

SMHL SERIES SECURITISATION FUND 2018-2

Monthly Investment Report as at 27 May 2024

Contact: Investor Reporting
Phone: +61 3 9708 3113
Email: investorreporting@boq.com.au
Website: mebank.com.au
Bloomberg Screen: SMHL <MTGE>



Summary

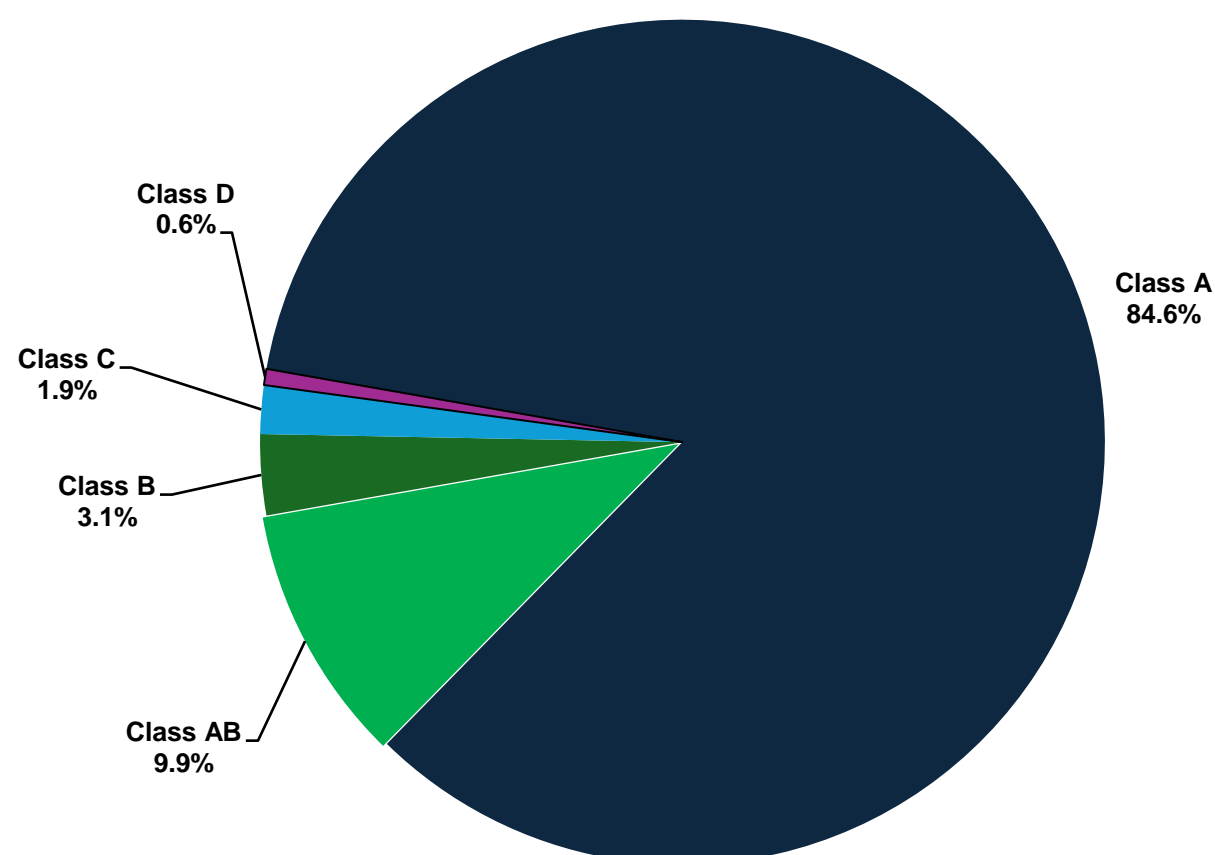
Fund: SMHL Series Securitisation Fund 2018-2
 Cut-Off Date: 16 May 2024
 Payment Date: 27 May 2024
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
 Commonwealth Bank of Australia (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)
 Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
 Issue Date: 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	
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 27 May 2024

Fund:	0.10772837
Class A	0.09800503
Class AB	0.21954671
Class B	0.21954671
Class C	0.21954671
Class D	0.21954671
Class E	0.21954671



Portfolio Structure

	Opening Balance	Principal Pass- do	Closing Balance	Current Interest Amt		Coupon Rate
				26 April 2024	27 May 2024	28 March 2022
						27 May 2024
Class A	114,657,782.00	1,951,992	112,705,790	528,046		5.423%
Class AB	13,400,947.09	228,144	13,172,803	68,432		6.013%
Class B	4,187,795.97	71,295	4,116,501	21,741		6.113%
Class C	2,512,677.58	42,777	2,469,900	14,432		6.763%
Class D	837,559.19	14,259	823,300	5,380		7.563%
Class E	1,395,931.99	23,765	1,372,167	11,930		10.063%
Total Portfolio	136,992,694	2,332,233	134,660,461	649,960		

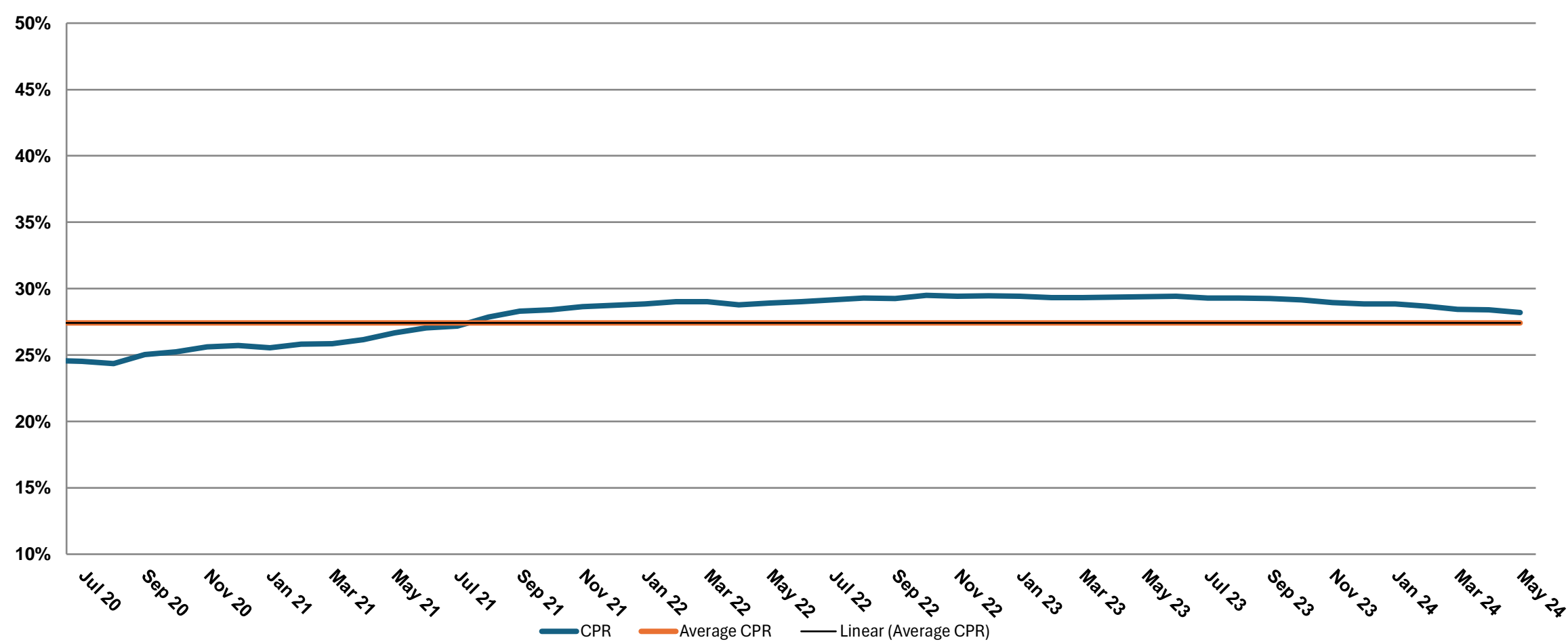
European CRR invested amount (as per Article 405) \$ 17,494,630

Pool Details

Number of Loans	1,895
Average Loan Size	71,061
Maximum Loan Size	686,080
Weighted Average LVR	42.79%
Maximum LVR	93.04%
WA Seeding (months)	164
WA Term to Maturity (years)	15
Full Documentation Loans	100.00%
WA Interest Rate	7.35%

Principal Collections & Prepayment Analysis

Repayment Analysis	Monthly	Quarterly	Since inception
	16 April 2024 to 16 May 2024	15 February 2024 to 16 May 2024	16 August 2018 to 16 May 2024
Balance @ Determination Date	136,992,694	143,647,544	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(801,012)	(2,423,963)	(142,184,973)
Prepayments	(2,518,479)	(9,811,130)	(1,185,268,209)
Redraw Advances	987,259	3,248,009	212,113,643
Principal Draws / (Repayment of Principal Draws)	-	-	-
Closing Balance	134,660,461	134,660,461	134,660,461
CPR	12.69%	17.25%	28.21%
SMM	1.12%	1.57%	2.72%



Current Position

Geographical Location

VIC	- Metro	30,163,078	22%
	- Non Metro	7,244,649	5%
NSW	- Metro	15,883,914	12%
	- Non Metro	11,720,044	9%
QLD	- Metro	12,751,535	9%
	- Non Metro	8,252,373	6%
SA	- Metro	5,129,348	4%
	- Non Metro	99,498	0%
WA	- Metro	21,041,781	16%
	- Non Metro	1,017,203	1%
TAS	- Metro	3,925,927	3%
	- Non Metro	2,690,265	2%
NT	- Metro	2,105,375	2%
	- Non Metro	460,672	0%
ACT	- Metro	12,174,800	9%
	- Non Metro	-	0%

TOTAL **134,660,461** **100%**

Loan Purpose ¹

Refinance	37,548,699	28%
ReDecation	-	0%
Purchase	44,271,559	33%
Construction	5,580,141	4%
Equity Release	47,260,063	35%

TOTAL **134,660,461** **100%**

Loan Term

<=5 yrs	-	0%
>5 & <=10yrs	1,656,018	1%
>10 & <=15yrs	2,866,191	2%
>15 & <=20yrs	14,845,910	11%
>20 & <=25yrs	22,430,635	17%
>25yrs	92,861,708	69%

TOTAL **134,660,461** **100%**

Owner/Investment split ¹

Owner Occupied	109,953,991	82%
Investment	24,706,470	18%

TOTAL **134,660,461** **100%**

Interest Rate Exposure

> 8.00%	43,176,292	32%
> 7.00% & <= 8.00%	27,355,337	20%
> 6.00% & <= 7.00%	63,756,865	47%
> 5.00% & <= 6.00%	700,754	1%
<= 5.00%	328,787	0%

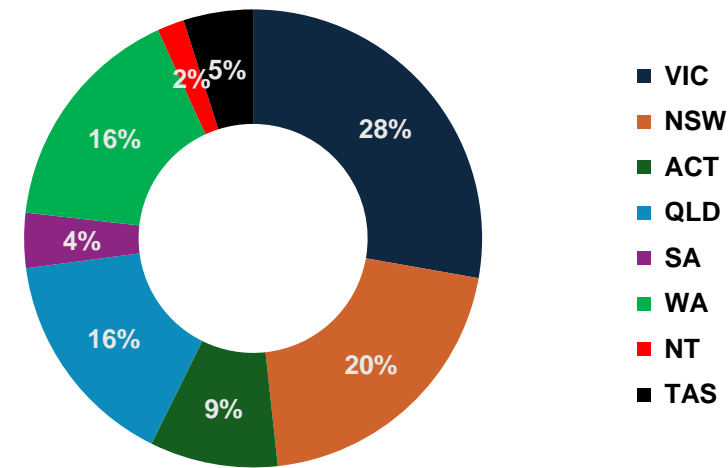
TOTAL **134,660,461** **100%**

Loan to Value Ratio

>95%	-	0%
>90% & <= 95%	511,746	0%
>85% & <= 90%	-	0%
>80% & <= 85%	1,551,066	1%
>75% & <= 80%	3,216,021	2%
>70% & <= 75%	3,134,300	2%
>65% & <= 70%	9,194,843	7%
>60% & <= 65%	8,613,406	6%
>55% & <= 60%	10,898,805	8%
>50% & <= 55%	13,870,433	10%
>45% & <= 50%	11,078,758	8%
>40% & <= 45%	12,482,939	9%
>35% & <= 40%	14,259,162	11%
>30% & <= 35%	10,593,770	8%
>25% & <= 30%	8,130,713	6%
<=25%	27,124,499	22%

TOTAL **134,660,461** **100%**

Geographical Location



Loan Security ²

House	117,089,503	86%
Land	214,265	0%
Apartment	4,787,772	4%
Unit	9,332,018	7%
Townhouse	2,184,938	2%
Other	1,051,965	1%

TOTAL **134,660,461** **100%**

Interest Option

Variable	134,660,461	100%
Fixed <3 years	-	0%
Fixed >3 years	-	0%

TOTAL **134,660,461** **100%**

Mortgage Insurance ³

Genworth Financial	58,294,245	43%
HLIC Govt	776	0%
Uninsured	76,365,440	57%

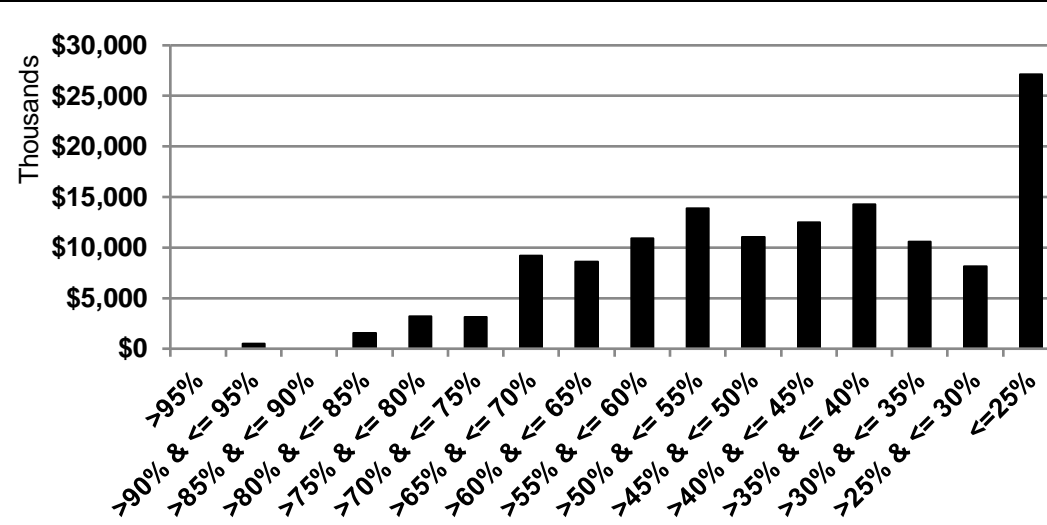
TOTAL **134,660,461** **100%**

Loan Size

>\$250,000	37,276,818	27%
>\$200,000 & <\$250,000	18,230,657	14%
>\$150,000 & <\$200,000	25,128,807	19%
>\$100,000 & <\$150,000	23,583,906	18%
>\$50,000 & <\$100,000	20,532,130	15%
<= \$50,000	9,908,143	7%

TOTAL **134,660,461** **100%**

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 main 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

	16 May 2024	16 April 2024	15 March 2024
30-59 days			
Number of loans	8	6	7
Outstanding Balance (\$)	1,233,574	829,975	980,402
% of Pool Outstanding Balance	0.92%	0.61%	0.69%
60-89 days			
Number of loans	4	9	10
Outstanding Balance (\$)	1,181,115	2,122,295	2,353,053
% of Pool Outstanding Balance	0.88%	1.55%	1.66%
90+ days			
Number of loans	23	22	19
Outstanding Balance (\$)	3,257,451	2,805,073	2,493,098
% of Pool Outstanding Balance	2.42%	2.05%	1.76%
TOTAL Delinquencies			
Number of loans	35	37	36
Outstanding Balance (\$)	5,672,141	5,757,343	5,826,553
% of Pool Outstanding Balance	4.21%	4.20%	4.12%
Pool Information			
Number of loans	1,895	1,926	1,961
Outstanding Balance (\$ m)	135	137	141

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 071 466 334) 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	1,341,899
Liquidity facility drawn during the current month	-
Repayment of Liquidity Draw for the previous periods	-
Outstanding liquidity draws	-
Reduction in Facility	(27,842)
Closing Outstanding Balance	<u>1,314,057</u>

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 2018-2 (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	5,014,517	29%
	- Non Metro	1,445,892	8%
NSW	- Metro	2,802,488	16%
	- Non Metro	1,217,054	7%
QLD	- Metro	722,892	4%
	- Non Metro	1,117,928	6%
SA	- Metro	228,947	1%
	- Non Metro	8,896	0%
WA	- Metro	2,709,810	15%
	- Non Metro	-	0%
TAS	- Metro	854,013	5%
	- Non Metro	309,855	2%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	1,062,338	6%
	- Non Metro	-	0%

TOTAL 17,494,630 100%

Loan Purpose ¹		
Refinance	4,917,392	28%
Renovation	-	0%
Purchase	5,709,674	33%
Construction	1,368,691	8%
Equity Release	5,498,873	31%

TOTAL 17,494,630 100%

Loan Term		
<=5 yrs	1,329	0%
>5 & <=10yrs	138,601	1%
>10 & <=15yrs	1,140,433	7%
>15 & <=20yrs	1,875,428	11%
>20 & <=25yrs	3,486,767	20%
>25yrs	10,854,731	61%

TOTAL 17,494,630 100%

Owner/Investment split ¹		
Owner Occupied	13,550,491	77%
Investment	3,944,140	23%

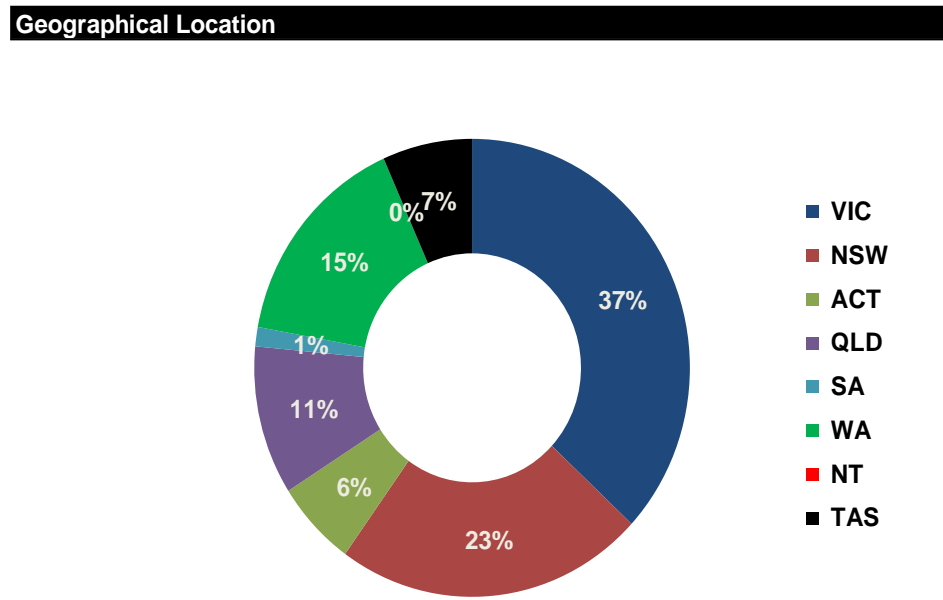
TOTAL 17,494,630 100%

Interest Rate Exposure		
> 8.00%	3,795,967	22%
> 7.00% & <= 8.00%	2,877,953	16%
> 6.00% & <= 7.00%	7,418,599	42%
> 5.00% & <= 6.00%	277,598	2%
<= 5.00%	3,124,513	18%

TOTAL 17,494,630 100%

Loan to Value Ratio		
>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	-	0%
>75% & <= 80%	-	0%
>70% & <= 75%	-	0%
>65% & <= 70%	846,899	5%
>60% & <= 65%	435,045	2%
>55% & <= 60%	2,396,164	14%
>50% & <= 55%	1,694,401	10%
>45% & <= 50%	3,081,464	18%
>40% & <= 45%	1,554,218	9%
>35% & <= 40%	1,571,950	9%
>30% & <= 35%	1,353,929	8%
>25% & <= 30%	1,041,533	6%
<=25%	3,519,027	19%

TOTAL 17,494,630 100%



Loan Security ²		
House	14,693,358	85%
Land	-	0%
Apartment	403,782	2%
Unit	1,989,920	11%
Townhouse	40,672	0%
Other	366,898	2%

TOTAL 17,494,630 100%

Interest Option		
Variable	12,838,521	73%
Fixed <3 years	4,525,573	26%
Fixed >3 years	130,536	1%

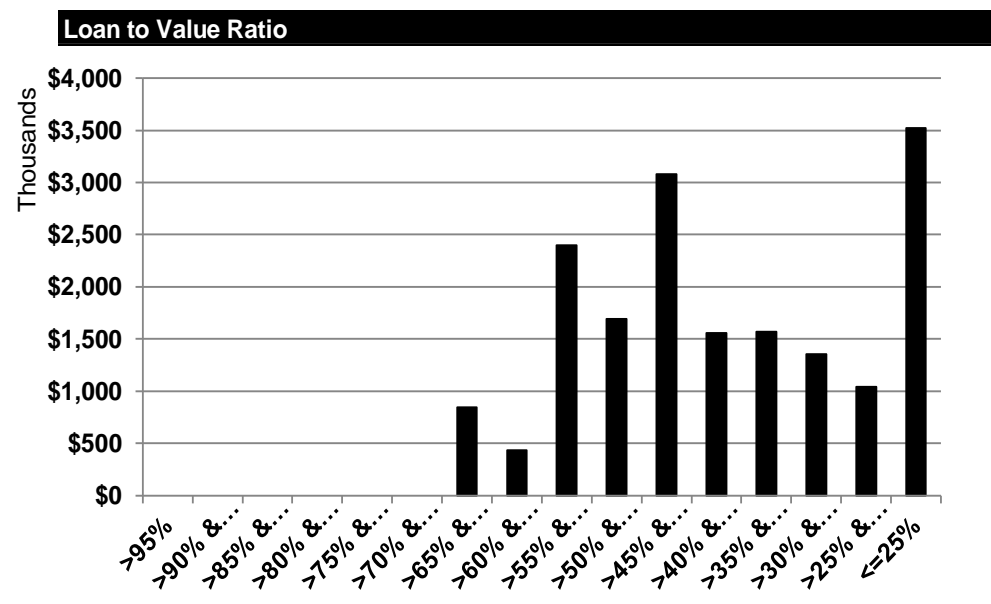
TOTAL 17,494,630 100%

Mortgage Insurance ³		
Genworth Financial	6,504,003	37%
HLIC Govt	-	0%
Uninsured	10,990,627	63%
QBE	0	0%

TOTAL 17,494,630 100%

Loan Size		
>\$250,000	5,971,790	35%
>\$200,000 & <\$250,000	2,262,255	13%
>\$150,000 & <\$200,000	2,290,252	13%
>\$100,000 & <\$150,000	3,738,512	21%
>\$50,000 & <\$100,000	2,476,795	14%
<= \$50,000	755,026	4%

TOTAL 17,494,630 100%



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 main 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.