

Resimac Limited

# RMC Enhanced Income Fund update.

31 March 2026

## Market commentary

The RBA lifted the cash rate by 0.25% to 4.10% at its March 2026 meeting, marking the second consecutive monthly increase. The RBA noted that inflation had picked up materially in the second half of 2025 with January 2026 CPI data showing annual inflation was 3.80%, above the RBA's 2% to 3% target range. This reacceleration in inflation remains the central driver of the RBA's tightening cycle.

The RBA continues to warn of persistent inflationary pressures citing a combination of tight labour markets, capacity constraints and elevated energy prices linked to the Middle East conflict. These factors have added further upside risk to the inflation outlook and reinforced expectations that monetary policy may need to remain restrictive for longer.

Financial markets are currently pricing in two additional 0.25% rate hikes, one expected in May/June and another in late 2026 - bringing the peak of official rates to 4.60%, before being on an extended hold before possible cuts in mid-2027. Among major Australian banks, three are currently only forecasting only a 0.25% increase in May followed by a prolonged pause. Westpac is the outlier forecasting three further hikes in 2026 (May, June, August), taking official rates to a peak of 4.85%, with rate cuts not anticipated until 2028.

In the housing market, Cotality's Australian Home Value Index recorded a 2.1% increase for the first quarter of 2026, moderating from the December quarters growth rate of 2.8%, but still contributing to a strong 9.9% growth rate for the past twelve months. Overall, the Sydney & Melbourne housing value indices declined slightly during the March quarter, more than offset by robust gains in Perth, Brisbane, Adelaide and Darwin. Cotality notes that the strength in housing prices is in the lower priced housing, driven by serviceability constraints, government stimulus and investor activity.

Factors that could affect residential house prices in 2026 include:

- Speculation that interest rates could possibly be increased higher during 2026 eroding buyer confidence.
- The introduction of stricter assessment for some borrowers.
- A rebound in cost of living and housing affordability pressures.
- Potential changes to government policy.

Offsetting the above points is the supply of available/new housing stock is likely to remain subdued which will likely buffer potential pricing pressures.

Westpac reports that the Australian securitisation market saw approximately \$23 billion in issuance during the quarter - its busiest start to a year in nearly two decades - despite the geopolitical volatility. Resimac continues to rank among the most active issuers. Margins on mezzanine RMBS notes remained stable through January and February but widened in March as investors became increasingly cautious as the Middle East conflict escalated and its implications for the financial markets were assessed.

## Fund commentary

- The Funds total return was 9.30% for the rolling twelve months, exceeding its target return by 0.72%
- The Fund's income distributions remain the key contributor to returns with its investments continuing to collect a solid yield premium above the bank bill rate. The distribution for the quarter ending 31 March was 2.14 cents per unit bringing the total for rolling twelve months to 8.93 cents per unit equating to a distribution return of 9.05% for this period.
- The Fund's distribution is 10% lower than the pcp. This is due to both:
  - › The average 30 day bank bill rate was 10% lower for the March 2026 (3.78%) quarter compared with the March 2025 (4.19%) quarter.

**Fund commentary (cont'd)**

- > Maturing investment have been reinvested at lower margins. The continued high demand for mortgage and asset backed securities over 2025 saw issue margins reach historic lows.
- The Fund purchased additional holdings in Resimac's RMBS issues and warehouse notes during the quarter.
- The pool of mortgages underlying the Fund's investments appear to be in robust condition for the following reasons:
  - > The securities underlying collateral forms a seasoned and diversified portfolio of residential property, auto and equipment loans.
  - > The value of properties and loan to value ratios indicate healthy valuation protection.
  - > A large redraw cushion.
  - > A low level of arrears that continues to be closely monitored.
- The Manager continues to monitor the geopolitical events which have been causing market volatility and will continue to identify and invest in attractively priced issues.

**Performance as at 31 March 2026**

	1 month	3 months	6 months	1 year	2 years	3 years	Inception*
	%	%	%	%	% p.a.	% p.a.	% p.a.
RMC Enhanced Income Fund	0.37%	1.66%	3.65%	8.52%	9.60%	10.14%	9.16%
Distribution return	2.08%	2.10%	4.28%	9.05%	9.52%	9.35%	8.89%
Growth return	-1.71%	-0.45%	-0.63%	-0.53%	0.08%	0.79%	0.27%
Bloomberg Ausbond Bank Bill Index	0.32%	0.91%	1.82%	3.80%	4.13%	4.15%	3.62%
Target return	0.65%	1.91%	3.82%	7.80%	8.13%	8.15%	7.62%
Excess return	-0.28%	-0.25%	-0.17%	0.72%	1.47%	1.99%	1.54%

\*Inception 31 March 2022.

- Past performance is not an indicator of future performance. Returns are calculated net of fees and assume the reinvestment of income. No allowance for taxation is made.
- Growth return is the change in ex-distribution prices.
- Distribution return is the difference between growth return and total return.
- Target Return is the Index Return plus 4% over rolling three year periods.
- Excess return is the difference between the Fund's net return and its target return.
- Return data greater than one year is annualised.

**Distribution history**

	September	December	March	June	Fin year / YTD
<b>FINANCIAL YEAR</b>					
2022	-	-	-	1.27	1.27
2023	1.90	1.95	2.20	1.98	8.03
2024	1.71	2.42	2.41	2.47	9.01
2025	2.40	2.47	2.39	2.38	9.63
2026	2.23	2.18	2.14	-	6.55

\*Cents per unit.

## Performance as at 31 March 2026 (cont'd)

### Portfolio statistics

Fund size	\$18.55 million
Number of holdings	18
Interest rate reduction	0.03 years
Credit spread duration	1.06 years
Effective maturity	1.7 years
30-day Bank Bill Rate	4.06%

### Portfolio composition

Percentage of Resimac issued securities held (ex-cash)	100%
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### Liquidity

SECTOR	Weight
Cash and cash equivalents	1%
Liquid securities	19%
Other securities	80%
<b>Total</b>	<b>100%</b>

### Asset ranges

SECTOR	Weight
RMBS prime	15%
RMBS non-conforming	41%
Warehouse notes	39%
Asset backed securities	4%
Cash and equivalents	1%
<b>Total</b>	<b>100%</b>

### Credit exposure

CREDIT RATING	Weight
AAA	4%
AA	0%
A	8%
BBB	7%
BB	4%
B	1%
Note rated	75%
Cash	1%
<b>Total</b>	<b>100%</b>

## Key underlying residential mortgage loan statistics

	Total	Prime	Non-conforming	Warehouse
Number of loans	12,853	5,668	4,711	2,474
Average loan balance	\$512,557	\$432,709	\$600,137	\$528,722
Total current loan balances	\$6,587,895,171	\$2,452,593,049	\$2,827,243,564	\$1,308,058,559
Total value of properties	\$12,446,760,826	\$4,923,207,928	\$5,079,265,409	\$2,444,287,489
Weighted average current LVR	66%	64%	67%	66%
Weighted average seasoning	36 months	41 months	36 months	27 months
Weighted average interest rate	6.74%	6.38%	7.24%	6.33%
Total amount available redraw	\$1,054,283,737	\$462,860,372	\$367,149,781	\$224,273,583
90+ days in arrears	1.02%	0.28%	1.89%	0.54%
% of fixed rate loans	1.39%	2.19%	0.23%	2.41%
% owner occupier	55%	52%	63%	43%

SECTOR	Weight
New South Wales	34%
Victoria	27%
Queensland	19%
Australian Capital Territory	1%
Western Australia	8%
South Australia	9%
Tasmania	1%
Northern Territory	1%
<b>Total</b>	<b>100%</b>

SECTOR	Weight
Inner city	0%
Metro	88%
Non-metro	12%
<b>Total</b>	<b>100%</b>

## Key underlying ABS mortgage loan statistics

	Total	BUSINESS LINE	Weight
Number of loans	9,512	Auto Finance	69%
Average loan balance	\$58,949	Equipment Finance	31%
Total current loan balances	\$560,721,787	<b>Total</b>	<b>100%</b>
Weighted average LVR	72%		
Weighted average term to maturity	38 months		
Weighted average seasoning	21 months		
Weighted average interest rate	8.96%		
90+ days in arrears	0.21%		
% of fixed rate loans	100%		
Borrower type	100% commercial		

### Disclaimer

This information is provided by Resimac Limited ACN 002 997 935 AFSL 247283 (Resimac) in relation to the RMC Enhanced Income Fund (Fund). Evolution Trustees Limited ACN 611 839 519 AFSL 486217 (Evolution) is the trustee and the issuer of the units in the Fund.

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