1 year are annualised. Performance inception date 1 May 2021.
4. Values may not add up due to rounding.
5. Duration is calculated using expected repayment date.
6. The rating issued for MAA5944AU 06/2024 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2024 Lonsec. All rights reserved.
7. The amount invested in each new loan is limited to 65% of the valuation at the time of making the loan.

IMPORTANT INFORMATION

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