

RMC Enhanced Income Fund update.

30 September 2025

Market commentary

The Reserve Bank of Australia (RBA) lowered the cash rate by 0.25% to 3.60% at its August meeting as inflation remained in its target band. With an unexpected increase in the September unemployment figures which were released in early October, the Australian financial markets are factoring in the potential for a 0.25% interest rate cut before calendar year end and another 0.25% in the first half of 2026.

The RBA is likely to remain cautious in its decision regarding future interest rate cuts. Global factors will play a significant role in the decision and the unemployment rate will likely be a key domestic factor in determining how many further cuts will be made.

The 0.75% of interest rate cuts in the calendar year to date have been a positive catalyst for housing prices and Cotality's (formerly CoreLogic) Australian Home Value Index recorded a 2.2% increase for the third quarter of 2025, bringing the national growth rate for the last 12 months to 4.8%. Notably the number of advertised properties for sale remain well below the five year average underpinning pricing increases.

Other factors that could affect residential house prices in 2025 will include further decreases in the RBA cash rate, level of net overseas migration, the supply of new housing stock, changes in housing affordability and the impact of the Commonwealth Government's first homebuyer support schemes which was implemented on 1st October.

The October 2025 RBA Financial Stability Review warns that the largest risks to Australia's financial stability come from abroad and the risks are increasing, not receding:

- High and rising debt levels in major economies.
- Stretched asset valuations and leverage in global markets.
- Heightened geopolitical and operational risk.

The Review concludes that Australia's financial system remains well positioned to navigate a period of elevated global uncertainty.

Westpac report the Australian securitisation market saw around \$20.4 billion of securities issued in the third quarter of 2025, bringing year to date issuance to \$50.9 billion. Resimac was an active issuer in the securitisation market during this period completing a \$500 million ABS and a \$1 billion RMBS transaction.

Margins on mezzanine notes tightened over the quarter and are now testing the lows they reached during the pandemic due to continued strong demand coupled with a supportive credit environment. This trend could continue as Australian credit is likely to remain attractive for both domestic and international investors given the uncertain global backdrop.

Fund commentary

- 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 cash rate. The distribution for the quarter ending 30 September 2025 was 2.23 cents per unit bringing the total for rolling twelve months to 9.46 cents per unit equating to a distribution return of 9.66% for the period.
- The Fund's distribution is 7% lower than the pcg. This is due to:
 - > A fall in underlying rates – the RBA held the official cash rate steady at 4.35% in the September 2024 quarter, whilst in 2025 they had fallen 0.50% to 3.85% by the start of the September quarter and were reduced a further 0.25% mid-August. This equates to an average of about 14% below the pcg.
 - > The continued high demand for securities leading to a decrease in issue margins.

Fund commentary (cont'd)

- The Fund's growth return was 0.12% over the twelve month period due to the compression of the underlying RMBS margins. The Funds total return was 9.78% for the 12 months ending 30 September 2025 exceeding its target return by 1.59%.
- The Fund purchased holdings in Resimac's ABS & RMBS issues during the quarter.
- The pool of mortgages underlying the Fund's investments appear to be in robust condition for the following reasons:
 - > In total they form a well-seasoned and diversified portfolio of residential mortgage 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 be vigilant for geopolitical events which may cause market volatility and concentrates on identifying and investing in attractively priced issues.

Performance as at 30 September 2025

	1 month %	3 months %	6 months %	1 year %	2 years % p.a.	3 years % p.a.	Inception % p.a.*
RMC Enhanced Income Fund	0.86%	2.47%	4.70%	9.78%	10.92%	10.99%	9.40%
Distribution return	2.17%	2.20%	4.59%	9.66%	9.91%	9.41%	8.91%
Growth return	-1.30%	0.27%	0.10%	0.12%	1.02%	1.59%	0.49%
Bloomberg Ausbond Bank Bill Index	0.29%	0.92%	1.94%	4.19%	4.30%	4.05%	3.61%
Target return	0.63%	1.92%	3.94%	8.19%	8.30%	8.05%	7.61%
Excess return	0.23%	0.55%	0.75%	1.59%	2.63%	2.94%	1.80%

*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.

Morningstar Rating TM



Performance as at 30 September 2025 (cont'd)

Portfolio statistics

Fund size	\$17,635,533
Number of holdings	20
Interest rate duration	0.03 years
Credit spread duration	0.79 years
Effective maturity	1.3 years
30-day Bank Bill Rate	3.54%
30 September 2025 distribution	2.23 cents per unit

Portfolio composition

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

Sector	Weight
Cash & cash equivalents	6%
Liquid securities	19%
Other securities	75%
TOTAL	100%

Asset ranges

Sector	Weight
RMBS Prime	8%
RMBS Non-conforming	38%
Warehouse notes	36%
Credit Risk retention notes	7%
Asset backed securities	5%
Cash and equivalents	6%
TOTAL	100%

Credit exposure

S&P credit rating	Weight
AAA	6%
AA	0%
A	10%
BBB	3%
BB	5%
B	1%
Not rated	69%
A1+	5%
Cash	1%
TOTAL	100%

Key underlying residential mortgage loan statistics

	Total	Prime	Non-conforming	Warehouse
Number of loans	11,768	3,407	5,144	3,217
Average loan balance	\$520,760	\$325,521	\$635,341	\$544,313
Total current loan balances	\$6,128,298,824	\$1,109,048,359	\$3,268,194,090	\$1,751,056,376
Total value of properties	\$11,646,928,643	\$2,822,965,040	\$5,688,725,186	\$3,135,238,417
Weighted average current LVR	66%	57%	68%	67%
Weighted average seasoning	33 months	66 months	30 months	19 months
Weighted average interest rate	6.36%	5.98%	6.76%	5.87%
Total amount available redraw	\$1,005,570,647	\$366,760,012	\$374,200,751	\$264,609,884
90+ days in arrears	0.75%	0.33%	1.11%	0.35%
% of fixed rate loans	1.37%	2.38%	0.27%	2.80%
% owner occupier	58%	63%	63%	44%

Location	Weight
NSW	34%
VIC	27%
QLD	19%
ACT	1%
WA	7%
SA	10%
TAS	1%
NT	1%
TOTAL	100%

Location	Weight
Inner city	0%
Metro	90%
Non-metro	10%
TOTAL	100%

Key underlying ABS mortgage loan statistics

	Total
Number of loans	10,273
Average loan balance	\$64,734
Total current loan balances	\$665,010,904
Weighted average LVR	79%
Weighted average term to maturity	43 months
Weighted average seasoning	16 months
Weighted average interest rate	8.97%
90+ days in arrears	0.08%
% of fixed rate loans	100%
Borrower type	100% commercial

Business line	Weight
Auto Finance	59%
Equipment Finance	41%
TOTAL	100%

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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