

# SMHL SERIES SECURITISATION FUND 2018-2



# SMHL<sup>®</sup>

Monthly Investment Report as at 26 October 2023

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**Bloomberg Screen:** SMHL <MTGE>

## Summary

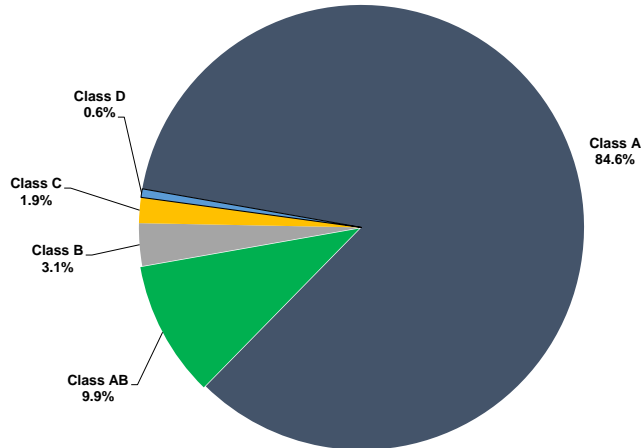
Fund: SMHL Series Securitisation Fund 2018-2  
 Cut-Off Date: 17 October 2023  
 Payment Date: 26 October 2023  
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2  
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
 Commonwealth 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 October 2023

Fund:	0.12742378
Class A	0.11592278
Class AB	0.25968529
Class B	0.25968529
Class C	0.25968529
Class D	0.25968529
Class E	0.25968529



## Portfolio Structure

	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt		Coupon Rate
				26 September 2023	26 October 2023	28 March 2022 26 October 2023
Class A	136,777,411.13	3,466,210	133,311,200.80	580,648.22		5.165%
Class AB	15,986,240.25	405,123	15,581,117.28	75,617.11		5.755%
Class B	4,995,700.08	126,601	4,869,099.15	24,040.95		5.855%
Class C	2,997,420.05	75,961	2,921,459.49	16,025.93		6.505%
Class D	999,140.02	25,320	973,819.83	5,998.95		7.305%
Class E	1,665,233.36	42,200	1,623,033.05	13,419.96		9.805%
<b>Total Portfolio</b>	<b>163,421,145</b>	<b>4,141,415</b>	<b>159,279,730</b>	<b>715,751</b>		

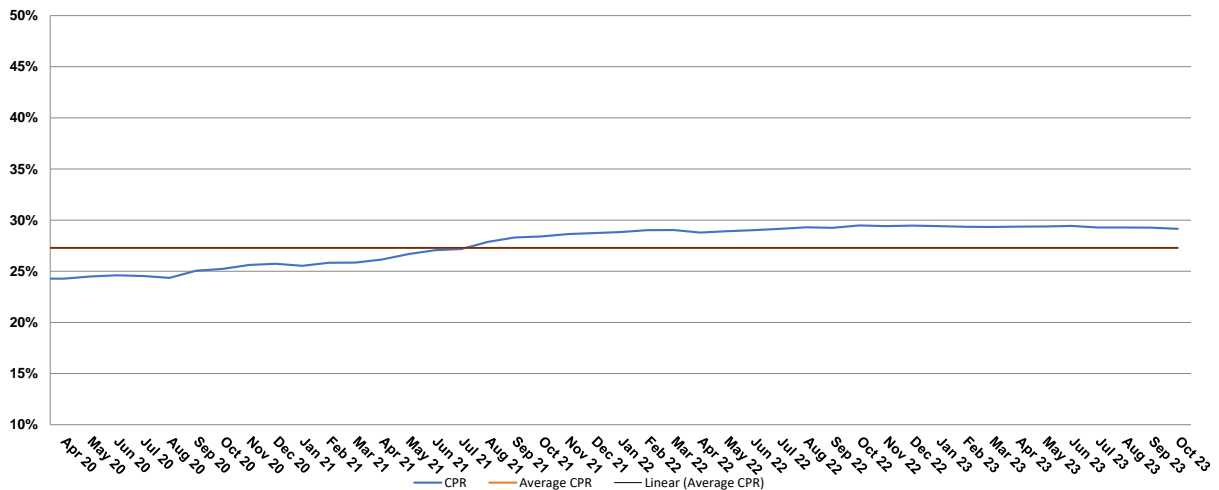
European CRR invested amount (as per Article 405) \$ 19,710,425 12.37%

## Pool Details

Number of Loans	2,117
Average Loan Size	75,238
Maximum Loan Size	752,241
Weighted Average LVR	43.21%
Maximum LVR	101.39%
WA Seeding (months)	158
WA Term to Maturity (years)	16
Full Documentation Loans	100.00%
WA Interest Rate	7.16%

## Principal Collections & Prepayment Analysis

Repayment Analysis	Monthly	Quarterly	Since inception
	15 September 2023 to 17 October 2023	17 July 2023 to 17 October 2023	16 August 2018 to 17 October 2023
Balance @ Determination Date	163,421,145	175,144,229	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(934,588)	(3,073,058)	(136,004,874)
Prepayments	(4,229,375)	(15,959,063)	(1,159,005,573)
Redraw Advances	1,022,547	3,167,622	204,290,177
Principal Draws / (Repayment of Principal Draws)	-	-	-
<b>Closing Balance</b>	<b>159,279,730</b>	<b>159,279,730</b>	<b>159,279,730</b>
CPR	21.27%	26.44%	29.14%
SMM	1.97%	2.53%	2.83%



## Current Position

Geographical Location		
VIC	- Metro	34,873,543 22%
	- Non Metro	8,421,184 5%
NSW	- Metro	18,081,144 11%
	- Non Metro	14,128,318 9%
QLD	- Metro	15,159,917 10%
	- Non Metro	9,276,931 6%
SA	- Metro	6,899,501 4%
	- Non Metro	113,454 0%
WA	- Metro	24,159,496 15%
	- Non Metro	1,221,585 1%
TAS	- Metro	4,374,373 3%
	- Non Metro	3,472,698 2%
NT	- Metro	3,151,592 2%
	- Non Metro	467,377 0%
ACT	- Metro	15,478,618 10%
	- Non Metro	- 0%
<b>TOTAL</b>		<b>159,279,730 100%</b>

Loan Purpose <sup>1</sup>		
Refinance	43,059,293	27%
ReDecation	-	0%
Purchase	52,860,906	33%
Construction	5,600,026	4%
Equity Release	57,759,505	36%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

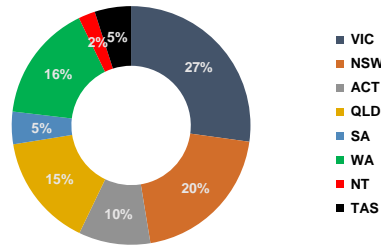
Loan Term		
<=5 yrs	-	0%
>5 & <=10yrs	2,582,395	2%
>10 & <=15yrs	4,346,946	3%
>15 & <=20yrs	17,753,319	11%
>20 & <=25yrs	27,258,493	17%
>25yrs	107,337,577	67%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

Owner/Investment split <sup>1</sup>		
Owner Occupied	130,451,996	82%
Investment	28,827,733	18%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

Interest Rate Exposure		
> 8.00%	49,776,697	31%
> 7.00% & <= 8.00%	33,430,946	21%
> 6.00% & <= 7.00%	54,424,224	34%
> 5.00% & <= 6.00%	21,850,264	14%
<= 5.00%	202,401	0%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

Loan to Value Ratio		
>95%	243,337	0%
>90% & <= 95%	516,129	0%
>85% & <= 90%	-	0%
>80% & <= 85%	2,198,355	1%
>75% & <= 80%	3,048,392	2%
>70% & <= 75%	4,513,147	3%
>65% & <= 70%	14,084,037	9%
>60% & <= 65%	10,399,973	7%
>55% & <= 60%	12,983,707	8%
>50% & <= 55%	13,739,835	9%
>45% & <= 50%	11,550,324	7%
>40% & <= 45%	13,280,604	8%
>35% & <= 40%	18,618,099	12%
>30% & <= 35%	12,203,247	8%
>25% & <= 30%	9,904,425	6%
<=25%	32,096,119	20%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

## Geographical Location



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

House	139,282,456	87%
Land	219,283	0%
Apartment Unit	5,662,560	4%
Unit	10,423,252	7%
Townhouse	2,217,644	1%
Other	1,474,534	1%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

## Interest Option

Variable	159,279,730	100%
Fixed <3 years	-	0%
Fixed >3 years	-	0%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

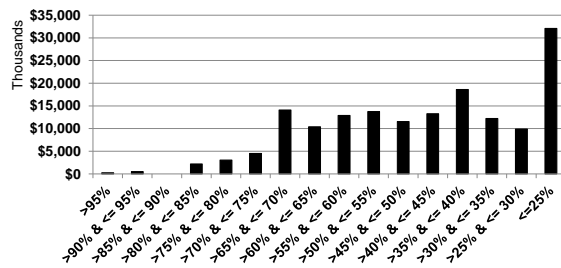
## Mortgage Insurance <sup>3</sup>

Genworth Financial	65,986,505	41%
HLIC Govt	975	0%
Uninsured	93,292,250	59%
<b>TOTAL</b>	<b>159,279,730</b>	<b>100%</b>

## Loan Size

>\$250,000	47,056,770	30%
>\$200,000 & <\$250,000	22,424,400	14%
>\$150,000 & <\$200,000	26,241,045	16%
>\$100,000 & <\$150,000	28,476,657	18%
>\$50,000 & <\$100,000	23,448,152	15%
<= \$50,000	11,632,705	7%
<b>TOTAL</b>	<b>159,279,730</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 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 Hella and all references to Genworth or Hella are interchangeable. There is no change to LMI cover.

## Arrears

	17 October 2023	15 September 2023	17 August 2023
<b>30-59 days</b>			
Number of loans	7	3	3
Outstanding Balance (\$)	1,347,680	481,628	405,281
% of Pool Outstanding Balance	0.85%	0.29%	0.24%
<b>60-89 days</b>			
Number of loans	1	7	7
Outstanding Balance (\$)	84,601	950,938	898,957
% of Pool Outstanding Balance	0.05%	0.58%	0.53%
<b>90+ days</b>			
Number of loans	12	13	15
Outstanding Balance (\$)	1,736,977	2,239,906	2,487,471
% of Pool Outstanding Balance	1.09%	1.37%	1.47%
<b>TOTAL Delinquencies</b>			
Number of loans	20	23	25
Outstanding Balance (\$)	3,169,259	3,672,472	3,791,708
% of Pool Outstanding Balance	1.99%	2.25%	2.24%
<b>Pool Information</b>			
Number of loans	2,117	2,148	2,194
Outstanding Balance (\$ m)	159	163	169

## Repayment Holiday COVID-19

	17 October 2023	15 September 2023	17 August 2023
Number of loans	0	0	0
Outstanding Balance (\$)	0	0	0
% of Pool Outstanding Balance	0.00%	0.00%	0.00%

## 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	1,611,813
Liquidity facility drawn during the current month	-
Repayment of Liquidity Draw for the previous periods	-
Outstanding liquidity draws	-
Reduction in Facility	(40,887)
Closing Outstanding Balance	<u>1,570,926</u>

Redraw Funding Facility

Opening Balance	-
Drawn amount	-
Closing balance	-

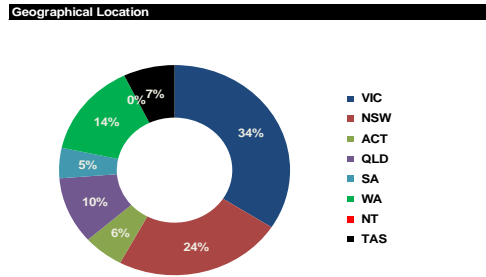
**Notional Swaps**

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	5,148,503 26%
	- Non Metro	1,582,055 8%
NSW	- Metro	3,262,395 17%
	- Non Metro	1,402,107 7%
QLD	- Metro	743,753 4%
	- Non Metro	1,279,992 6%
SA	- Metro	915,698 5%
	- Non Metro	4,156 0%
WA	- Metro	2,841,533 14%
	- Non Metro	0 0%
TAS	- Metro	973,288 5%
	- Non Metro	439,129 2%
NT	- Metro	- 0%
	- Non Metro	- 0%
ACT	- Metro	1,117,817 6%
	- Non Metro	- 0%
<b>TOTAL</b>		<b>19,710,425 100%</b>



1		
Refinance	5,078,286	26%
Renovation	-	0%
Purchase	6,755,797	34%
Construction	1,698,638	9%
Equity Release	6,177,704	31%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Loan Security 2		
House	16,904,967	86%
Land	-	0%
Apartment	408,602	2%
Unit	1,976,342	10%
Townhouse	59,092	0%
Other	361,422	2%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Loan Term		
<=5 yrs	13,161	0%
>5 & <=10yrs	227,089	1%
>10 & <=15yrs	1,324,386	7%
>15 & <=20yrs	1,806,764	9%
>20 & <=25yrs	3,714,788	19%
>25yrs	12,624,238	64%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Interest Option		
Variable	12,644,727	64%
Fixed <3 years	6,861,094	35%
Fixed >3 years	204,604	1%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

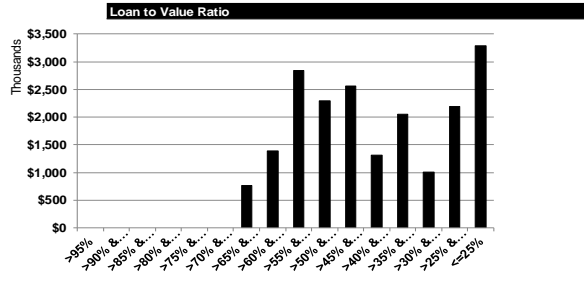
rent split 1		
Owner Occupied	15,367,876	78%
Investment	4,342,549	22%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Mortgage Insurance 3		
Genworth Financial	7,167,388	36%
H LIC Govt	-	0%
Uninsured	12,543,021	64%
QBE	16	0%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Interest Rate Exposure		
> 8.00%	3,458,756	18%
> 7.00% & <= 8.00%	2,020,028	10%
> 6.00% & <= 7.00%	5,949,093	30%
> 5.00% & <= 6.00%	2,121,973	11%
<= 5.00%	6,160,575	31%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Loan Size		
>\$250,000	6,624,934	33%
>=\$200,000 & <=\$250,000	2,358,552	12%
>=\$150,000 & <=\$200,000	3,169,199	16%
>=\$100,000 & <=\$150,000	4,289,496	22%
>=\$50,000 & <=\$100,000	2,363,254	12%
<= \$50,000	904,990	5%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>

Loan to Value Ratio		
>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	-	0%
>75% & <= 80%	-	0%
>70% & <= 75%	-	0%
>65% & <= 70%	767,423	4%
>60% & <= 65%	1,385,410	7%
>55% & <= 60%	2,844,700	14%
>50% & <= 55%	2,296,416	12%
>45% & <= 50%	2,560,948	13%
>40% & <= 45%	1,313,145	7%
>35% & <= 40%	2,053,418	10%
>30% & <= 35%	1,009,221	5%
>25% & <= 30%	2,191,840	11%
<=25%	3,287,906	17%
<b>TOTAL</b>	<b>19,710,425</b>	<b>100%</b>



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