

## SMHL SERIES SECURITISATION FUND 2018-2

Monthly Investment Report as at 27 February 2023



# SMHL<sup>®</sup>

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**Bloomberg Screen:** SMHL <MTGE>

### Summary

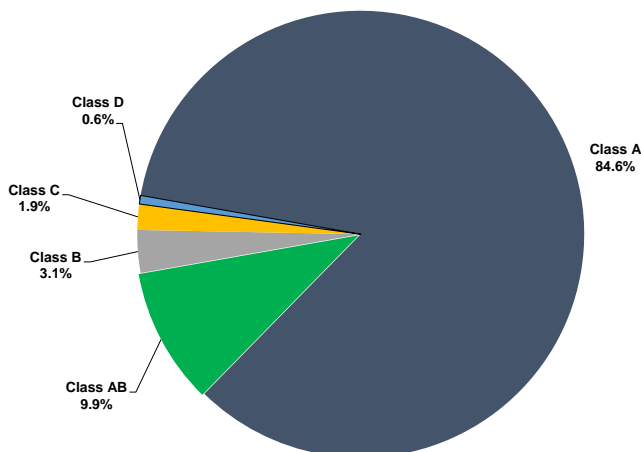
Fund: SMHL Series Securitisation Fund 2018-2  
 Cut-Off Date: 16 February 2023  
 Payment Date: 27 February 2023  
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2  
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
 Commonwealth 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)  
 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 February 2023

Fund:	0.16592012
Class A	0.15094452
Class AB	0.33813949
Class B	0.33813949
Class C	0.33813949
Class D	0.33813949
Class E	0.33813949



## Portfolio Structure

	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt	Coupon Rate
				27 January 2023 27 February 2023	28 March 2022 27 February 2023
Class A	178,721,997.88	5,135,799	173,586,198.62	647,951.46	4.269%
Class AB	20,888,630.46	600,261	20,288,369.64	86,198.34	4.859%
Class B	6,527,697.02	187,582	6,340,115.51	27,491.39	4.959%
Class C	3,916,618.21	112,549	3,804,069.31	18,657.02	5.609%
Class D	1,305,539.40	37,516	1,268,023.10	7,106.06	6.409%
Class E	2,175,899.01	62,527	2,113,371.84	16,463.49	8.909%
<b>Total Portfolio</b>	<b>213,536,382</b>	<b>6,136,234</b>	<b>207,400,148</b>	<b>803,868</b>	

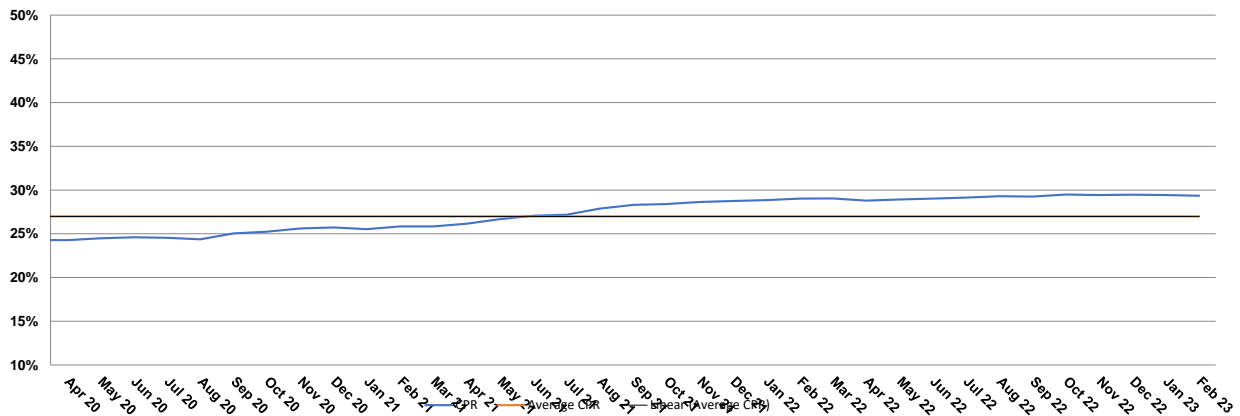
European CRR invested amount (as per Article 405) \$ 20,399,374 9.84%

## Pool Details

Number of Loans	2,529
Average Loan Size	82,009
Maximum Loan Size	761,573
Weighted Average LVR	44.50%
Maximum LVR	99.60%
WA Seeding (months)	149
WA Term to Maturity (years)	17
Full Documentation Loans	100.00%
WA Interest Rate	6.34%

## Principal Collections & Prepayment Analysis

	Monthly	Quarterly	Since inception
	17 January 2023 to 16 February 2023	17 November 2022 to 16 February 2023	16 August 2018 to 16 February 2023
<b>Repayment Analysis</b>			
Balance @ Determination Date	213,536,382	228,569,884	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(1,135,710)	(3,313,335)	(127,378,127)
Prepayments	(6,343,548)	(22,100,597)	(1,107,860,498)
Redraw Advances	1,343,025	4,244,196	192,638,774
Principal Draws / (Repayment of Principal Draws)	-	-	-
<b>Closing Balance</b>	<b>207,400,148</b>	<b>207,400,148</b>	<b>207,400,148</b>
CPR	24.87%	28.00%	29.34%
SMM	2.35%	2.70%	2.85%



## Current Position

### Geographical Location

VIC	- Metro	45,338,581	22%
	- Non Metro	10,540,079	5%
NSW	- Metro	22,193,373	11%
	- Non Metro	19,531,567	9%
QLD	- Metro	19,792,794	10%
	- Non Metro	11,669,497	6%
SA	- Metro	8,913,254	4%
	- Non Metro	165,661	0%
WA	- Metro	33,341,189	16%
	- Non Metro	1,375,779	1%
TAS	- Metro	5,010,168	2%
	- Non Metro	4,373,422	2%
NT	- Metro	3,922,974	2%
	- Non Metro	474,968	0%
ACT	- Metro	20,756,842	10%
	- Non Metro	-	0%
<b>TOTAL</b>		<b>207,400,148</b>	<b>100%</b>

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

Refinance	57,731,443	28%
ReDecation	-	0%
Purchase	69,100,697	33%
Construction	6,906,739	3%
Equity Release	73,661,270	36%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

### Loan Term

<=5 yrs	48,786	0%
>5 & <=10yrs	4,517,281	2%
>10 & <=15yrs	5,013,431	2%
>15 & <=20yrs	22,642,912	11%
>20 & <=25yrs	37,849,665	18%
>25yrs	137,425,646	67%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

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

Owner Occupied	169,441,770	82%
Investment	37,958,378	18%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

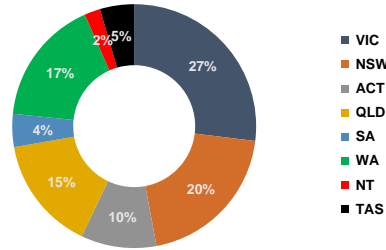
### Interest Rate Exposure

> 8.00%	11,989,799	6%
> 7.00% & <= 8.00%	61,379,558	30%
> 6.00% & <= 7.00%	56,490,203	27%
> 5.00% & <= 6.00%	62,799,914	30%
<= 5.00%	14,740,673	7%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

### Loan to Value Ratio

>95%	547,800	0%
>90% & <= 95%	-	0%
>85% & <= 90%	1,269,501	1%
>80% & <= 85%	4,071,159	2%
>75% & <= 80%	5,063,532	2%
>70% & <= 75%	6,155,147	3%
>65% & <= 70%	18,088,829	9%
>60% & <= 65%	14,029,810	7%
>55% & <= 60%	17,023,062	8%
>50% & <= 55%	18,774,854	9%
>45% & <= 50%	14,943,947	7%
>40% & <= 45%	18,890,794	9%
>35% & <= 40%	21,893,895	11%
>30% & <= 35%	17,237,441	8%
>25% & <= 30%	12,373,904	6%
<=25%	37,036,474	18%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

### Geographical Location



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

House	183,124,353	88%
Land	225,828	0%
Apartment Unit	5,496,336	3%
	13,801,970	7%
Townhouse	3,090,717	1%
Other	1,660,943	1%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

### Interest Option

Variable	192,653,174	93%
Fixed <3 years	14,746,974	7%
Fixed >3 years	-	0%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

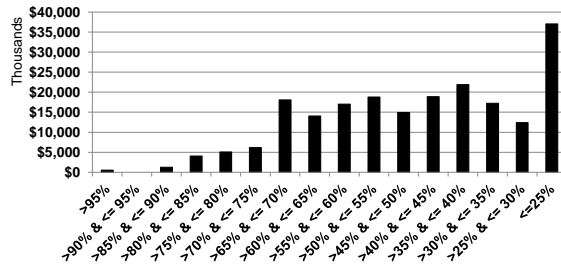
### Mortgage Insurance

Genworth Financial	85,706,981	41%
HLIC Govt	1,201	0%
Uninsured	121,691,967	59%
<b>TOTAL</b>	<b>207,400,148</b>	<b>100%</b>

### Loan Size

>\$250,000	64,190,865	31%
>\$200,000 & <=\$250,000	30,680,848	15%
>\$150,000 & <=\$200,000	33,970,178	16%
>\$100,000 & <=\$150,000	34,661,595	17%
>\$50,000 & <=\$100,000	29,237,092	14%
<= \$50,000	14,659,571	7%
<b>TOTAL</b>	<b>207,400,148</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.

## Arrears

	16 February 2023	17 January 2023	15 December 2022
<b>30-59 days</b>			
Number of loans	6	8	6
Outstanding Balance (\$)	1,063,433	951,321	910,317
% of Pool Outstanding Balance	0.51%	0.45%	0.41%
<b>60-89 days</b>			
Number of loans	6	4	5
Outstanding Balance (\$)	707,365	721,468	715,767
% of Pool Outstanding Balance	0.34%	0.34%	0.32%
<b>90+ days</b>			
Number of loans	25	26	24
Outstanding Balance (\$)	3,540,641	3,643,758	3,449,585
% of Pool Outstanding Balance	1.71%	1.71%	1.57%
<b>TOTAL Delinquencies</b>			
Number of loans	37	38	35
Outstanding Balance (\$)	5,311,439	5,316,548	5,075,669
% of Pool Outstanding Balance	2.56%	2.49%	2.30%
<b>Pool Information</b>			
Number of loans	2,529	2,575	2,637
Outstanding Balance (\$ m)	207	214	220

## Repayment Holiday COVID-19

	16 February 2023	17 January 2023	15 December 2022
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

	Loan count	Amount
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	2,099,036	
Liquidity facility drawn during the current month	-	
Repayment of Liquidity Draw for the previous periods	-	
Outstanding liquidity draws	-	
Reduction in Facility	(60,369)	
Closing Outstanding Balance	<u>2,038,667</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	5,146,103	25%
	- Non Metro	1,619,936	8%
NSW	- Metro	3,186,292	16%
	- Non Metro	1,590,919	8%
QLD	- Metro	774,120	4%
	- Non Metro	1,389,799	7%
SA	- Metro	877,954	4%
	- Non Metro	53,032	0%
WA	- Metro	3,095,519	15%
	- Non Metro	-	0%
TAS	- Metro	974,404	5%
	- Non Metro	546,635	3%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	1,144,661	6%
	- Non Metro	-	0%

**TOTAL** 20,399,374 100%

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

Refinance	5,561,579	27%
Renovation	-	0%
Purchase	6,861,366	34%
Construction	1,616,344	8%
Equity Release	6,360,085	31%

**TOTAL** 20,399,374 100%

### Loan Term

<=5 yrs	24,327	0%
>5 & <=10yrs	277,729	1%
>10 & <=15yrs	1,435,795	7%
>15 & <=20yrs	1,875,406	9%
>20 & <=25yrs	4,035,087	20%
>25yrs	12,751,030	63%

**TOTAL** 20,399,374 100%

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

Owner Occupied	15,910,716	78%
Investment	4,488,658	22%

**TOTAL** 20,399,374 100%

### Interest Rate Exposure

> 8.00%	505,371	2%
> 7.00% & <= 8.00%	4,416,508	22%
> 6.00% & <= 7.00%	4,166,614	20%
> 5.00% & <= 6.00%	3,854,813	19%
<= 5.00%	7,456,067	37%

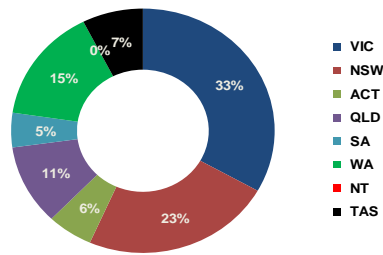
**TOTAL** 20,399,374 100%

### Loan to Value Ratio

>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	-	0%
>75% & <= 80%	-	0%
>70% & <= 75%	344,281	2%
>65% & <= 70%	649,789	3%
>60% & <= 65%	2,634,149	13%
>55% & <= 60%	1,595,524	8%
>50% & <= 55%	2,787,876	14%
>45% & <= 50%	2,585,151	13%
>40% & <= 45%	1,409,984	7%
>35% & <= 40%	1,951,897	10%
>30% & <= 35%	1,035,251	5%
>25% & <= 30%	1,869,729	9%
<=25%	3,535,746	16%

**TOTAL** 20,399,374 100%

### Geographical Location



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

House	17,620,631	87%
Land	-	0%
Apartment	430,728	2%
Unit	1,903,313	9%
Townhouse	63,303	0%
Other	381,398	2%

**TOTAL** 20,399,374 100%

### Interest Option

Variable	12,597,582	61%
Fixed <3 years	7,691,238	38%
Fixed >3 years	110,555	1%

**TOTAL** 20,399,374 100%

### Mortgage Insurance

Genworth Financial	7,238,435	35%
HLIC Govt	-	0%
Uninsured	13,160,923	65%
QBE	16	0%

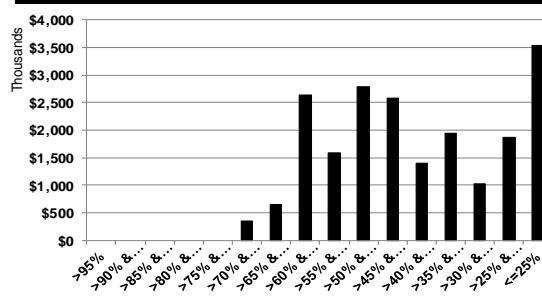
**TOTAL** 20,399,374 100%

### Loan Size

>\$250,000	8,175,775	41%
>\$200,000 & <\$250,000	1,109,539	5%
>\$150,000 & <\$200,000	3,648,127	18%
>\$100,000 & <\$150,000	3,769,212	18%
>\$50,000 & <\$100,000	2,587,966	13%
<= \$50,000	1,108,755	5%

**TOTAL** 20,399,374 100%

### Loan to Value Ratio



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