

# SMHL SERIES SECURITISATION FUND 2018-2



# SMHL<sup>SM</sup>

Monthly Investment Report as at 27 December 2023

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**Bloomberg Screen:** SMHL <MTGE>

## Summary

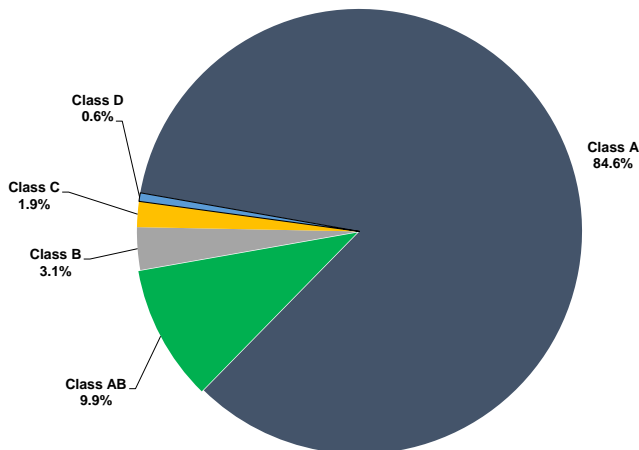
Fund: SMHL Series Securitisation Fund 2018-2  
 Cut-Off Date: 14 December 2023  
 Payment Date: 27 December 2023  
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2  
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
 Commonwealth 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 27 December 2023

Fund:	0.12159455
Class A	0.11061968
Class AB	0.24780551
Class B	0.24780551
Class C	0.24780551
Class D	0.24780551
Class E	0.24780551



## Portfolio Structure

	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt		Coupon Rate
				27 November 2023	27 December 2023	28 March 2022
						27 December 2023
Class A	130,536,298.02	3,323,664	127,212,634.37	578,894.51		5.396%
Class AB	15,256,792.80	388,462	14,868,330.37	75,058.40		5.986%
Class B	4,767,747.75	121,395	4,646,353.24	23,847.62		6.086%
Class C	2,860,648.65	72,837	2,787,811.95	15,836.86		6.736%
Class D	953,549.55	24,279	929,270.65	5,905.95		7.536%
Class E	1,589,249.25	40,465	1,548,784.41	13,108.82		10.036%
<b>Total Portfolio</b>	<b>155,964,286</b>	<b>3,971,101</b>	<b>151,993,185</b>	<b>712,652</b>		

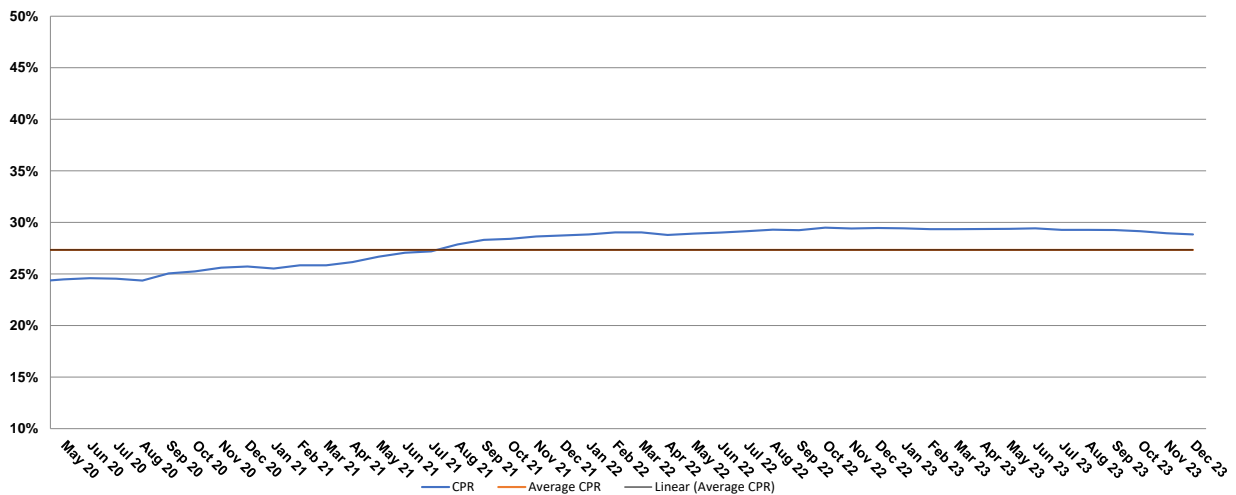
European CRR invested amount (as per Article 405)	\$	18,627,382	12.26%
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## Pool Details

Number of Loans	2,048
Average Loan Size	74,215
Maximum Loan Size	754,001
Weighted Average LVR	43.07%
Maximum LVR	103.22%
WA Seeding (months)	159
WA Term to Maturity (years)	16
Full Documentation Loans	100.00%
WA Interest Rate	7.38%

## Principal Collections & Prepayment Analysis

Repayment Analysis	Monthly	Quarterly	Since inception
	16 November 2023 to 14 December 2023	15 September 2023 to 14 December 2023	16 August 2018 to 14 December 2023
Balance @ Determination Date	155,964,286	163,421,145	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(868,831)	(2,843,701)	(137,913,988)
Prepayments	(4,511,359)	(12,196,059)	(1,166,972,257)
Redraw Advances	1,409,089	3,611,800	206,879,430
Principal Draws / (Repayment of Principal Draws)	-	-	-
<b>Closing Balance</b>	<b>151,993,185</b>	<b>151,993,185</b>	<b>151,993,185</b>
CPR	21.53%	19.63%	28.84%
SMM	2.00%	1.80%	2.80%



## Current Position

Geographical Location			
VIC	- Metro	34,106,308	22%
	- Non Metro	8,148,978	5%
NSW	- Metro	17,239,673	11%
	- Non Metro	13,669,296	9%
QLD	- Metro	14,193,127	9%
	- Non Metro	8,991,795	6%
SA	- Metro	6,560,237	4%
	- Non Metro	108,720	0%
WA	- Metro	23,862,606	16%
	- Non Metro	1,193,032	1%
TAS	- Metro	4,081,107	3%
	- Non Metro	3,113,421	2%
NT	- Metro	2,150,309	1%
	- Non Metro	465,631	0%
ACT	- Metro	14,108,944	9%
	- Non Metro	-	0%

**TOTAL 151,993,185 100%**

Loan Purpose <sup>1</sup>			
Refinance		41,685,548	27%
ReDecation		-	0%
Purchase		50,549,029	33%
Construction		5,531,105	4%
Equity Release		54,227,503	36%

**TOTAL 151,993,185 100%**

Loan Term			
<=5 yrs		-	0%
>5 & <=10yrs		2,374,978	2%
>10 & <=15yrs		3,721,126	2%
>15 & <=20yrs		16,795,704	11%
>20 & <=25yrs		25,914,300	17%
>25yrs		103,187,078	68%

**TOTAL 151,993,185 100%**

Owner/Investment split <sup>1</sup>			
Owner Occupied		124,834,695	82%
Investment		27,158,490	18%

**TOTAL 151,993,185 100%**

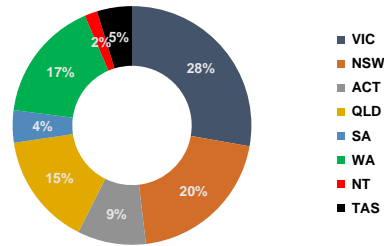
Interest Rate Exposure			
> 8.00%		50,175,134	33%
> 7.00% & <= 8.00%		32,964,921	22%
> 6.00% & <= 7.00%		67,354,610	44%
> 5.00% & <= 6.00%		1,709,555	1%
<= 5.00%		211,035	0%

**TOTAL 151,993,185 100%**

Loan to Value Ratio			
>95%		247,718	0%
>90% & <= 95%		515,008	0%
>85% & <= 90%		-	0%
>80% & <= 85%		2,431,139	2%
>75% & <= 80%		2,694,074	2%
>70% & <= 75%		3,796,864	2%
>65% & <= 70%		12,320,840	8%
>60% & <= 65%		10,073,939	7%
>55% & <= 60%		13,620,045	9%
>50% & <= 55%		12,315,531	8%
>45% & <= 50%		11,643,944	8%
>40% & <= 45%		13,991,083	9%
>35% & <= 40%		17,201,134	11%
>30% & <= 35%		11,335,356	7%
>25% & <= 30%		9,796,153	6%
<=25%		30,010,356	21%

**TOTAL 151,993,185 100%**

## Geographical Location



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

House	132,657,390	88%
Land	218,196	0%
Apartment Unit	5,290,265	3%
Townhouse	10,115,612	7%
Other	2,201,399	1%
<b>TOTAL</b>	<b>151,993,185</b>	<b>100%</b>

## Interest Option

Variable	151,993,185	100%
Fixed <3 years	-	0%
Fixed >3 years	-	0%

**TOTAL 151,993,185 100%**

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

Genworth Financial	64,017,178	42%
HLIC Govt	922	0%
Uninsured	87,975,085	58%

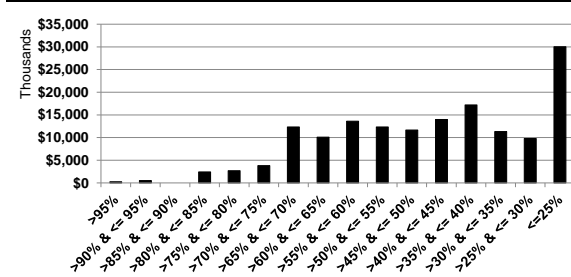
**TOTAL 151,993,185 100%**

## Loan Size

>\$250,000	43,839,867	29%
>\$200,000 & <\$250,000	22,223,665	15%
>\$150,000 & <\$200,000	26,076,730	17%
>\$100,000 & <\$150,000	25,727,385	17%
>\$50,000 & <\$100,000	22,823,037	15%
<= \$50,000	11,302,501	7%

**TOTAL 151,993,185 100%**

## 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

	14 December 2023	16 November 2023	17 October 2023
<b>30-59 days</b>			
Number of loans	11	4	7
Outstanding Balance (\$)	1,803,971	834,634	1,347,680
% of Pool Outstanding Balance	1.19%	0.54%	0.85%
<b>60-89 days</b>			
Number of loans	1	2	1
Outstanding Balance (\$)	245,747	329,960	84,601
% of Pool Outstanding Balance	0.16%	0.21%	0.05%
<b>90+ days</b>			
Number of loans	9	8	12
Outstanding Balance (\$)	1,038,868	954,201	1,736,977
% of Pool Outstanding Balance	0.68%	0.61%	1.09%
<b>TOTAL Delinquencies</b>			
Number of loans	21	14	20
Outstanding Balance (\$)	3,088,586	2,118,795	3,169,259
% of Pool Outstanding Balance	2.03%	1.36%	1.99%
<b>Pool Information</b>			
Number of loans	2,048	2,082	2,117
Outstanding Balance (\$ m)	152	156	159

## Repayment Holiday COVID-19

	14 December 2023	16 November 2023	17 October 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	1,550,101
Liquidity facility drawn during the current month	-
Repayment of Liquidity Draw for the previous periods	-
Outstanding liquidity draws	-
Reduction in Facility	(40,558)
Closing Outstanding Balance	<u>1,509,543</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 2016-2 CRD**

**Geographical Location**

VIC	- Metro	5,093,784	27%
	- Non Metro	1,331,957	7%
NSW	- Metro	3,253,836	17%
	- Non Metro	1,385,033	7%
QLD	- Metro	737,381	4%
	- Non Metro	1,250,225	7%
SA	- Metro	345,214	2%
	- Non Metro	4,938	0%
WA	- Metro	2,834,145	15%
	- Non Metro	-	0%
TAS	- Metro	960,358	5%
	- Non Metro	316,911	2%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	1,123,476	6%
	- Non Metro	-	0%

<b>TOTAL</b>		<b>18,627,382</b>	<b>100%</b>
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**Loan Purpose<sup>1</sup>**

Refinance	5,036,301	27%
Renovation	-	0%
Purchase	6,280,199	34%
Construction	1,484,735	8%
Equity Release	5,826,148	31%

<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Loan Term**

<=5 yrs	7,466	0%
>5 & <=10yrs	215,792	1%
>10 & <=15yrs	1,297,321	7%
>15 & <=20yrs	1,782,085	10%
>20 & <=25yrs	3,545,599	19%
>25yrs	11,779,120	63%

<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Investment Split<sup>1</sup>**

Owner Occupied	14,490,710	78%
Investment	4,136,672	22%

<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Interest Rate Exposure**

> 8.00%	4,241,377	23%
> 7.00% & <= 8.00%	2,871,513	15%
> 6.00% & <= 7.00%	6,057,765	32%
> 5.00% & <= 6.00%	318,007	2%
<= 5.00%	5,138,721	28%

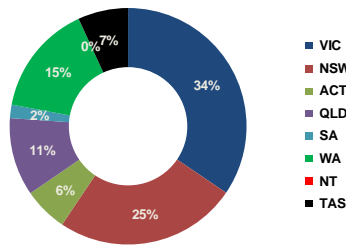
<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Loan to Value Ratio**

>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	-	0%
>75% & <= 80%	-	0%
>70% & <= 75%	-	0%
>65% & <= 70%	763,845	4%
>60% & <= 65%	524,527	3%
>55% & <= 60%	2,415,993	13%
>50% & <= 55%	2,511,346	13%
>45% & <= 50%	2,680,877	14%
>40% & <= 45%	1,302,345	7%
>35% & <= 40%	1,939,370	10%
>30% & <= 35%	1,109,689	6%
>25% & <= 30%	2,138,046	11%
<=25%	3,241,343	19%

<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Geographical Location**



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

House	15,842,501	86%
Land	-	0%
Apartment	412,269	2%
Unit	1,954,874	10%
Townhouse	56,624	0%
Other	361,114	2%

<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Interest Option**

Variable	12,294,895	66%
Fixed <3 years	6,131,413	33%
Fixed >3 years	201,075	1%

<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Mortgage Insurance<sup>3</sup>**

Genworth Financial	6,738,109	36%
HLIC Govt	-	0%
Uninsured	11,889,257	64%
QBE	-16	0%

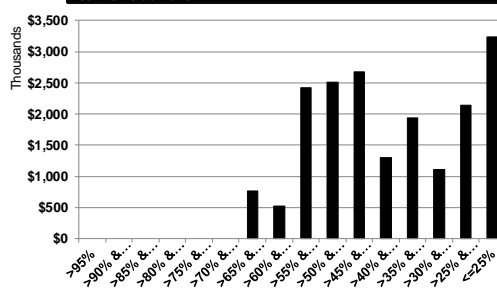
<b>TOTAL</b>	<b>18,627,382</b>	<b>100%</b>
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**Loan Size**

>\$250,000	6,306,094	35%
>\$200,000 & <=\$250,000	2,302,307	12%
>\$150,000 & <=\$200,000	2,780,480	15%
>\$100,000 & <=\$150,000	3,940,105	21%
>\$50,000 & <=\$100,000	2,502,159	13%
<= \$50,000	796,237	4%

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**Loan to Value Ratio**



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