

SMHL SERIES SECURITISATION FUND 2018-2



SMHL®

Monthly Investment Report as at 28 December 2022

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Bloomberg Screen: SMHL <MTGE>

Summary

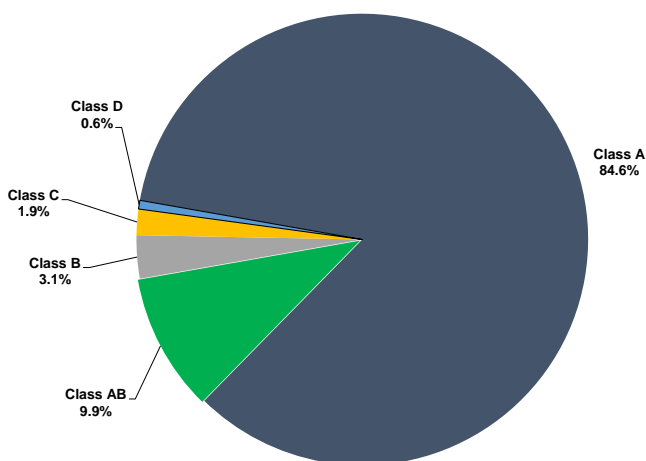
Fund: SMHL Series Securitisation Fund 2018-2
 Cut-Off Date: 15 December 2022
 Payment Date: 28 December 2022
 Issuer: Perpetual Limited as trustee for SMHL Series Securitisation Fund 2018-2
 Joint Lead Managers: Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
 Commonwealth Bank of 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 December 2022

Fund:	0.17627490
Class A	0.16036470
Class AB	0.35924218
Class B	0.35924218
Class C	0.35924218
Class D	0.35924218
Class E	0.35924218



Portfolio Structure

	Opening Balance	Principal Pass-Through	Closing Balance	Current Interest Amt		Coupon Rate	
				28 November 2022	28 March 2022	28 March 2022	28 December 2022
				28 December 2022	28 December 2022		
Class A	191,304,479.09	6,885,075	184,419,404.56	636,021.88		4.045%	
Class AB	22,359,242.94	804,712	21,554,530.71	85,179.53		4.635%	
Class B	6,987,263.42	251,473	6,735,790.85	27,192.90		4.735%	
Class C	4,192,358.05	150,884	4,041,474.51	18,555.49		5.385%	
Class D	1,397,452.68	50,295	1,347,158.17	7,104.04		6.185%	
Class E	2,329,087.81	83,824	2,245,263.62	16,625.86		8.685%	
Total Portfolio	228,569,884	8,226,262	220,343,622	790,680			

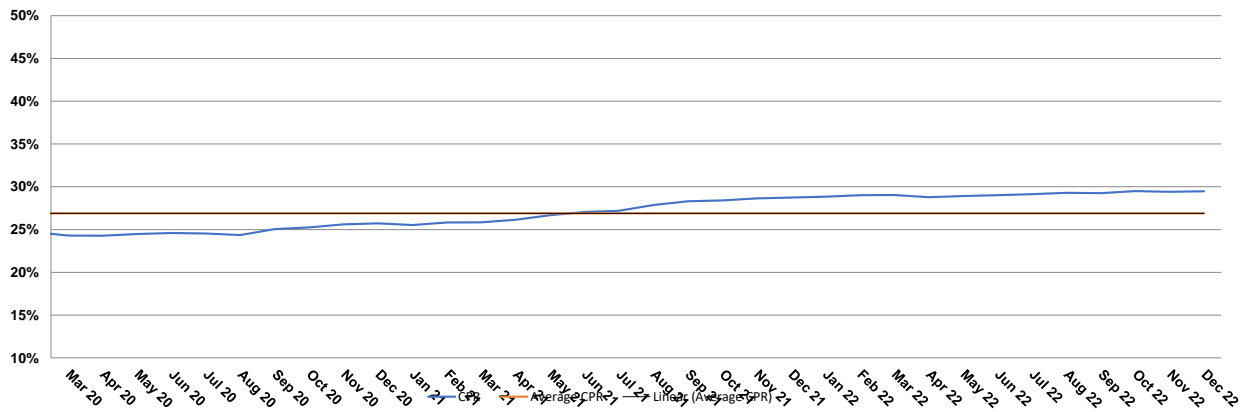
European CRR invested amount (as per Article 405) \$ 20,817,953

Pool Details

Number of Loans	2,637
Average Loan Size	83,558
Maximum Loan Size	764,325
Weighted Average LVR	45.54%
Maximum LVR	100.74%
WA Seeding (months)	146
WA Term to Maturity (years)	17
Full Documentation Loans	100.00%
WA Interest Rate	6.10%

Principal Collections & Prepayment Analysis

Repayment Analysis	Monthly	Quarterly	Since inception
	17 November 2022 to 15 December 2022	13 September 2022 to 15 December 2022	16 August 2018 to 15 December 2022
Balance @ Determination Date	228,569,884	247,162,387	1,250,000,000
Substitution	-	-	-
Scheduled Repayments	(1,096,928)	(3,532,389)	(125,161,721)
Prepayments	(8,529,242)	(27,796,330)	(1,094,289,144)
Redraw Advances	1,399,909	4,509,954	189,794,487
Principal Draws / (Repayment of Principal Draws)	-	-	-
Closing Balance	220,343,622	220,343,622	220,343,622
CPR	31.76%	32.94%	29.47%
SMM	3.13%	3.28%	2.87%



Current Position

Geographical Location

VIC	- Metro	48,447,450	22%
	- Non Metro	11,193,912	5%
NSW	- Metro	22,321,068	10%
	- Non Metro	20,520,400	9%
QLD	- Metro	20,760,280	9%
	- Non Metro	12,117,169	6%
SA	- Metro	10,192,418	5%
	- Non Metro	172,276	0%
WA	- Metro	36,721,234	17%
	- Non Metro	1,376,597	1%
TAS	- Metro	5,267,364	2%
	- Non Metro	4,702,435	2%
NT	- Metro	4,301,664	2%
	- Non Metro	477,047	0%
ACT	- Metro	21,772,309	10%
	- Non Metro	-	0%
TOTAL		220,343,622	100%

Loan Purpose¹

Refinance	60,844,518	28%
ReDecation	-	0%
Purchase	75,057,981	34%
Construction	7,520,435	3%
Equity Release	76,920,688	35%
TOTAL	220,343,622	100%

Loan Term

<=5 yrs	49,807	0%
>5 & <=10yrs	4,807,633	2%
>10 & <=15yrs	5,273,286	2%
>15 & <=20yrs	23,159,727	11%
>20 & <=25yrs	41,305,791	19%
>25yrs	145,846,991	66%
TOTAL	220,343,622	100%

Owner/Investment split¹

Owner Occupied	178,927,654	81%
Investment	41,415,968	19%
TOTAL	220,343,622	100%

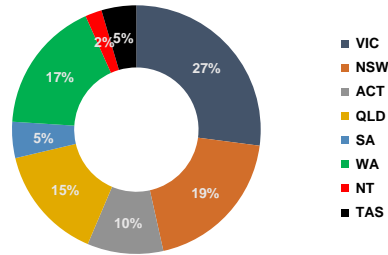
Interest Rate Exposure

> 8.00%	9,626,269	4%
> 7.00% & <= 8.00%	62,282,493	29%
> 6.00% & <= 7.00%	60,364,205	27%
> 5.00% & <= 6.00%	57,967,752	26%
<= 5.00%	30,102,904	14%
TOTAL	220,343,622	100%

Loan to Value Ratio

>95%	554,059	0%
>90% & <= 95%	-	0%
>85% & <= 90%	1,279,430	1%
>80% & <= 85%	5,005,075	2%
>75% & <= 80%	5,780,825	3%
>70% & <= 75%	9,480,206	4%
>65% & <= 70%	18,611,914	8%
>60% & <= 65%	16,115,982	7%
>55% & <= 60%	19,421,754	9%
>50% & <= 55%	18,646,183	8%
>45% & <= 50%	16,547,499	8%
>40% & <= 45%	20,794,125	9%
>35% & <= 40%	22,007,418	10%
>30% & <= 35%	15,314,081	7%
>25% & <= 30%	12,469,877	6%
<=25%	38,315,195	18%
TOTAL	220,343,622	100%

Geographical Location



Loan Security²

House	194,023,498	88%
Land	227,045	0%
Apartment	5,445,587	2%
Unit	15,329,199	7%
Townhouse	3,516,926	2%
Other	1,801,368	1%
TOTAL	220,343,622	100%

Interest Option

Variable	200,449,763	91%
Fixed <3 years	19,893,860	9%
Fixed >3 years	-	0%
TOTAL	220,343,622	100%

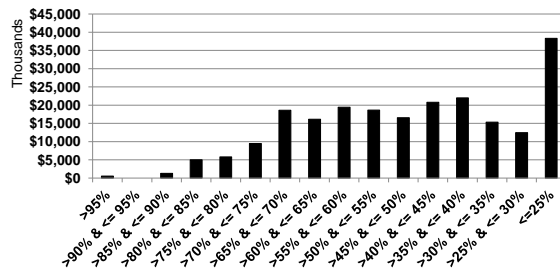
Mortgage Insurance

Genworth Financial	93,584,970	42%
HLIC Govt	1,502	0%
Uninsured	126,757,151	58%
TOTAL	220,343,622	100%

Loan Size

>\$250,000	67,896,834	31%
>\$200,000 & <=\$250,000	33,726,212	15%
>\$150,000 & <=\$200,000	36,963,335	17%
>\$100,000 & <=\$150,000	35,882,937	16%
>\$50,000 & <=\$100,000	30,750,906	14%
<= \$50,000	15,123,399	7%
TOTAL	220,343,622	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

	15 December 2022	17 November 2022	17 October 2022
30-59 days			
Number of loans	6	7	6
Outstanding Balance (\$)	910,317	781,567	1,043,810
% of Pool Outstanding Balance	0.41%	0.34%	0.44%
60-89 days			
Number of loans	5	4	5
Outstanding Balance (\$)	715,767	490,165	892,631
% of Pool Outstanding Balance	0.32%	0.21%	0.38%
90+ days			
Number of loans	24	23	21
Outstanding Balance (\$)	3,449,585	3,394,526	3,007,983
% of Pool Outstanding Balance	1.57%	1.49%	1.28%
TOTAL Delinquencies			
Number of loans	35	34	32
Outstanding Balance (\$)	5,075,669	4,666,258	4,944,424
% of Pool Outstanding Balance	2.30%	2.04%	2.10%
Pool Information			
Number of loans	2,637	2,692	2,754
Outstanding Balance (\$ m)	220	229	236

Repayment Holiday COVID-19

	15 December 2022	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 cover for a limited period.

Facilities & Reserve

Liquidity Facility

Opening Balance	2,251,754
Liquidity facility drawn during the current month	-
Repayment of Liquidity Draw for the previous periods	-
Outstanding liquidity draws	-
Reduction in Facility	(82,813)
Closing Outstanding Balance	<u>2,168,941</u>

Redraw Funding Facility

Opening Balance	-
Drawn amount	-
Closing balance	-

Notional Swaps

Notional Swaps Value	20,000,000
% of fixed rate home loans	100.5%

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	5,299,685	25%
	- Non Metro	1,624,567	8%
NSW	- Metro	3,234,742	16%
	- Non Metro	1,618,543	8%
QLD	- Metro	780,018	4%
	- Non Metro	1,416,782	7%
SA	- Metro	887,851	4%
	- Non Metro	67,237	0%
WA	- Metro	3,236,457	16%
	- Non Metro	-	0%
TAS	- Metro	993,599	5%
	- Non Metro	550,806	3%
NT	- Metro	-	0%
	- Non Metro	-	0%
ACT	- Metro	1,107,665	5%
	- Non Metro	-	0%
TOTAL		20,817,953	100%

Loan Purpose ¹

Refinance	5,965,580	29%
Renovation	-	0%
Purchase	6,596,504	31%
Construction	1,629,709	8%
Equity Release	6,626,160	32%
TOTAL	20,817,953	100%

Loan Term

<=5 yrs	26,039	0%
>5 & <=10yrs	375,453	2%
>10 & <=15yrs	1,472,966	7%
>15 & <=20yrs	1,978,742	10%
>20 & <=25yrs	4,037,651	19%
>25yrs	12,927,102	62%
TOTAL	20,817,953	100%

Owner/Investment split ¹

Owner Occupied	16,210,109	78%
Investment	4,607,843	22%
TOTAL	20,817,953	100%

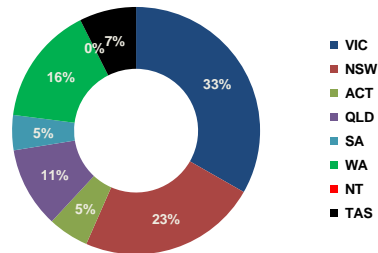
Interest Rate Exposure

> 8.00%	498,139	2%
> 7.00% & <= 8.00%	4,114,508	20%
> 6.00% & <= 7.00%	3,537,863	17%
> 5.00% & <= 6.00%	4,580,610	22%
<= 5.00%	8,086,833	39%
TOTAL	20,817,953	100%

Loan to Value Ratio

>95%	-	0%
>90% & <= 95%	-	0%
>85% & <= 90%	-	0%
>80% & <= 85%	-	0%
>75% & <= 80%	-	0%
>70% & <= 75%	346,131	2%
>65% & <= 70%	874,643	4%
>60% & <= 65%	2,862,947	14%
>55% & <= 60%	1,629,490	8%
>50% & <= 55%	2,895,249	14%
>45% & <= 50%	2,346,308	11%
>40% & <= 45%	1,182,907	6%
>35% & <= 40%	1,970,339	9%
>30% & <= 35%	1,259,671	6%
>25% & <= 30%	1,880,025	9%
<=25%	3,570,245	17%
TOTAL	20,817,953	100%

Geographical Location



Loan Security ²

House	18,030,792	87%
Land	-	0%
Apartment	431,975	2%
Unit	1,917,745	9%
Townhouse	62,728	0%
Other	374,712	2%
TOTAL	20,817,953	100%

Interest Option

Variable	12,843,588	62%
Fixed <3 years	7,571,506	36%
Fixed >3 years	402,858	2%
TOTAL	20,817,953	100%

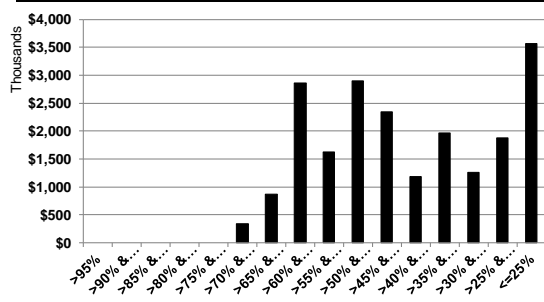
Mortgage Insurance

Genworth Financial	7,633,554	37%
HLIC Govt	-	0%
Uninsured	13,184,383	63%
QBE	16	0%
TOTAL	20,817,953	100%

Loan Size

>\$250,000	8,235,929	40%
>\$200,000 & <=\$250,000	1,491,783	7%
>\$150,000 & <=\$200,000	3,910,779	19%
>\$100,000 & <=\$150,000	3,400,150	16%
>\$50,000 & <=\$100,000	2,568,871	12%
<= \$50,000	1,210,440	6%
TOTAL	20,817,953	100%

Loan to Value Ratio



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