FINALIST

Private Debt/Credit

Resimac Limited

RMC Enhanced Income Fund update.

30 June 2026

Market commentary

Australia's monetary environment tightened further during the quarter, with the Reserve Bank of Australia lifting the cash rate by 0.25% to 4.35% in May. The RBA highlighted persistent inflation pressures, capacity constraints in the economy, and the inflationary impact of the Middle East oil shock as key drivers of its decision. While policy remains firmly in restrictive territory, the Bank has signalled that further rate increases remain possible should inflation fail to moderate.

Financial markets currently assign a low probability to an immediate rate rise but expect the cash rate to peak around 4.60% by year end, followed by an extended period on hold through 2027. Major banks are divided: three expect no further hikes and foresee cuts beginning mid 2027, while Westpac anticipates two additional increases this year, taking rates to 4.85%, with easing not expected until the third quarter of 2027.

Housing market conditions softened modestly with Cotality's Australian Home Value Index declining 0.7% over the June quarter, driven by falls in Sydney (–3.2%) and Melbourne (–2.6%), partially offset by gains across Perth, Brisbane, Adelaide, Hobart and Darwin. Higher borrowing costs, affordability pressures, and recent capital gains tax changes are expected to weigh on demand through 2026. Nonetheless, low unemployment, continued population growth and constrained housing supply should help limit downside risks.

Despite geopolitical volatility, Westpac reported approximately $20 billion in securitisation issuance during the quarter. Margins on mezzanine RMBS notes, which widened during the March volatility, have since retraced to prior levels as investor sentiment improved.

Fund commentary

- The Fund delivered a total return of 8.51% for the 2026 financial year, outperforming its target return of 7.86% by 0.65%. Income distributions remained the primary driver of performance, supported by a solid yield premium above the bank bill rate
- The June quarter distribution was 2.33 cents per unit, contributing to a rolling 12 month distribution of 8.88 cents per unit, equivalent to a 9.01% distribution return. The June 2026 distribution was 2% lower than the same period last year, reflecting margin compression that offset the rise in underlying 30 day bank bill rates, but remains attractive in absolute terms.
- Total distributions for FY2026 were approximately 8% below FY2025, influenced by both tighter investment margins and lower average bank bill rates (FY2025: 4.17% vs FY2026: 3.79%). Despite these headwinds, the Fund continued to achieve its return objective and deliver a strong income outcome for investors.
- During the quarter, the Fund increased its exposure to Resimac residential mortgage-backed securities (RMBS). While the Fund invests exclusively in Resimac-issued securities, risks remain diversified across more than 14,000 residential 1st mortgage loans, over 9,000 auto and equipment finance loans, multiple securitisation structures, collateral pools and issue vintages.
- Our focus on Resimac issued securities is driven by our confidence in the issuer's disciplined underwriting standards, the consistently strong credit quality of its mortgage pools and its long track record of performance through multiple market cycles.
- The underlying mortgage and asset finance pools backing the Fund's investments remain in strong condition. Across the residential mortgage portfolio, the weighted average loan-to-value ratio (LVR) is 66%, providing substantial borrower equity and valuation protection. Portfolio seasoning of 33 months, a borrower redraw buffer of more than $1.1 billion, and arrears that remain within historical norms continue to support overall credit quality and borrower resilience.

Fund commentary (cont'd)

- The current market environment continues to provide an attractive backdrop for income-focused investors. Although competition for securitised credit assets remains strong, elevated cash rates and ongoing demand for floating-rate income continue to support attractive absolute income generation from high-quality RMBS and ABS investments.
- The Manager remains focused on preserving portfolio quality and identifying attractively priced investment opportunities for the Fund.

Performance as at 30 June 2026

	1 month	3 months	6 months	1 year	2 years	3 years	4 years	Inception*
	%	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
RMC Enhanced Income Fund	0.76%	2.16%	3.86%	8.51%	9.36%	10.05%	9.38%	9.15%
Distribution return	2.27%	2.30%	4.44%	9.01%	9.43%	9.44%	9.17%	8.92%
Growth return	-1.51%	-0.14%	-0.58%	-0.50%	-0.08%	0.61%	0.21%	0.23%
Bloomberg Ausbond Bank Bill Index	0.39%	1.07%	1.99%	3.86%	4.12%	4.21%	3.88%	3.66%
Target return	0.72%	2.07%	3.99%	7.86%	8.12%	8.21%	7.88%	7.66%
Excess return	0.03%	0.09%	-0.13%	0.65%	1.23%	1.84%	1.50%	1.49%

**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

FINANCIAL YEAR	September	December	March	June	Fin year / YTD
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	2.33	8.88

**Cents per unit.*

Performance as at 30 June 2026 (cont'd)

Portfolio statistics

Fund size	$18.98 million
Number of holdings	19
Interest rate reduction	0.03 years
Credit spread duration	0.95 years
Effective maturity	1.5 years
30-day Bank Bill Rate	4.30%

Portfolio composition

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

Liquidity

SECTOR	Weight
Cash and equivalents	2%
Liquid securities	20%
Other securities	78%
Total	**100%**

Asset ranges

SECTOR	Weight
RMBS prime	18%
RMBS non-conforming	39%
Warehouse notes	38%
Asset backed securities	3%
Cash and equivalents	2%
Total	**100%**

Credit exposure

CREDIT RATING	Weight
AAA	3%
AA	0%
A	7%
BBB	10%
BB	3%
B	1%
Not rated	74%
Cash	2%
Total	**100%**

Key underlying residential mortgage loan statistics

	Total	Prime	Non-conforming	Warehouse
Number of loans	14,175	6,920	4,189	3,066
Average loan balance	$524,647	$474,265	$591,634	$546,836
Total current loan balances	$7,436,867,705	$2,452,593,049	$2,827,243,564	$1,308,058,559
Total value of properties	$13,806,434,291	$3,281,912,723	$2,478,355,810	$1,676,599,172
Weighted average current LVR	66%	65%	66%	70%
Weighted average seasoning	33 months	37 months	39 months	18 months
Weighted average interest rate	6.89%	6.58%	7.48%	6.61%
Total amount available redraw	$1,119,473,903	$563,799,953	$327,337,222	$228,336,729
90+ days in arrears	0.94%	0.36%	2.05%	0.44%
% of fixed rate loans	1.47%	2.19%	0.23%	2.41%
% owner occupier	53%	50%	64%	41%

SECTOR	Weight
New South Wales	32%
Victoria	26%
Queensland	21%
Australian Capital Territory	1%
Western Australia	8%
South Australia	10%
Tasmania	1%
Northern Territory	1%
Total	**100%**

SECTOR	Weight
Inner city	0%
Metro	86%
Non-metro	14%
Total	**100%**

Key underlying ABS loan statistics

	Total
Number of loans	9,021
Average loan balance	$56,268
Total current loan balances	$507,590,370
Weighted average LVR	69%
Weighted average term to maturity	36 months
Weighted average seasoning	24 months
Weighted average interest rate	8.94%
90+ days in arrears	0.33%
% of fixed rate loans	100%
Borrower type	100% commercial

BUSINESS LINE	Weight
Auto Finance	58%
Equipment Finance	42%
Total	**100%**

LOCATION	Weight
New South Wales	32%
Victoria	29%
Queensland	21%
Australian Capital Territory	1%
Western Australia	9%
South Australia	6%
Tasmania	1%
Northern Territory	1%
Total	**100%**