

## SMHL SERIES SECURITISATION FUND 2018-2

Monthly Investment Report as at 28 February 2022

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**Bloomberg Screen:** SMHL <MTGE>



### Summary

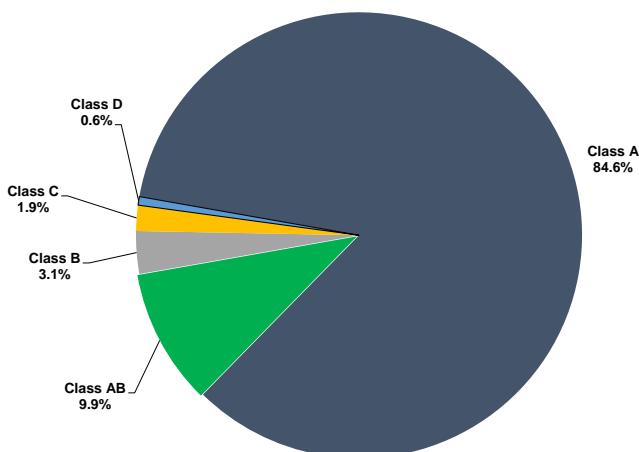
Fund: SMHL Series Securitisation Fund 2018-2  
Cut-Off Date: 17 February 2022  
Payment Date: 28 February 2022  
Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2  
Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
Commonwealth Bank 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	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 28 February 2022

Fund: 0.25230562  
Class A: 0.22953305  
Class AB: 0.51419017  
Class B: 0.51419017  
Class C: 0.51419017  
Class D: 0.51419017  
Class E: 0.51419017



## Portfolio Structure

	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt	Coupon Rate
				27 January 2022 28 February 2022	27 January 2022 28 February 2022
Class A	275,150,480.01	11,187,474	263,963,006.22	270,754.10	1.122%
Class AB	32,158,977.44	1,307,567	30,851,410.34	48,279.70	1.712%
Class B	10,049,680.45	408,615	9,641,065.73	15,968.47	1.812%
Class C	6,029,808.27	245,169	5,784,639.44	13,017.25	2.462%
Class D	2,009,936.09	81,723	1,928,213.15	5,748.79	3.262%
Class E	3,349,893.48	136,205	3,213,688.58	16,923.55	5.762%
<b>Total Portfolio</b>	<b>328,748,776</b>	<b>13,366,752</b>	<b>315,382,023</b>	<b>370,692</b>	

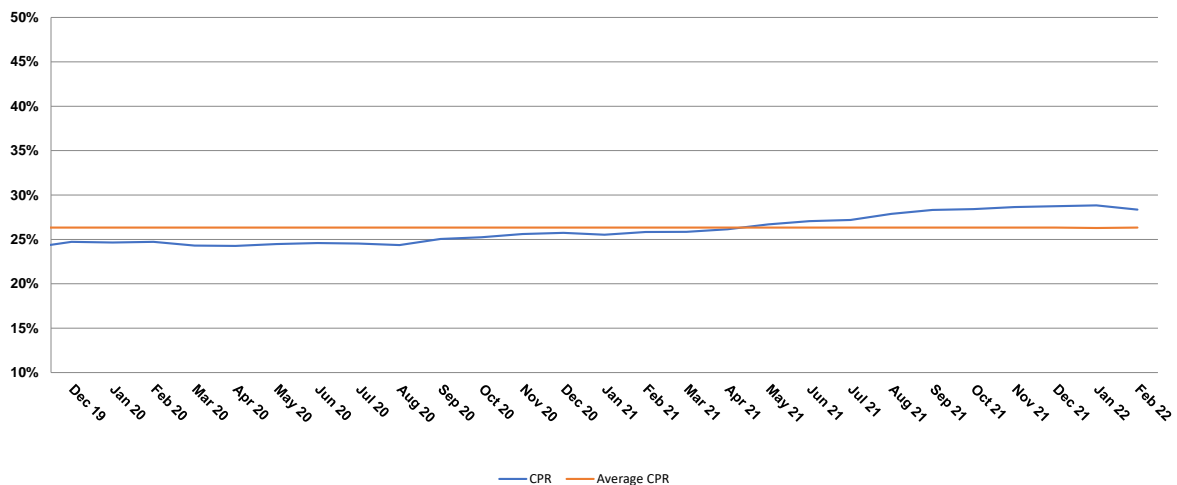
European CRR invested amount (as per Article 405) \$ 26,500,902.33 8.40%

## Pool Details

Number of Loans	3,349
Average Loan Size	94,172
Maximum Loan Size	782,932
Weighted Average LVR	48.02%
Maximum LVR	221.22%
WA Seeding (months)	136
WA Term to Maturity (years)	17
Full Documentation Loans	100.00%
WA Interest Rate	3.57%

## Principal Collections & Prepayment Analysis

	Monthly 17 January 2022 to 17 February 2022	Quarterly 17 November 2021 to 17 February 2022	Since inception 16 August 2018 to 17 February 2022
<b>Repayment Analysis</b>			
Balance @ Determination Date	328,748,776	354,042,498	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(1,331,228)	(4,118,943)	(112,783,705)
Prepayments	(14,392,761)	(41,727,889)	(995,977,762)
Redraw Advances	2,357,237	7,186,358	174,143,491
Principal Draws / (Repayment of Principal Draws)	-	-	-
<b>Closing Balance</b>	<b>315,382,023</b>	<b>315,382,023</b>	<b>315,382,023</b>
CPR	36.20%	35.26%	28.35%
SMM	3.68%	3.56%	2.74%



## Current Position

### Geographical Location

VIC	- Metro	67,980,890	22%
	- Non Metro	18,473,471	6%
NSW	- Metro	30,386,683	10%
	- Non Metro	27,405,777	9%
QLD	- Metro	27,988,511	9%
	- Non Metro	19,152,312	6%
SA	- Metro	16,568,849	5%
	- Non Metro	516,966	0%
WA	- Metro	53,109,122	17%
	- Non Metro	2,564,532	1%
TAS	- Metro	8,385,040	3%
	- Non Metro	6,232,042	2%
NT	- Metro	6,607,176	2%
	- Non Metro	488,053	0%
ACT	- Metro	29,522,600	9%
	- Non Metro	-	0%

**TOTAL** 315,382,023 100%

### Loan Purpose <sup>1</sup>

Refinance	90,833,883	29%
ReDecation	-	0%
Purchase	103,398,526	33%
Construction	11,624,873	4%
Equity Release	109,524,741	34%

**TOTAL** 315,382,023 100%

### Loan Term

<=5 yrs	20,448	0%
>5 & <=10yrs	6,572,590	2%
>10 & <=15yrs	9,531,785	3%
>15 & <=20yrs	32,811,982	10%
>20 & <=25yrs	62,083,827	20%
>25yrs	204,361,392	65%

**TOTAL** 315,382,023 100%

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

Owner Occupied	252,429,901	80%
Investment	62,952,122	20%

**TOTAL** 315,382,023 100%

### Interest Rate Exposure

> 8.00%	-	0%
> 7.00% & <= 8.00%	-	0%
> 6.00% & <= 7.00%	-	0%
> 5.00% & <= 6.00%	14,770,238	5%
<= 5.00%	300,611,786	95%

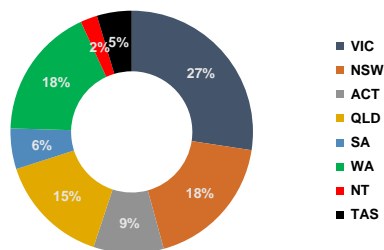
**TOTAL** 315,382,023 100%

### Loan to Value Ratio

>95%	2,318,390	1%
>90% & <= 95%	365,687	0%
>85% & <= 90%	1,164,143	0%
>80% & <= 85%	9,118,479	3%
>75% & <= 80%	10,116,984	3%
>70% & <= 75%	19,376,947	6%
>65% & <= 70%	24,121,454	8%
>60% & <= 65%	23,959,179	8%
>55% & <= 60%	28,430,192	9%
>50% & <= 55%	32,720,882	10%
>45% & <= 50%	26,037,149	8%
>40% & <= 45%	28,215,276	9%
>35% & <= 40%	25,919,957	8%
>30% & <= 35%	18,741,261	6%
>25% & <= 30%	17,940,950	6%
<=25%	46,835,092	15%

**TOTAL** 315,382,023 100%

### Geographical Location



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

House	276,029,226	88%
Land	242,495	0%
Apartment	7,394,823	2%
Unit	24,938,937	8%
Townhouse	4,342,409	1%
Other	2,434,134	1%

**TOTAL** 315,382,023 100%

### Interest Option

Variable	236,656,452	75%
Fixed <3 years	78,530,834	25%
Fixed >3 years	194,737	0%

**TOTAL** 315,382,023 100%

### Mortgage Insurance

Genworth Financial	122,092,883	39%
HLIC Govt	19,186	0%
Uninsured	193,269,954	61%

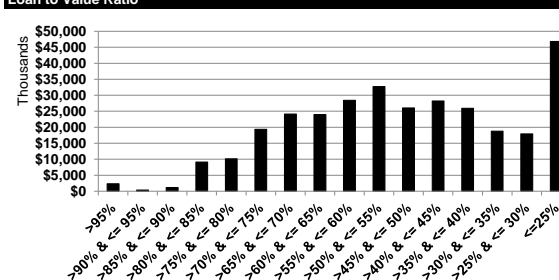
**TOTAL** 315,382,023 100%

### Loan Size

>\$250,000	101,910,403	32%
>\$200,000 & <\$250,000	50,354,504	16%
>\$150,000 & <\$200,000	53,703,419	17%
>\$100,000 & <\$150,000	48,026,396	15%
>\$50,000 & <\$100,000	40,566,340	13%
<= \$50,000	20,820,962	7%

**TOTAL** 315,382,023 100%

### 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 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.

## Arrears

	17 February 2022	17 January 2022	16 December 2021
<b>30-59 days</b>			
Number of loans	11	7	5
Outstanding Balance (\$)	1,949,270	1,264,336	848,054
% of Pool Outstanding Balance	0.62%	0.38%	0.25%
<b>60-89 days</b>			
Number of loans	2	2	3
Outstanding Balance (\$)	457,174	456,776	496,242
% of Pool Outstanding Balance	0.14%	0.14%	0.15%
<b>90+ days</b>			
Number of loans	22	25	26
Outstanding Balance (\$)	3,555,437	4,019,999	4,186,248
% of Pool Outstanding Balance	1.13%	1.22%	1.23%
<b>TOTAL Delinquencies</b>			
Number of loans	35	34	34
Outstanding Balance (\$)	5,961,881	5,741,111	5,530,543
% of Pool Outstanding Balance	1.89%	1.75%	1.62%
<b>Pool Information</b>			
Number of loans	3,349	3,446	3,535
Outstanding Balance (\$ m)	315	329	341

## Repayment Holiday COVID-19

	17 February 2022	17 January 2022	16 December 2021
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	2	766,344
Proceeds of sale	1	67,326
Loss on sale of property	0	0
Claims submitted to Insurer	0	0
Claims paid by Insurer	0	0
Unclaimed	0	0
Pending claim	0	0
Loss covered by Excess spread	0	0
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	3,247,288	
Liquidity facility drawn during the current month	-	
Repayment of Liquidity Draw for the previous periods		
Outstanding liquidity draws		
Reduction in Facility	(129,019)	
Closing Outstanding Balance	3,118,269	-

### Redraw Funding Facility

Opening Balance	-	
Drawn amount	-	
Closing balance	-	

## Notional Swaps

Notional Swaps Value	78,000,000	
% of fixed rate home loans	99.1%	

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 Bond 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	6,518,439	25%
	- Non Metro	1,744,794	7%
NSW	- Metro	3,591,971	14%
	- Non Metro	2,026,271	8%
QLD	- Metro	1,781,292	7%
	- Non Metro	1,894,278	7%
SA	- Metro	934,022	4%
	- Non Metro	105,855	0%
WA	- Metro	3,889,705	15%
	- Non Metro	-	0%
TAS	- Metro	1,190,535	4%
	- Non Metro	568,827	2%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	2,254,913	9%
	- Non Metro	-	0%

**TOTAL** 26,500,902 100%

### Loan Purpose <sup>1</sup>

Refinance	7,434,204	28%
Renovation	-	0%
Purchase	8,629,573	33%
Construction	1,809,435	7%
Equity Release	8,627,690	32%

**TOTAL** 26,500,902 100%

### Loan Term

<=5 yrs	46,409	0%
>5 & <=10yrs	471,480	2%
>10 & <=15yrs	1,639,713	6%
>15 & <=20yrs	2,762,145	10%
>20 & <=25yrs	5,293,656	20%
>25yrs	16,287,500	62%

**TOTAL** 26,500,902 100%

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

Owner Occupied	20,871,686	79%
Investment	5,629,216	21%

**TOTAL** 26,500,902 100%

### Interest Rate Exposure

> 8.00%	-	0%
> 7.00% & <= 8.00%	-	0%
> 6.00% & <= 7.00%	-	0%
> 5.00% & <= 6.00%	456,637	2%
<= 5.00%	26,044,266	98%

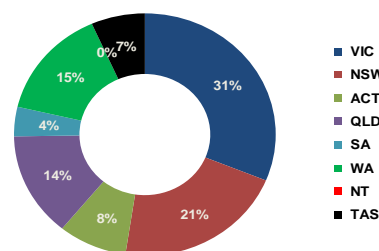
**TOTAL** 26,500,902 100%

### Loan to Value Ratio

>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	241,520	1%
>75% & <= 80%	228,218	1%
>70% & <= 75%	658,297	2%
>65% & <= 70%	2,180,920	8%
>60% & <= 65%	2,652,877	10%
>55% & <= 60%	2,178,284	8%
>50% & <= 55%	3,608,311	14%
>45% & <= 50%	2,553,178	10%
>40% & <= 45%	1,972,593	7%
>35% & <= 40%	2,253,117	9%
>30% & <= 35%	1,919,510	7%
>25% & <= 30%	2,902,777	11%
<=25%	3,151,299	12%

**TOTAL** 26,500,902 100%

### Geographical Location



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

House	23,133,483	87%
Land	-	0%
Apartment	462,381	2%
Unit	2,442,491	9%
Townhouse	59,261	0%
Other	403,287	2%

**TOTAL** 26,500,902 100%

### Interest Option

Variable	16,404,908	62%
Fixed <3 years	8,854,372	33%
Fixed >3 years	1,241,622	5%

**TOTAL** 26,500,902 100%

### Mortgage Insurance

Genworth Financial	8,190,350	31%
HULC Govt	-	0%
Uninsured	18,281,939	69%
QBE	28,614	0%

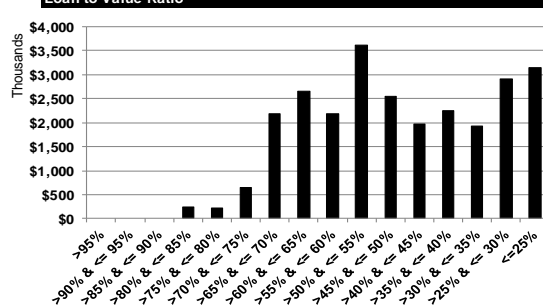
**TOTAL** 26,500,902 100%

### Loan Size

>\$250,000	9,460,747	36%
>\$200,000 & <\$250,000	3,755,515	14%
>\$150,000 & <\$200,000	5,301,596	20%
>\$100,000 & <\$150,000	3,483,167	13%
>\$50,000 & <\$100,000	3,177,949	12%
<= \$50,000	1,321,928	5%

**TOTAL** 26,500,902 100%

### Loan to Value Ratio



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