

# SMHL SERIES SECURITISATION FUND 2018-2



Monthly Investment Report as at 26 June 2024

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**Bloomberg Screen:** SMHL <MTGE>

## Summary

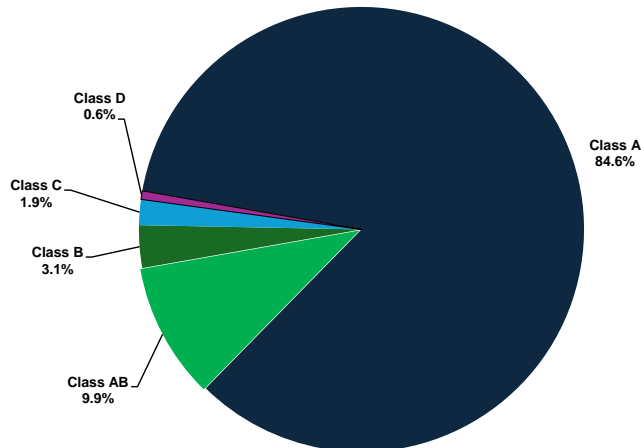
Fund: SMHL Series Securitisation Fund 2018-2  
 Cut-Off Date: 17 June 2024  
 Payment Date: 26 June 2024  
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2  
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
 Commonwealth Bank of Australia (ABN 48 123 123 124)  
 Macquarie Bank Limited (ABN 46 008 583 542)  
 National Australia Bank Limited (ABN 12 004 044 937)  
 Arranger: National Australia Bank Limited (ABN 12 004 044 937)  
 Trust Manager: Members Equity Bank Limited (ABN 56 070 887 679) ("ME")  
 Security Trustee: Perpetual Trustee Company Limited (ABN 42 000 001 007)  
 Liquidity Facility Provider: Members Equity Bank Limited (ABN 56 070 887 679) ("ME")  
 Redraw Facility Provider: Members Equity Bank Limited (ABN 56 070 887 679) ("ME")  
 Interest Rate Swap Provider: National Australia Bank Limited (ABN 12 004 044 937)  
 Issue Date: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
 16 August 2018  
 Legal Final Maturity Date: September 2050

## Security Classes

| Class Name :                   | A                 | AB            | B             | C             | D            | E            |
|--------------------------------|-------------------|---------------|---------------|---------------|--------------|--------------|
| ISIN:                          | AU3FN0043808      | AU3FN0043816  | AU3FN0043824  | AU3FN0043832  | AU3FN0043840 | AU3FN0043857 |
| Rating Agency:                 | S&P / Moody's     | S&P           | S&P           | S&P           | S&P          | S&P          |
| Rating:                        | AAA(sf) / Aaa(sf) | AAA(sf)       | AA(sf)        | A(sf)         | BBB(sf)      | NR           |
| Currency:                      | AUD               | AUD           | AUD           | AUD           | AUD          | AUD          |
| Original Balance at Issue:     | 1,150,000,000.00  | 60,000,000.00 | 18,750,000.00 | 11,250,000.00 | 3,750,000.00 | 6,250,000.00 |
| Base Rate:                     | 1 month BBSW      | 1 month BBSW  | 1 month BBSW  | 1 month BBSW  | 1 month BBSW | 1 month BBSW |
| Margin above base rate:        | 1.11%             | 1.70%         | 1.80%         | 2.45%         | 3.25%        | 5.75%        |
| Expected Average Life to call: | 2.7 years         | 4.8 years     | 4.8 years     | 4.8 years     | 4.8 years    | 4.8 years    |
| Distribution Frequency:        | Monthly           | Monthly       | Monthly       | Monthly       | Monthly      | Monthly      |
| Coupon Type:                   | Floating          | Floating      | Floating      | Floating      | Floating     | Floating     |
| Principal payment type:        | Pass Through      | Pass Through  | Pass Through  | Pass Through  | Pass Through | Pass Through |

## Bond Factors as at 26 June 2024

|          |            |
|----------|------------|
| Fund:    | 0.10574264 |
| Class A  | 0.09619854 |
| Class AB | 0.21549987 |
| Class B  | 0.21549987 |
| Class C  | 0.21549987 |
| Class D  | 0.21549987 |
| Class E  | 0.21549987 |



## Portfolio Structure

|                        | Opening Balance    | Principal Pass-do | Closing Balance    | Current Interest Amt        | Coupon Rate                   |
|------------------------|--------------------|-------------------|--------------------|-----------------------------|-------------------------------|
|                        |                    |                   |                    | 27 May 2024<br>26 June 2024 | 28 March 2022<br>26 June 2024 |
| Class A                | 112,705,789.94     | 2,077,475         | 110,628,315        | 500,228                     | 5.400%                        |
| Class AB               | 13,172,802.59      | 242,811           | 12,929,992         | 64,853                      | 5.990%                        |
| Class B                | 4,116,500.81       | 75,878            | 4,040,622          | 20,605                      | 6.090%                        |
| Class C                | 2,469,900.49       | 45,527            | 2,424,373          | 13,683                      | 6.740%                        |
| Class D                | 823,300.16         | 15,176            | 808,124            | 5,102                       | 7.540%                        |
| Class E                | 1,372,166.94       | 25,293            | 1,346,874          | 11,323                      | 10.040%                       |
| <b>Total Portfolio</b> | <b>134,660,461</b> | <b>2,482,159</b>  | <b>132,178,302</b> | <b>615,795</b>              |                               |

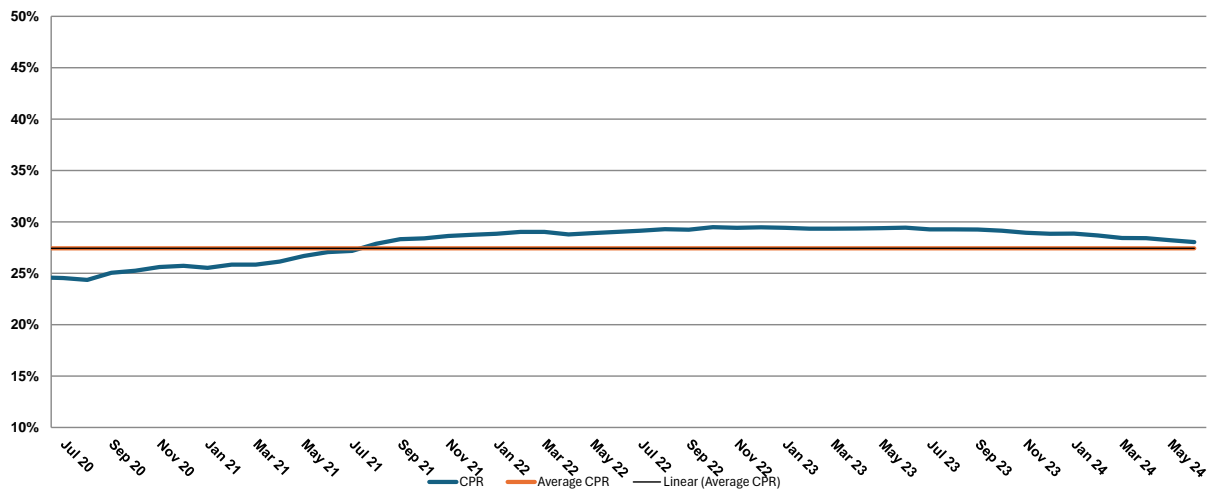
European CRR invested amount (as per Article 405) \$ 17,217,669 13.03%

## Pool Details

|                             |         |
|-----------------------------|---------|
| Number of Loans             | 1,874   |
| Average Loan Size           | 70,533  |
| Maximum Loan Size           | 667,501 |
| Weighted Average LVR        | 42.50%  |
| Maximum LVR                 | 92.51%  |
| WA Seeding (months)         | 165     |
| WA Term to Maturity (years) | 15      |
| Full Documentation Loans    | 100.00% |
| WA Interest Rate            | 7.33%   |

## Principal Collections & Prepayment Analysis

|  | Monthly<br>16 May 2024 to<br>17 June 2024 | Quarterly<br>15 March 2024 to<br>17 June 2024 | Since inception<br>16 August 2018 to<br>17 June 2024 |
|--|---|---|--|
| <b>Repayment Analysis</b>                        |   |   |  |
| Balance @ Determination Date                     | 134,660,461                               | 141,462,669                                   | 1,250,000,000  |
| Substitution                                     | -   | -   | -  |
| Scheduled Repayments                             | (780,805)                                 | (2,383,157)                                   | (142,965,778)  |
| Prepayments                                      | (2,968,394)                               | (10,293,094)                                  | (1,188,236,603)                                      |
| Redraw Advances                                  | 1,267,041                                 | 3,391,884                                     | 213,380,683  |
| Principal Draws / (Repayment of Principal Draws) | -   | -   | -  |
| <b>Closing Balance</b>                           | <b>132,178,302</b>                        | <b>132,178,302</b>                            | <b>132,178,302</b>                                   |
| CPR  | 14.23%                                    | 18.30%  | 28.03%   |
| SMM  | 1.27%                                     | 1.67%   | 2.70%  |



## Current Position

| Geographical Location |             |            |     |
|-----------------------|-------------|------------|-----|
| VIC                   | - Metro     | 30,076,269 | 23% |
|                       | - Non Metro | 7,180,181  | 5%  |
| NSW                   | - Metro     | 15,384,929 | 12% |
|                       | - Non Metro | 11,738,904 | 9%  |
| QLD                   | - Metro     | 12,715,820 | 10% |
|                       | - Non Metro | 7,651,057  | 6%  |
| SA                    | - Metro     | 4,997,146  | 4%  |
|                       | - Non Metro | 100,351    | 0%  |
| WA                    | - Metro     | 20,369,408 | 15% |
|                       | - Non Metro | 1,018,383  | 1%  |
| TAS                   | - Metro     | 3,758,809  | 3%  |
|                       | - Non Metro | 2,683,810  | 2%  |
| NT                    | - Metro     | 2,077,427  | 2%  |
|                       | - Non Metro | 459,478    | 0%  |
| ACT                   | - Metro     | 11,966,329 | 9%  |
|                       | - Non Metro | -          | 0%  |

**TOTAL 132,178,302 100%**

| Loan Purpose <sup>1</sup> |  |            |     |
|---------------------------|--|------------|-----|
| Refinance                 |  | 37,135,807 | 28% |
| ReDecation                |  | -          | 0%  |
| Purchase                  |  | 43,578,982 | 33% |
| Construction              |  | 5,168,904  | 4%  |
| Equity Release            |  | 46,294,608 | 35% |

**TOTAL 132,178,302 100%**

| Loan Term     |  |            |     |
|---------------|--|------------|-----|
| <=5 yrs       |  | -          | 0%  |
| >5 & <=10yrs  |  | 1,607,532  | 1%  |
| >10 & <=15yrs |  | 2,702,105  | 2%  |
| >15 & <=20yrs |  | 14,356,411 | 11% |
| >20 & <=25yrs |  | 22,663,507 | 17% |
| >25yrs        |  | 90,848,746 | 69% |

**TOTAL 132,178,302 100%**

| Owner/Investment split <sup>1</sup> |  |             |     |
|-------------------------------------|--|-------------|-----|
| Owner Occupied                      |  | 107,676,414 | 81% |
| Investment                          |  | 24,501,888  | 19% |

**TOTAL 132,178,302 100%**

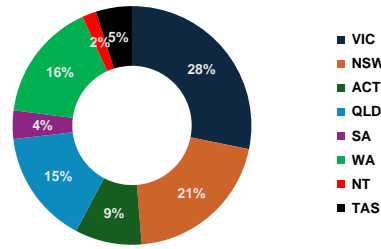
| Interest Rate Exposure |  |            |     |
|------------------------|--|------------|-----|
| > 8.00%                |  | 41,618,735 | 31% |
| > 7.00% & <= 8.00%     |  | 26,917,871 | 20% |
| > 6.00% & <= 7.00%     |  | 63,290,063 | 48% |
| > 5.00% & <= 6.00%     |  | 697,744    | 1%  |
| <= 5.00%               |  | 346,111    | 0%  |

**TOTAL 132,178,302 100%**

| Loan to Value Ratio |  |            |     |
|---------------------|--|------------|-----|
| >95%                |  | -          | 0%  |
| >90% & <= 95%       |  | 508,784    | 0%  |
| >85% & <= 90%       |  | -          | 0%  |
| >80% & <= 85%       |  | 1,059,300  | 1%  |
| >75% & <= 80%       |  | 3,698,736  | 3%  |
| >70% & <= 75%       |  | 2,684,154  | 2%  |
| >65% & <= 70%       |  | 8,102,752  | 6%  |
| >60% & <= 65%       |  | 9,058,685  | 7%  |
| >55% & <= 60%       |  | 9,941,817  | 8%  |
| >50% & <= 55%       |  | 14,947,081 | 11% |
| >45% & <= 50%       |  | 11,085,717 | 8%  |
| >40% & <= 45%       |  | 10,773,782 | 8%  |
| >35% & <= 40%       |  | 13,583,178 | 10% |
| >30% & <= 35%       |  | 11,562,154 | 9%  |
| >25% & <= 30%       |  | 7,580,393  | 6%  |
| <=25%               |  | 27,591,768 | 21% |

**TOTAL 132,178,302 100%**

## Geographical Location



## Loan Security <sup>2</sup>

|                |                    |             |
|----------------|--------------------|-------------|
| House          | 114,621,861        | 86%         |
| Land           | 213,619            | 0%          |
| Apartment Unit | 4,730,394          | 4%          |
| Townhouse      | 9,384,029          | 7%          |
| Other          | 2,169,606          | 2%          |
|                | 1,058,793          | 1%          |
| <b>TOTAL</b>   | <b>132,178,302</b> | <b>100%</b> |

## Interest Option

|                |                    |             |
|----------------|--------------------|-------------|
| Variable       | 132,178,302        | 100%        |
| Fixed <3 years | -                  | 0%          |
| Fixed >3 years | -                  | 0%          |
| <b>TOTAL</b>   | <b>132,178,302</b> | <b>100%</b> |

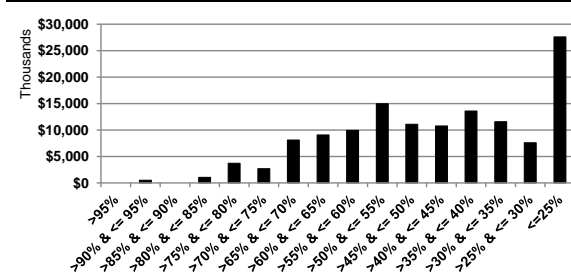
## Mortgage Insurance <sup>3</sup>

|                    |                    |             |
|--------------------|--------------------|-------------|
| Genworth Financial | 56,930,501         | 43%         |
| HLIC Govt          | 746                | 0%          |
| Uninsured          | 75,247,055         | 57%         |
| <b>TOTAL</b>       | <b>132,178,302</b> | <b>100%</b> |

## Loan Size

|                         |                    |             |
|-------------------------|--------------------|-------------|
| >\$250,000              | 35,985,215         | 27%         |
| >\$200,000 & <\$250,000 | 17,965,759         | 14%         |
| >\$150,000 & <\$200,000 | 23,274,301         | 18%         |
| >\$100,000 & <\$150,000 | 23,997,819         | 18%         |
| >\$50,000 & <\$100,000  | 21,081,821         | 16%         |
| <= \$50,000             | 9,873,386          | 7%          |
| <b>TOTAL</b>            | <b>132,178,302</b> | <b>100%</b> |

## Loan to Value Ratio



1 - Due to a recent review of the classification of investor lending, the Bank has now agreed a definition of investor lending which will be applied across all areas of the Bank to undertake reporting, monitoring and analysis. The bank has decided to move away from the historic "loan security" classification to a "loan purpose" classification. This classification is based upon each customer's advice to the Bank as to the purpose of the loan, and takes account that customers are unlikely to choose "investment" as an option when it is not the case, given the higher pricing attached to investment loans.

2 - The Bank has also decided to move away from the "Primary Security" classification to a new methodology of determining the LTV in security by using the highest valued security property. This change will drive alignment across the investor reported data and RBA reporting requirements.

This change is effective from 1 March 2016. Feel free to contact Investor Reporting team to discuss the matter.

3 - As of November 2022, Genworth have changed their name to Helia and all references to Genworth or Helia are interchangeable. There is no change to LMI cover.

## Arrears

|                               | 17 June 2024 | 16 May 2024 | 16 April 2024 |
|-------------------------------|--------------|-------------|---------------|
| <b>30-59 days</b>             |              |             |               |
| Number of loans               | 9            | 8           | 6             |
| Outstanding Balance (\$)      | 630,847      | 1,233,574   | 829,975       |
| % of Pool Outstanding Balance | 0.48%        | 0.92%       | 0.61%         |
| <b>60-89 days</b>             |              |             |               |
| Number of loans               | 6            | 4           | 9             |
| Outstanding Balance (\$)      | 1,559,891    | 1,181,115   | 2,122,295     |
| % of Pool Outstanding Balance | 1.18%        | 0.88%       | 1.55%         |
| <b>90+ days</b>               |              |             |               |
| Number of loans               | 22           | 23          | 22            |
| Outstanding Balance (\$)      | 3,106,811    | 3,257,451   | 2,805,073     |
| % of Pool Outstanding Balance | 2.35%        | 2.42%       | 2.05%         |
| <b>TOTAL Delinquencies</b>    |              |             |               |
| Number of loans               | 37           | 35          | 37            |
| Outstanding Balance (\$)      | 5,297,548    | 5,672,141   | 5,757,343     |
| % of Pool Outstanding Balance | 4.01%        | 4.21%       | 4.20%         |
| <b>Pool Information</b>       |              |             |               |
| Number of loans               | 1,874        | 1,895       | 1,926         |
| Outstanding Balance (\$ m)    | 132          | 135         | 137           |

## Foreclosure & Mortgage Insurance claims since inception

|  | <u>Loan count</u> | <u>Amount</u> |
|--|-------------------|---------------|
| Outstanding Balance of Defaulted Loans | 3                 | 1,362,931     |
| Proceeds of sale                       | 3                 | 797,519       |
| Loss on sale of property               | 2                 | 14,128        |
| Claims submitted to Insurer            | 3                 | 242,072       |
| Claims paid by Insurer                 | 3                 | 240,019       |
| Unclaimed                              | 0                 | 0             |
| Pending claim                          | 0                 | 0             |
| Loss covered by Excess spread          | 3                 | 119,170       |
| Claims Reduced/Denied by Insurers      | 0                 | 0             |

Any insured housing loan held by the fund is insured under one of the following:

- \* master policy with the Commonwealth of Australia dated July 4th, 1994;
- \* master policy with GE Mortgage Insurance Pty Limited (formerly Housing Loans Insurance Corporation Pty Limited (ACN 071 466334) dated 12 Dec, 1997;
- \* master policy with GE Capital Mortgage Insurance Corporation (Australia) Pty Limited (ACN 081 488 440) and GE Mortgage Insurance Pty Limited (ACN 071 466 334) which is effective from October 25, 1999.

For further details on the above mortgage Insurance policies reference should be made to the Offering circular and the Transaction Documents. Please note that limitations and exclusions apply with the mortgage Insurance policies, including timely payment cover for a limited period.

## Facilities & Reserve

### Liquidity Facility

|  |           |
|--|-----------|
| Opening Balance                                      | 1,314,057 |
| Liquidity facility drawn during the current month    | -         |
| Repayment of Liquidity Draw for the previous periods | -         |
| Outstanding liquidity draws                          | -         |
| Reduction in Facility                                | (23,326)  |
| Closing Outstanding Balance                          | 1,290,730 |

### Redraw Funding Facility

|                 |   |
|-----------------|---|
| Opening Balance | - |
| Drawn amount    | - |
| Closing balance | - |

## Notional Swaps

|                            |      |
|----------------------------|------|
| Notional Swaps Value       | -    |
| % of fixed rate home loans | 0.0% |

Neither Members Equity Bank Limited nor any associate of Members Equity Bank Limited (including ME Portfolio Management Limited) in any way stands behind the capital value and/or the performance of the Bonds or the assets of SMHL Securitisation Fund 2018-2. Members Equity Bank Limited does not stand behind the obligations of ME Portfolio Management Limited. The Bonds do not represent deposits or other liabilities of Members Equity Bank Limited or associates of Members Equity Bank Limited including ME Portfolio Management Limited. Members Equity Bank Limited does not guarantee the payment of interest or the repayment of principal due on the Bonds or the performance of the assets of SMHL Securitisation Fund 20182 (except to the limited extent provided in the transaction documents). The holding of the Bonds is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

**Current Position - SMHL SERIES SECURITISATION FUND 2018-2 CRD**

**Geographical Location**

|     |             |           |     |
|-----|-------------|-----------|-----|
| VIC | - Metro     | 4,981,088 | 29% |
|     | - Non Metro | 1,265,967 | 7%  |
| NSW | - Metro     | 2,797,127 | 16% |
|     | - Non Metro | 1,222,900 | 7%  |
| QLD | - Metro     | 720,849   | 4%  |
|     | - Non Metro | 1,069,217 | 6%  |
| SA  | - Metro     | 226,598   | 1%  |
|     | - Non Metro | 2,719     | 0%  |
| WA  | - Metro     | 2,697,256 | 16% |
|     | - Non Metro | -         | 0%  |
| TAS | - Metro     | 854,474   | 5%  |
|     | - Non Metro | 308,935   | 2%  |
| NT  | - Metro     | -         | 0%  |
|     | - Non Metro | -         | 0%  |
| ACT | - Metro     | 1,070,541 | 6%  |
|     | - Non Metro | -         | 0%  |

**TOTAL 17,217,669 100%**

**Loan Purpose <sup>1</sup>**

|                |           |     |
|----------------|-----------|-----|
| Refinance      | 4,766,689 | 28% |
| Renovation     | -         | 0%  |
| Purchase       | 5,589,785 | 32% |
| Construction   | 1,384,580 | 8%  |
| Equity Release | 5,476,615 | 32% |

**TOTAL 17,217,669 100%**

**Loan Term**

|               |            |     |
|---------------|------------|-----|
| <=5 yrs       | 25         | 0%  |
| >5 & <=10yrs  | 131,377    | 1%  |
| >10 & <=15yrs | 1,094,265  | 6%  |
| >15 & <=20yrs | 1,840,915  | 11% |
| >20 & <=25yrs | 3,402,862  | 20% |
| >25yrs        | 10,748,225 | 62% |

**TOTAL 17,217,669 100%**

**Owner/Investment split <sup>1</sup>**

|                |            |     |
|----------------|------------|-----|
| Owner Occupied | 13,460,867 | 78% |
| Investment     | 3,756,802  | 22% |

**TOTAL 17,217,669 100%**

**Interest Rate Exposure**

|                    |           |     |
|--------------------|-----------|-----|
| > 8.00%            | 3,577,540 | 21% |
| > 7.00% & <= 8.00% | 2,831,486 | 16% |
| > 6.00% & <= 7.00% | 7,429,871 | 43% |
| > 5.00% & <= 6.00% | 276,505   | 2%  |
| <= 5.00%           | 3,102,268 | 18% |

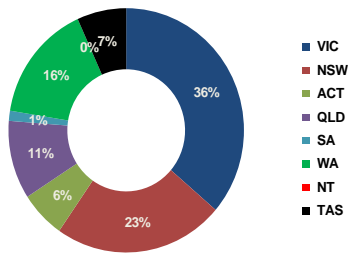
**TOTAL 17,217,669 100%**

**Loan to Value Ratio**

|               |           |     |
|---------------|-----------|-----|
| >95%          | -         | 0%  |
| >90% & <= 95% | -         | 0%  |
| >85% & <= 90% | -         | 0%  |
| >80% & <= 85% | -         | 0%  |
| >75% & <= 80% | -         | 0%  |
| >70% & <= 75% | -         | 0%  |
| >65% & <= 70% | 844,246   | 5%  |
| >60% & <= 65% | 433,854   | 3%  |
| >55% & <= 60% | 2,399,438 | 14% |
| >50% & <= 55% | 1,552,442 | 9%  |
| >45% & <= 50% | 3,250,090 | 19% |
| >40% & <= 45% | 986,155   | 6%  |
| >35% & <= 40% | 1,905,598 | 11% |
| >30% & <= 35% | 1,609,204 | 9%  |
| >25% & <= 30% | 788,198   | 5%  |
| <=25%         | 3,448,442 | 19% |

**TOTAL 17,217,669 100%**

**Geographical Location**



**Loan Security <sup>2</sup>**

|           |            |     |
|-----------|------------|-----|
| House     | 14,436,713 | 85% |
| Land      | -          | 0%  |
| Apartment | 400,352    | 2%  |
| Unit      | 1,969,371  | 11% |
| Townhouse | 39,497     | 0%  |
| Other     | 371,735    | 2%  |

**TOTAL 17,217,669 100%**

**Interest Option**

|                |            |     |
|----------------|------------|-----|
| Variable       | 12,591,917 | 73% |
| Fixed <3 years | 4,496,536  | 26% |
| Fixed >3 years | 129,216    | 1%  |

**TOTAL 17,217,669 100%**

**Mortgage Insurance <sup>3</sup>**

|                    |            |     |
|--------------------|------------|-----|
| Genworth Financial | 6,313,808  | 37% |
| HLIC Govt          | -          | 0%  |
| Uninsured          | 10,903,861 | 63% |
| QBE                | 0          | 0%  |

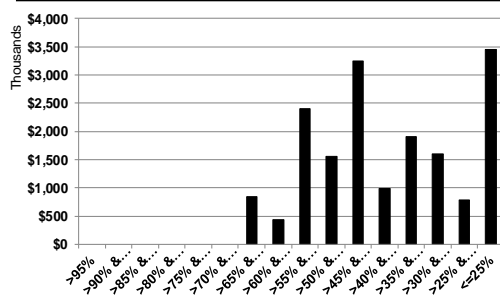
**TOTAL 17,217,669 100%**

**Loan Size**

|                          |           |     |
|--------------------------|-----------|-----|
| >\$250,000               | 6,189,856 | 36% |
| >\$200,000 & <=\$250,000 | 2,007,649 | 12% |
| >\$150,000 & <=\$200,000 | 2,439,669 | 14% |
| >\$100,000 & <=\$150,000 | 3,862,348 | 22% |
| >\$50,000 & <=\$100,000  | 1,913,307 | 11% |
| <=\$50,000               | 804,840   | 5%  |

**TOTAL 17,217,669 100%**

**Loan to Value Ratio**



<sup>1</sup> - Due to a recent review of the classification of investor lending, the Bank has now agreed a definition of investor lending which will be applied across all areas of the Bank to undertake reporting, monitoring and analysis. The Bank has decided to move away from the historic "loan security" classification to a "loan purpose" classification. This classification is based upon each customer's advice to the Bank as to the purpose of the loan, and takes account that customers are unlikely to choose "investment" as an option when it is not the case, given the higher pricing attached to investment loans.

<sup>2</sup> - The Bank has also decided to move away from the "Primary Security" classification to a new methodology of determining the loan to value ratio by using the highest valued security property. This change will drive alignment across the investor reported data and RBA reporting requirements.

This change is effective from 1 March 2016. Feel free to contact Investor Reporting team to discuss the matter.

<sup>3</sup> - As of November 2022, Genworth have changed their name to Helia and all references to Genworth or Helia are interchangeable. There is no change to LMI cover.