

SMHL SERIES SECURITISATION FUND 2018-2



SMHLSM

Monthly Investment Report as at 26 July 2023

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

Summary

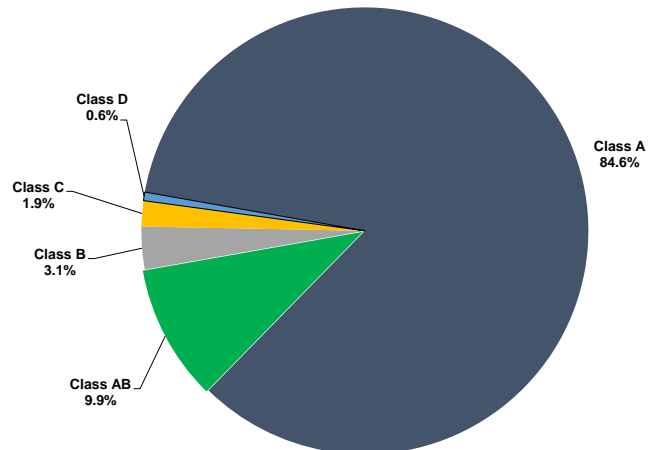
Fund: SMHL Series Securitisation Fund 2018-2
 Cut-Off Date: 17 July 2023
 Payment Date: 26 July 2023
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
 Commonwealth Bank of Australia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

Fund:	0.14011538
Class A	0.12746887
Class AB	0.28555033
Class B	0.28555033
Class C	0.28555033
Class D	0.28555033
Class E	0.28555033



Portfolio Structure

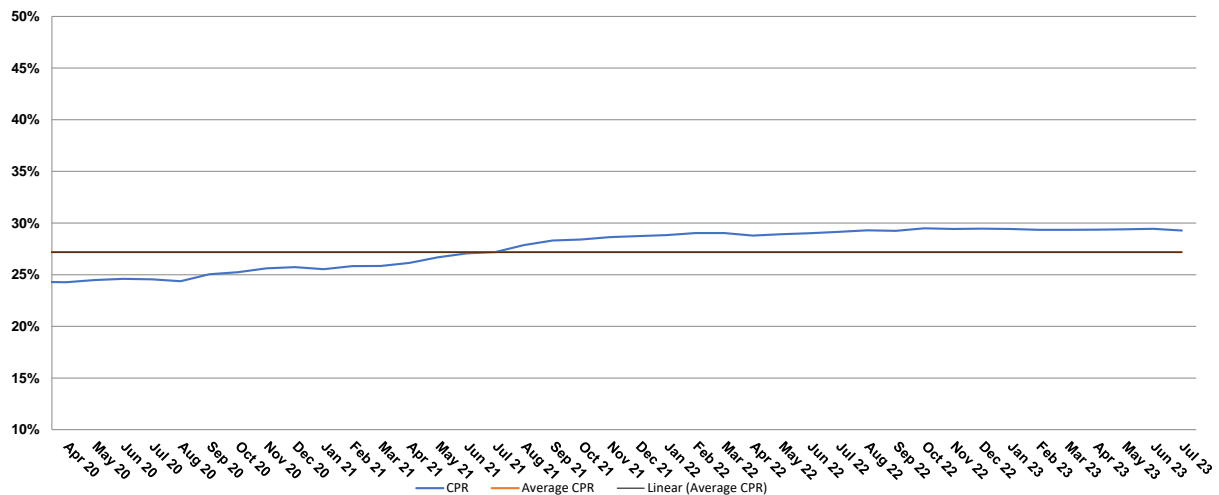
	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt	Coupon Rate
				26 June 2023 26 July 2023	28 March 2022 26 July 2023
Class A	150,187,088.49	3,597,893	146,589,195.59	644,981.54	5.225%
Class AB	17,553,533.58	420,514	17,133,019.85	83,896.27	5.815%
Class B	5,485,479.24	131,411	5,354,068.70	26,668.45	5.915%
Class C	3,291,287.55	78,846	3,212,441.22	17,759.43	6.565%
Class D	1,097,095.85	26,282	1,070,813.74	6,641.19	7.365%
Class E	1,828,493.08	43,804	1,784,689.57	14,825.82	9.865%
Total Portfolio	179,442,978	4,298,749	175,144,229	794,773	
European CRR invested amount (as per Article 405)		\$	19,756,307	11.28%	

Pool Details

Number of Loans	2,241
Average Loan Size	78,154
Maximum Loan Size	757,039
Weighted Average LVR	43.91%
Maximum LVR	97.15%
WA Seeding (months)	155
WA Term to Maturity (years)	16
Full Documentation Loans	100.00%
WA Interest Rate	7.14%

Principal Collections & Prepayment Analysis

	Monthly	Quarterly	Since inception
	15 June 2023 to 17 July 2023	14 April 2023 to 17 July 2023	16 August 2018 to 17 July 2023
Repayment Analysis			
Balance @ Determination Date	179,442,978	193,241,802	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(1,094,617)	(3,181,433)	(132,931,816)
Prepayments	(4,885,009)	(20,382,848)	(1,143,046,510)
Redraw Advances	1,680,876	5,466,707	201,122,555
Principal Draws / (Repayment of Principal Draws)	-	-	-
Closing Balance	175,144,229	175,144,229	175,144,229
CPR	19.55%	27.73%	29.28%
SMM	1.80%	2.67%	2.85%



Current Position

Geographical Location

VIC	- Metro	38,374,817	22%
	- Non Metro	9,065,341	5%
NSW	- Metro	19,284,360	11%
	- Non Metro	15,788,854	9%
QLD	- Metro	17,021,444	10%
	- Non Metro	9,750,366	6%
SA	- Metro	7,242,892	4%
	- Non Metro	119,574	0%
WA	- Metro	28,621,086	16%
	- Non Metro	1,268,971	1%
TAS	- Metro	4,475,075	3%
	- Non Metro	3,695,109	2%
NT	- Metro	3,177,286	2%
	- Non Metro	470,234	0%
ACT	- Metro	16,788,819	10%
	- Non Metro	-	0%
TOTAL		175,144,229	100%

Loan Purpose ¹

Refinance	47,724,732	27%
ReDecation	-	0%
Purchase	57,836,272	33%
Construction	6,506,112	4%
Equity Release	63,077,113	36%
TOTAL	175,144,229	100%

Loan Term

<=5 yrs	1,800	0%
>5 & <=10yrs	3,164,017	2%
>10 & <=15yrs	4,586,158	3%
>15 & <=20yrs	18,806,754	11%
>20 & <=25yrs	31,323,392	18%
>25yrs	117,262,108	66%
TOTAL	175,144,229	100%

Owner/Investment split ¹

Owner Occupied	142,789,340	82%
Investment	32,354,889	18%
TOTAL	175,144,229	100%

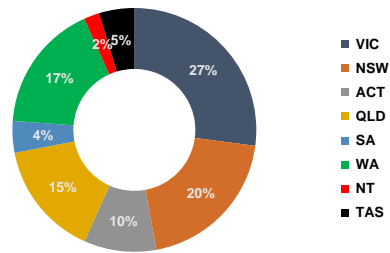
Interest Rate Exposure

> 8.00%	54,321,060	31%
> 7.00% & <= 8.00%	39,634,731	23%
> 6.00% & <= 7.00%	57,375,923	32%
> 5.00% & <= 6.00%	22,498,209	13%
<= 5.00%	1,314,306	1%
TOTAL	175,144,229	100%

Loan to Value Ratio

>95%	534,300	0%
>90% & <= 95%	-	0%
>85% & <= 90%	502,239	0%
>80% & <= 85%	3,117,854	2%
>75% & <= 80%	3,467,392	2%
>70% & <= 75%	5,583,471	3%
>65% & <= 70%	13,983,366	8%
>60% & <= 65%	13,021,017	7%
>55% & <= 60%	14,111,096	8%
>50% & <= 55%	17,566,885	10%
>45% & <= 50%	14,201,882	8%
>40% & <= 45%	13,575,095	8%
>35% & <= 40%	17,981,113	10%
>30% & <= 35%	12,944,854	7%
>25% & <= 30%	9,919,486	6%
<=25%	34,634,178	21%
TOTAL	175,144,229	100%

Geographical Location



Loan Security ²

House	154,286,392	89%
Land	221,699	0%
Apartment	5,949,359	3%
Unit	10,783,958	6%
Townhouse	2,255,506	1%
Other	1,647,314	1%
TOTAL	175,144,229	100%

Interest Option

Variable	173,491,286	99%
Fixed <3 years	1,652,943	1%
Fixed >3 years	-	0%
TOTAL	175,144,229	100%

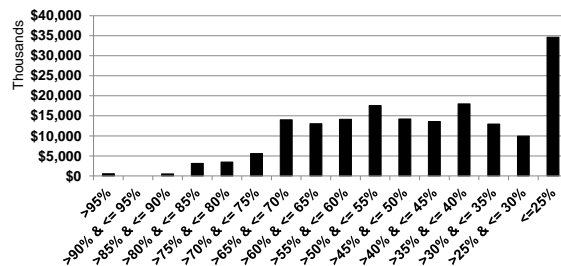
Mortgage Insurance ³

Genworth Financial	72,100,216	41%
HLIC Govt	1,062	0%
Uninsured	103,042,951	59%
TOTAL	175,144,229	100%

Loan Size

>\$250,000	53,653,226	31%
>\$200,000 & <\$250,000	24,919,008	14%
>\$150,000 & <\$200,000	29,056,222	17%
>\$100,000 & <\$150,000	30,098,535	17%
>\$50,000 & <\$100,000	25,071,872	14%
<= \$50,000	12,345,367	7%
TOTAL	175,144,229	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 loan.

² - The Bank has also decided to move away from the "Primary Security" classification to a new methodology of determining the ma in 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

	17 July 2023	15 June 2023	17 May 2023
30-59 days			
Number of loans	7	5	5
Outstanding Balance (\$)	732,509	231,818	232,522
% of Pool Outstanding Balance	0.42%	0.13%	0.12%
60-89 days			
Number of loans	4	2	5
Outstanding Balance (\$)	505,155	257,188	639,707
% of Pool Outstanding Balance	0.29%	0.14%	0.34%
90+ days			
Number of loans	17	19	21
Outstanding Balance (\$)	2,660,537	2,931,731	3,069,569
% of Pool Outstanding Balance	1.52%	1.63%	1.65%
TOTAL Delinquencies			
Number of loans	28	26	31
Outstanding Balance (\$)	3,898,201	3,420,737	3,941,797
% of Pool Outstanding Balance	2.23%	1.91%	2.11%
Pool Information			
Number of loans	2,241	2,298	2,365
Outstanding Balance (\$ m)	175	179	186

Repayment Holiday COVID-19

	17 July 2023	15 June 2023	17 May 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	1,765,119
Liquidity facility drawn during the current month	-
Repayment of Liquidity Draw for the previous periods	-
Outstanding liquidity draws	-
Reduction in Facility	(40,278)
Closing Outstanding Balance	<u>1,724,842</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	5,018,108	25%
	- Non Metro	1,588,128	8%
NSW	- Metro	3,316,537	17%
	- Non Metro	1,572,121	8%
QLD	- Metro	755,813	4%
	- Non Metro	1,328,774	7%
SA	- Metro	866,818	4%
	- Non Metro	24,211	0%
WA	- Metro	2,877,788	15%
	- Non Metro	-	0%
TAS	- Metro	969,217	5%
	- Non Metro	437,790	2%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	1,001,002	5%
	- Non Metro	-	0%
TOTAL		19,756,307	100%

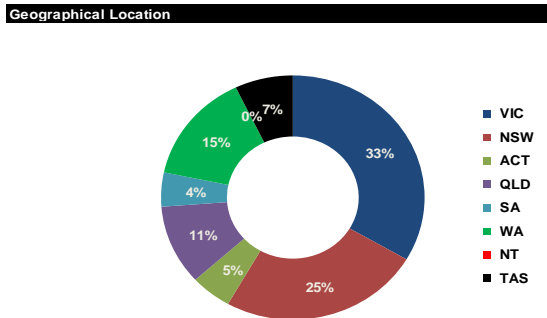
Loan Purpose ¹			
Refinance	5,110,178	26%	
Renovation	-	0%	
Purchase	7,000,521	35%	
Construction	1,611,416	8%	
Equity Release	6,034,191	31%	
TOTAL	19,756,307	100%	

Loan Term			
<=5 yrs	14,010	0%	
>5 & <=10yrs	256,343	1%	
>10 & <=15yrs	1,360,331	7%	
>15 & <=20yrs	1,809,266	9%	
>20 & <=25yrs	3,608,681	18%	
>25yrs	12,707,677	65%	
TOTAL	19,756,307	100%	

Owner/Investment split ¹			
Owner Occupied	15,340,579	78%	
Investment	4,415,728	22%	
TOTAL	19,756,307	100%	

Interest Rate Exposure			
> 8.00%	3,735,965	19%	
> 7.00% & <= 8.00%	2,315,989	12%	
> 6.00% & <= 7.00%	4,957,379	25%	
> 5.00% & <= 6.00%	2,078,732	11%	
<= 5.00%	6,668,242	33%	
TOTAL	19,756,307	100%	

Loan to Value Ratio			
>95%	-	0%	
>90% & <= 95%	-	0%	
>85% & <= 90%	-	0%	
>80% & <= 85%	-	0%	
>75% & <= 80%	-	0%	
>70% & <= 75%	-	0%	
>65% & <= 70%	887,649	4%	
>60% & <= 65%	1,649,451	8%	
>55% & <= 60%	3,018,964	15%	
>50% & <= 55%	1,322,425	7%	
>45% & <= 50%	3,021,981	15%	
>40% & <= 45%	1,256,737	6%	
>35% & <= 40%	2,031,191	10%	
>30% & <= 35%	989,089	5%	
>25% & <= 30%	2,052,125	10%	
<=25%	3,526,696	20%	
TOTAL	19,756,307	100%	

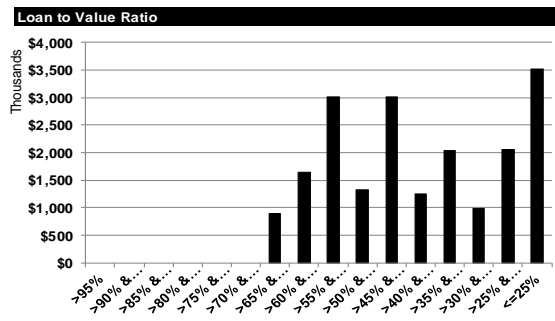


Loan Security ²			
House	16,886,913	86%	
Land	-	0%	
Apartment	433,759	2%	
Unit	1,999,201	10%	
Townhouse	62,588	0%	
Other	373,847	2%	
TOTAL	19,756,307	100%	

Interest Option			
Variable	12,350,113	63%	
Fixed <3 years	7,337,276	37%	
Fixed >3 years	68,918	0%	
TOTAL	19,756,307	100%	

Mortgage Insurance ³			
Genworth Financial	7,195,194	36%	
HLIC Govt	-	0%	
Uninsured	12,561,097	64%	
QBE	16	0%	
TOTAL	19,756,307	100%	

Loan Size			
>\$250,000	6,744,319	34%	
>\$200,000 & <=\$250,000	1,642,570	8%	
>\$150,000 & <=\$200,000	3,519,453	18%	
>\$100,000 & <=\$150,000	4,387,274	22%	
>\$50,000 & <=\$100,000	2,359,828	12%	
<= \$50,000	1,102,863	6%	
TOTAL	19,756,307	100%	



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