

MA Secured Real Estate Income Fund

Asset Management

31 January 2024



Fund overview		
Fund size	\$67.70m	
NAV per unit	\$1.0000	
Weighted average duration	5.4 months	
% portfolio with capitalising interest	66%	
Funding of undrawn loan commitments	Of \$5.8m undrawn, \$3.3m will be drawn in early 2024 from \$4.65m cash balances. The remaining \$2.5m will be funded from c.\$20m of loan repayments due in the next six months.	
Compliance	Target	Actual
Max LVR (approved limit / valuation)	<=65% per asset	65.0%
Weighted average LVR	<60%	59.9%
Median loan investment	<5%	4.3%
Borrower concentration	<25%	13.9%
Single loan concentration	<25%	13.9%
% portfolio that can be liquidated in 545 days	> 80%	100%

Target return

RBA Cash Rate + 5.00% p.a. (net of fees)

Monthly commentary

The Fund has 18 investments, nine of which are co-investments with other funds managed by the Manager.

The Fund's annualised distribution yield for the month of January 2024 was 10.36% p.a., which is 6.01% above the 4.35% RBA Cash Rate applied to the loans during the month (rate as at 1 January 2024). The Fund's total return since inception is 7.36% p.a.

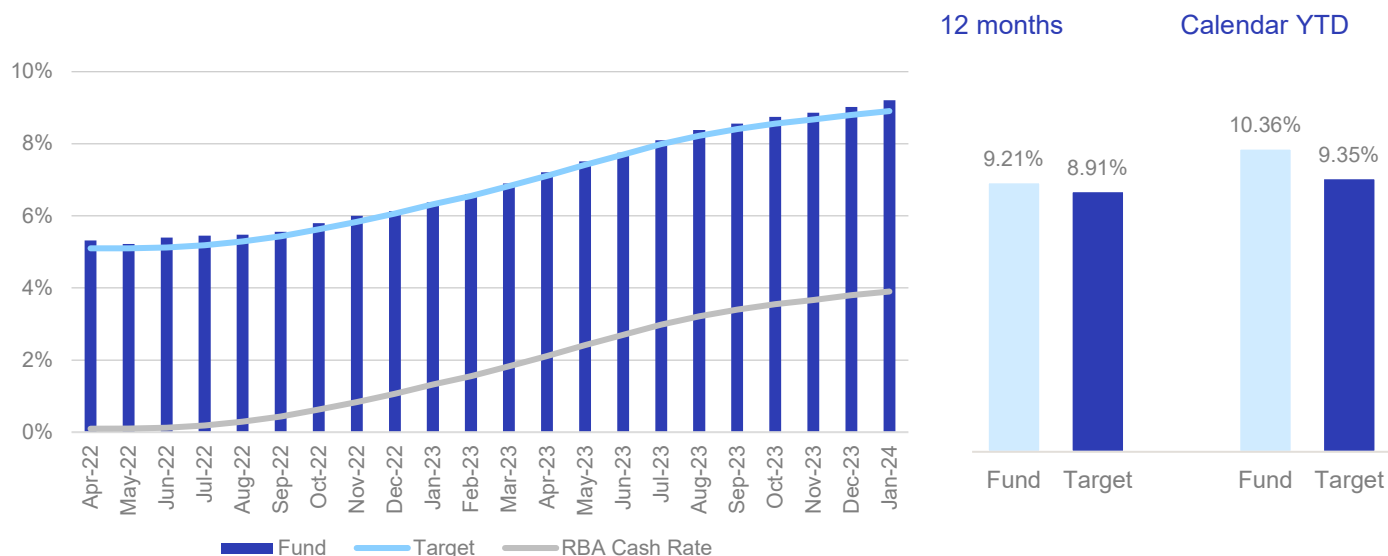
ASIC RG 45 Disclosure Benchmarks

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.

Fund performance

Trailing 12 months distribution yields



Total return (%)

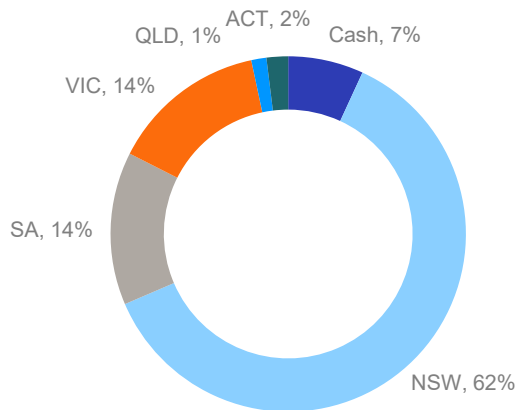
	1 month	3 months	6 months	1 year	2 years	3 years	Inception
Fund	0.88	2.49	4.91	9.58	8.06	-	7.36

Monthly total returns (%)

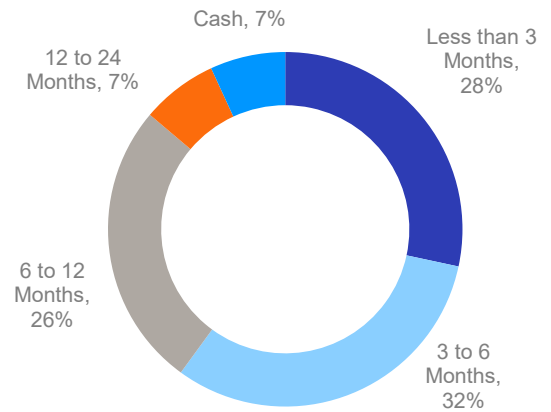
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2024	0.88	-	-	-	-	-	-	-	-	-	-	-	0.88
2023	0.69	0.62	0.73	0.73	0.73	0.77	0.79	0.76	0.75	0.84	0.75	0.84	9.38
2022	0.45	0.40	0.43	0.42	0.44	0.53	0.47	0.48	0.56	0.66	0.63	0.68	6.31
2021	-	-	-	-	0.52	0.35	0.41	0.45	0.48	0.42	0.43	0.54	3.66

Portfolio snapshot⁴

State concentration

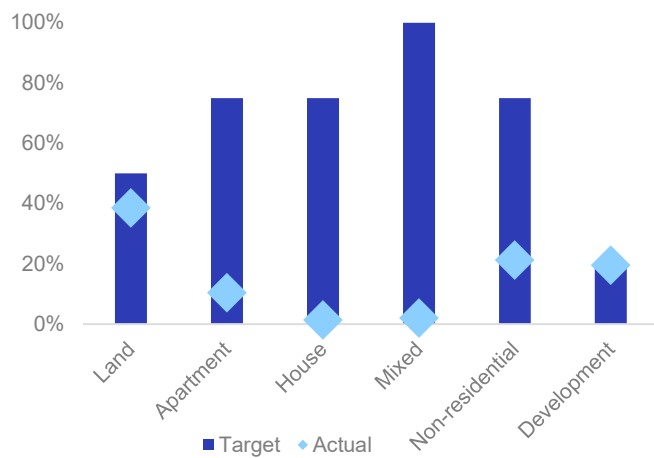


Maturity profile



Additional portfolio targets

Collateral type



Geography



Appendix: Loan book as at 31 January 2024

Location	Total loan limit	Total loan outstanding	Fund investment	% NAV	Maturity	Interest margin over RBA Cash bands	LVR	
Land residential								
1	Southern NSW	\$2.75 m	\$2.8 m	\$0.19 m	0.3%	Nov-23	6-8%	53%
2	Southern NSW	\$12.77 m	\$10.34 m	\$3.2 m	4.7%	Feb-24	7-9%	65%
3	Western Sydney	\$3.77 m	\$1.29 m	\$1.29 m	1.9%	Mar-24	7-9%	62%
4	Newcastle	\$1.14 m	\$1.1 m	\$1.1 m	1.6%	Apr-24	8-9%	58%
5	North-West Melbourne	\$9.26 m	\$8.61 m	\$8.61 m	12.7%	Jun-24	6-8%	60%
6	West of Sydney	\$16.06 m	\$14.94 m	\$3.72 m	5.5%	Aug-24	7-9%	60%
Land commercial								
7	Western Sydney	\$9.95 m	\$9.95 m	\$1.22 m	1.8%	Dec-23	7-9%	65%
8	Western Sydney	\$7.32 m	\$7.8 m	\$5.8 m	8.6%	May-24	6-8%	65%
9	Inner North Melbourne	\$5.1 m	\$5.1 m	\$1. m	1.5%	Dec-24	6-8%	60%
House or house land lots								
10	South of Brisbane	\$0.93 m	\$0.93 m	\$0.93 m	1.4%	Sep-24	6-8%	60%
Mixed portfolio								
11	Canberra	\$3.36 m	\$1.33 m	\$1.33 m	2.0%	Mar-24	6-8%	38%
Non-residential								
12	Lake Macquarie NSW	\$3.7 m	\$3.56 m	\$3.56 m	5.3%	Mar-24	6-8%	62%
13	South Australia	\$24.7 m	\$24.7 m	\$9.43 m	13.9%	Nov-24	6-8%	65%
14	Lake Macquarie NSW	\$1.43 m	\$1.43 m	\$1.43 m	2.1%	Mar-24	7-9%	44%
Development								
15	Southern NSW	\$5.65 m	\$2.62 m	\$2.62 m	3.9%	Sep-24	5-6%	60%
16	Eastern Sydney	\$8.68 m	\$5.89 m	\$5.89 m	8.7%	Feb-24	7-9%	40%
17	Central Coast NSW	\$138. m	\$68.21 m	\$4.71 m	7.0%	Apr-25	7-9%	65%
Apartment								
18	South Wollongong	\$21.51 m	\$21.19 m	\$7.02 m	10.4%	Jun-24	7-9%	64%
Invested Portfolio			\$63.05m	93.1%				
Cash			\$4.65m	6.9%				
Total			\$67.70m	100.0%				

Investments under watch

Loan investments #1 and #7 are past maturity date and on Watch. Loan #1 is in administration, with the Administrator confirming that refinance is on track for end of February 2024. Loan #7 has an extension approval to March 2024, with refinancing expected to occur by early March 2024.

Investment objective

The MA Secured Real Estate Income Fund (the 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	1.03% p.a. of the Net Asset Value
Performance fee	Nil
APIR code	MAA6243AU

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:

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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.

IMPORTANT INFORMATION

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