

SMHL SERIES SECURITISATION FUND 2018-2



SMHL®

Monthly Investment Report as at 27 January 2023

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Bloomberg Screen: SMHL <MTGE>

Summary

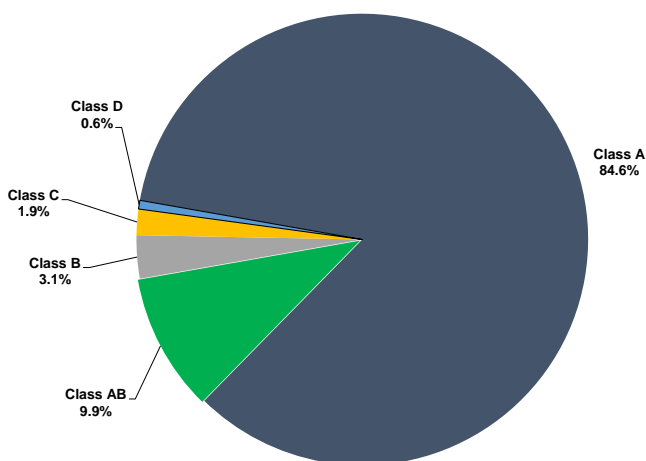
Fund: SMHL Series Securitisation Fund 2018-2
 Cut-Off Date: 17 January 2023
 Payment Date: 27 January 2023
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
 Commonwealth Bank of 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 27 January 2023

Fund:	0.17082911
Class A	0.15541043
Class AB	0.34814384
Class B	0.34814384
Class C	0.34814384
Class D	0.34814384
Class E	0.34814384



Portfolio Structure

	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt		Coupon Rate
				28 December 2022	28 March 2022	
				27 January 2023	27 January 2023	
Class A	184,419,404.56	5,697,407	178,721,997.88	625,257.57		4.125%
Class AB	21,554,530.71	665,900	20,888,630.46	83,531.19		4.715%
Class B	6,735,790.85	208,094	6,527,697.02	26,657.12		4.815%
Class C	4,041,474.51	124,856	3,916,618.21	18,153.42		5.465%
Class D	1,347,158.17	41,619	1,305,539.40	6,936.94		6.265%
Class E	2,245,263.62	69,365	2,175,899.01	16,175.13		8.765%
Total Portfolio	220,343,622	6,807,240	213,536,382	776,711		

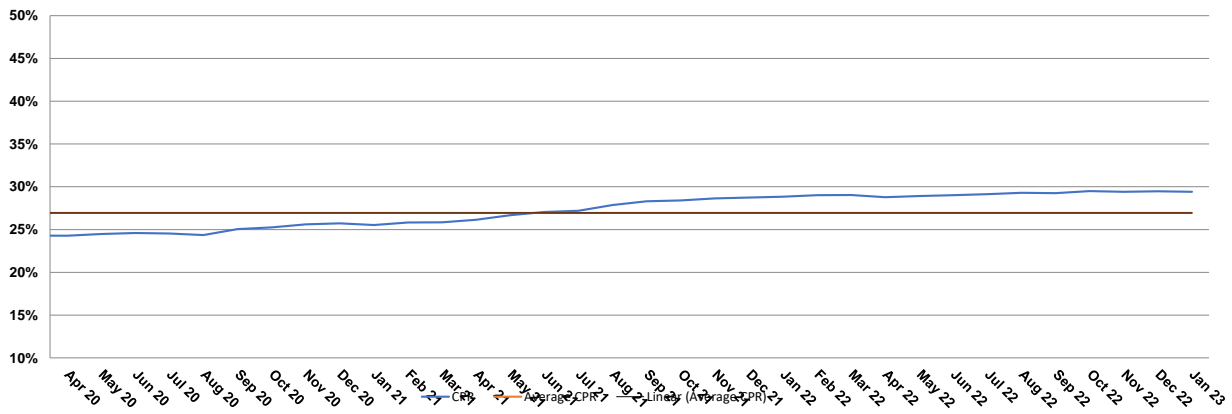
European CRR invested amount (as per Article 405) \$ 20,692,145

Pool Details

Number of Loans	2,575
Average Loan Size	82,927
Maximum Loan Size	762,914
Weighted Average LVR	45.16%
Maximum LVR	100.29%
WA Seeding (months)	148
WA Term to Maturity (years)	17
Full Documentation Loans	100.00%
WA Interest Rate	6.12%

Principal Collections & Prepayment Analysis

	Monthly	Quarterly	Since inception
Repayment Analysis	15 December 2022 to 17 January 2023	17 October 2022 to 17 January 2023	16 August 2018 to 17 January 2023
Balance @ Determination Date	220,343,622	235,662,555	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(1,080,697)	(3,477,181)	(126,242,417)
Prepayments	(7,227,806)	(23,311,310)	(1,101,516,950)
Redraw Advances	1,501,262	4,662,318	191,295,749
Principal Draws / (Repayment of Principal Draws)	-	-	-
Closing Balance	213,536,382	213,536,382	213,536,382
CPR	27.21%	28.35%	29.42%
SMM	2.61%	2.74%	2.86%



Current Position

Geographical Location

VIC	- Metro	47,044,879	22%
	- Non Metro	10,724,335	5%
NSW	- Metro	22,329,847	10%
	- Non Metro	19,997,325	9%
QLD	- Metro	20,130,679	9%
	- Non Metro	12,092,174	6%
SA	- Metro	9,678,285	5%
	- Non Metro	171,551	0%
WA	- Metro	34,551,490	16%
	- Non Metro	1,347,312	1%
TAS	- Metro	5,006,521	2%
	- Non Metro	4,399,698	2%
NT	- Metro	4,287,385	2%
	- Non Metro	475,918	0%
ACT	- Metro	21,298,984	10%
	- Non Metro	-	0%
TOTAL		213,536,382	100%

Loan Purpose ¹

Refinance	59,455,795	28%
ReDecation	-	0%
Purchase	71,666,387	34%
Construction	7,050,243	3%
Equity Release	75,363,958	35%
TOTAL	213,536,382	100%

Loan Term

<=5 yrs	48,163	0%
>5 & <=10yrs	4,642,506	2%
>10 & <=15yrs	5,209,419	2%
>15 & <=20yrs	22,771,809	11%
>20 & <=25yrs	39,694,655	19%
>25yrs	141,266,155	66%
TOTAL	213,536,382	100%

Owner/Investment split ¹

Owner Occupied	174,494,138	82%
Investment	39,042,244	18%
TOTAL	213,536,382	100%

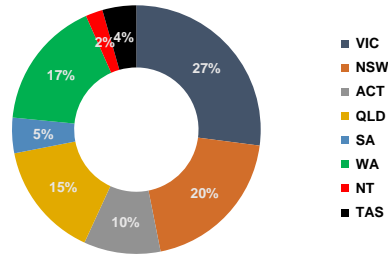
Interest Rate Exposure

> 8.00%	8,773,987	4%
> 7.00% & <= 8.00%	61,468,674	29%
> 6.00% & <= 7.00%	57,412,876	27%
> 5.00% & <= 6.00%	57,458,624	27%
<= 5.00%	28,422,221	13%
TOTAL	213,536,382	100%

Loan to Value Ratio

>95%	551,580	0%
>90% & <= 95%	-	0%
>85% & <= 90%	1,275,294	1%
>80% & <= 85%	4,452,317	2%
>75% & <= 80%	5,402,486	3%
>70% & <= 75%	9,325,260	4%
>65% & <= 70%	18,785,492	9%
>60% & <= 65%	13,414,709	6%
>55% & <= 60%	18,573,304	9%
>50% & <= 55%	18,473,664	9%
>45% & <= 50%	16,236,255	8%
>40% & <= 45%	19,870,909	9%
>35% & <= 40%	20,213,118	9%
>30% & <= 35%	16,768,628	8%
>25% & <= 30%	12,037,132	6%
<=25%	38,156,236	17%
TOTAL	213,536,382	100%

Geographical Location



Loan Security ²

House	188,054,615	87%
Land	226,470	0%
Apartment	5,505,623	3%
Unit	14,806,428	7%
Townhouse	3,269,924	2%
Other	1,673,322	1%
TOTAL	213,536,382	100%

Interest Option

Variable	197,293,661	92%
Fixed <3 years	16,242,721	8%
Fixed >3 years	-	0%
TOTAL	213,536,382	100%

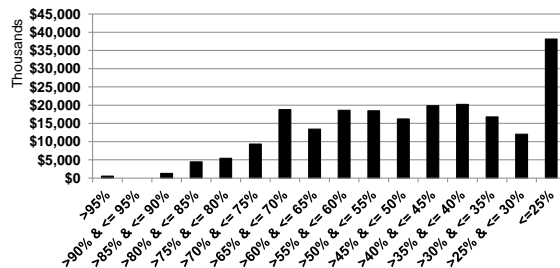
Mortgage Insurance

Genworth Financial	89,665,892	42%
HLIC Govt	1,226	0%
Uninsured	123,869,264	58%
TOTAL	213,536,382	100%

Loan Size

>\$250,000	65,563,364	30%
>\$200,000 & <=\$250,000	31,656,016	15%
>\$150,000 & <=\$200,000	35,499,041	17%
>\$100,000 & <=\$150,000	36,166,824	17%
>\$50,000 & <=\$100,000	29,755,650	14%
<= \$50,000	14,895,488	7%
TOTAL	213,536,382	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.

Arrears

	17 January 2023	15 December 2022	17 November 2022
30-59 days			
Number of loans	8	6	7
Outstanding Balance (\$)	951,321	910,317	781,567
% of Pool Outstanding Balance	0.45%	0.41%	0.34%
60-89 days			
Number of loans	4	5	4
Outstanding Balance (\$)	721,468	715,767	490,165
% of Pool Outstanding Balance	0.34%	0.32%	0.21%
90+ days			
Number of loans	26	24	23
Outstanding Balance (\$)	3,643,758	3,449,585	3,394,526
% of Pool Outstanding Balance	1.71%	1.57%	1.49%
TOTAL Delinquencies			
Number of loans	38	35	34
Outstanding Balance (\$)	5,316,548	5,075,669	4,666,258
% of Pool Outstanding Balance	2.49%	2.30%	2.04%
Pool Information			
Number of loans	2,575	2,637	2,692
Outstanding Balance (\$ m)	214	220	229

Repayment Holiday COVID-19

	17 January 2023	17 November 2022	17 October 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

	<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 cover¹ for a limited period.

Facilities & Reserve

Liquidity Facility

Opening Balance	2,168,941	
Liquidity facility drawn during the current month	-	
Repayment of Liquidity Draw for the previous periods	-	
Outstanding liquidity draws		
Reduction in Facility	(69,904)	
Closing Outstanding Balance	<u>2,099,036</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 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	5,258,320	25%
	- Non Metro	1,618,553	8%
NSW	- Metro	3,214,482	16%
	- Non Metro	1,605,221	8%
QLD	- Metro	775,704	4%
	- Non Metro	1,405,765	7%
SA	- Metro	877,734	4%
	- Non Metro	60,670	0%
WA	- Metro	3,210,871	16%
	- Non Metro	-	0%
TAS	- Metro	987,959	5%
	- Non Metro	548,702	3%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	1,128,165	5%
	- Non Metro	-	0%

TOTAL 20,692,145 100%

Loan Purpose ¹

Refinance	5,968,549	29%
Renovation	-	0%
Purchase	6,603,895	32%
Construction	1,613,508	8%
Equity Release	6,506,193	31%

TOTAL 20,692,145 100%

Loan Term

<=5 yrs	26,378	0%
>5 & <=10yrs	372,602	2%
>10 & <=15yrs	1,457,035	7%
>15 & <=20yrs	1,897,382	9%
>20 & <=25yrs	4,027,644	19%
>25yrs	12,911,104	63%

TOTAL 20,692,145 100%

Owner/Investment split ¹

Owner Occupied	16,086,947	78%
Investment	4,605,198	22%

TOTAL 20,692,145 100%

Interest Rate Exposure

> 8.00%	510,938	2%
> 7.00% & <= 8.00%	4,095,427	20%
> 6.00% & <= 7.00%	3,344,103	16%
> 5.00% & <= 6.00%	4,710,379	23%
<= 5.00%	8,031,299	39%

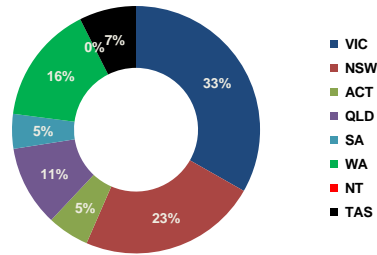
TOTAL 20,692,145 100%

Loan to Value Ratio

>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	-	0%
>75% & <= 80%	-	0%
>70% & <= 75%	345,207	2%
>65% & <= 70%	740,830	4%
>60% & <= 65%	2,729,873	13%
>55% & <= 60%	1,867,457	9%
>50% & <= 55%	2,488,970	12%
>45% & <= 50%	2,697,531	13%
>40% & <= 45%	1,170,209	6%
>35% & <= 40%	1,963,664	9%
>30% & <= 35%	1,295,702	6%
>25% & <= 30%	1,920,026	9%
<=25%	3,472,677	17%

TOTAL 20,692,145 100%

Geographical Location



Loan Security ²

House	17,905,471	87%
Land	-	0%
Apartment	431,397	2%
Unit	1,911,348	9%
Townhouse	64,649	0%
Other	379,280	2%

TOTAL 20,692,145 100%

Interest Option

Variable	12,770,397	61%
Fixed <3 years	7,809,685	38%
Fixed >3 years	112,063	1%

TOTAL 20,692,145 100%

Mortgage Insurance

Genworth Financial	7,553,729	37%
HLIC Govt	-	0%
Uninsured	13,138,401	63%
QBE	16	0%

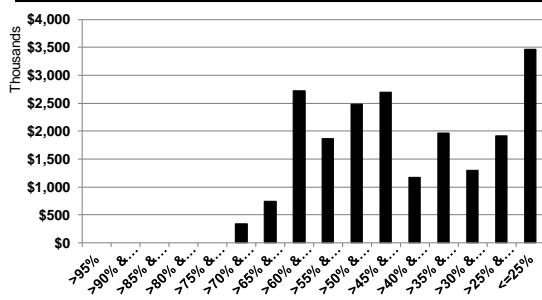
TOTAL 20,692,145 100%

Loan Size

>\$250,000	8,195,071	39%
>\$200,000 & <\$250,000	1,101,951	5%
>\$150,000 & <\$200,000	4,121,426	20%
>\$100,000 & <\$150,000	3,446,490	17%
>\$50,000 & <\$100,000	2,645,793	13%
<= \$50,000	1,181,413	6%

TOTAL 20,692,145 100%

Loan to Value Ratio



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