

Resimac Limited

RMC Enhanced Income Fund update.

30 September 2026

Market commentary

Australia's monetary environment tightened further during the September quarter, with the Reserve Bank of Australia (RBA) increasing the cash rate by 25 basis points to 4.60% at its meeting on 29 September 2026. The decision reflected stronger than expected inflation outcomes, ongoing domestic capacity pressures, higher energy prices and supply disruptions associated with the Middle East conflict. The RBA indicated that inflation remained above target and that further policy tightening may be required should inflationary pressures persist.

Financial market expectations became more hawkish over the quarter. At the end of June, market pricing implied only a modest probability of additional tightening before an easing cycle commenced during 2027. Expectations shifted sharply during July as inflation concerns persisted, with markets at one stage pricing more than one additional cash rate increase. Following the September increase, market pricing continued to imply the possibility of further tightening and an extended period of restrictive monetary policy settings through much of 2027. Elevated bank bill rates remain supportive of income from floating-rate investments.

Housing market conditions weakened further as higher interest rates and affordability constraints reduced purchasing capacity. Cotality's Australian Home Value Index declined 1.1% in September and 3.7% over the quarter, leaving national dwelling values 5.2% below their March 2026 peak. Despite softer housing conditions, the RBA's October 2026 Financial Stability Review, released shortly after the quarter's end, concluded that the financial system remained resilient. Household loan arrears remained low by historical standards, supported by strong labour market conditions, accumulated savings and substantial borrower equity.

The Australian securitisation market was active throughout the quarter. RMBS spreads widened during July as investors reassessed the outlook for inflation and interest rates, resulting in some mark-to-market volatility. Conditions improved through August and September, with strong investor demand helping to absorb record issuance volumes. While spread movements may influence short-term valuations, elevated bank bill rates and continued demand for floating-rate securitised credit remain supportive of income generation and the longer-term return outlook for RMBS investors.

Fund commentary

- The September quarter distribution was 2.52 cents per unit, taking the rolling 12 month distribution to 9.17 cents per unit, equivalent to a 9.30% distribution return.
- The September 2026 distribution was 8% higher than the June quarter and 13% higher than the previous corresponding quarter. Average 30-day bank bill rates have increased from 3.61% in the September 2025 quarter to 4.35% in the September 2026 quarter, although the benefit of higher rates was partly offset by tighter investment margins.
- During the quarter, the Fund increased its exposure to Resimac residential mortgage-backed securities (RMBS). While the Fund invests exclusively in Resimac-issued securities, the underlying exposures are diversified across more than 13,000 residential first mortgage loans, over 8,000 auto and equipment finance loans, multiple securitisation structures, collateral pools and issue vintages.
- We remain confident in Resimac's prudent underwriting standards, the credit quality of its mortgage pools and its long track record across market cycles. This underpins our focus on Resimac-issued securities, while recognising that investing with a single originator carries concentration risk.
- The residential mortgage collateral backing the Fund's investments remains in sound condition. Across the residential mortgage portfolio, the weighted average loan-to-value ratio (LVR) is 67%, providing a buffer against credit losses. Portfolio seasoning of 32 months, a borrower redraw buffer of more than $1 billion and arrears that remain within historical norms continue to support overall credit quality and borrower resilience.

Fund commentary (cont'd)

- The Manager remains focused on preserving portfolio quality and maintaining attractive income. Elevated bank bill rates support running income but also increase borrowers' repayment burdens, potentially leading to higher arrears and credit losses. Changes in credit spreads may also affect unit prices, while liquidity constraints may affect the timing of withdrawals. Diversification across underlying loans, borrower equity, seasoning, redraw capacity and the portfolio's short effective maturity help manage downside risks.

Performance as at 30 September 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	0.80%	2.33%	4.55%	8.36%	9.07%	10.06%	10.33%	9.17%
Distribution return	2.46%	2.50%	4.85%	9.30%	9.47%	9.70%	9.38%	9.00%
Growth return	-1.66%	-0.16%	-0.30%	-0.93%	-0.41%	0.36%	0.95%	0.18%
Bloomberg Ausbond Bank Bill Index	0.36%	1.11%	2.20%	4.06%	4.12%	4.22%	4.05%	3.71%
Target return	0.69%	2.11%	4.20%	8.06%	8.12%	8.22%	8.05%	7.71%
Excess return	0.11%	0.22%	0.35%	0.30%	0.95%	1.85%	2.28%	1.47%

**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
2027	2.52	-	-	-	2.52

**Cents per unit.*

Performance as at 30 September 2026 (cont'd)

Portfolio statistics

Fund size	$19.12 million
Number of holdings	21
Interest rate duration	0.03 years
Credit spread duration	1.25 years
Effective maturity	1.6 years

Portfolio composition

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

Liquidity

SECTOR	Weight
Cash and equivalents	1%
Liquid securities	19%
Other securities	80%
Total	**100%**

Sector allocations

SECTOR	Weight
RMBS prime	15%
RMBS non-conforming	43%
Warehouse notes	38%
Asset backed securities	3%
Cash and equivalents	1%
Total	**100%**

Credit exposure

CREDIT RATING	Weight
AAA	3%
AA	0%
A	7%
BBB	9%
BB	4%
B	1%
Not rated	75%
Cash	1%
Total	**100%**

Key underlying RMBS statistics

	Total	Prime	Non-conforming	Warehouse
Number of loans	13,124	5,561	3,764	3,799
Average loan balance	$539,354	$496,759	$577,331	$567,077
Total current loan balances	$7,078,475,971	$2,762,474,607	$2,173,073,372	$2,142,927,992
Total value of properties	$12,948,333,403	$5,224,106,925	$4,028,821,554	$3,695,404,924
Weighted average current LVR	67%	66%	66%	69%
Weighted average seasoning	32 months	35 months	43 months	18 months
Weighted average interest rate	6.84%	6.54%	7.48%	6.58%
Total amount available redraw	$1,038,746,240	$460,356,388	$299,160,198	$279,229,654
90+ days in arrears	1.12%	0.28%	2.83%	0.47%
% of fixed rate loans	1.35%	2.16%	0.13%	1.54%
% owner occupier	51%	48%	65%	41%

LOCATION	Weight
New South Wales	32%
Victoria	26%
Queensland	20%
Australian Capital Territory	1%
Western Australia	9%
South Australia	10%
Tasmania	1%
Northern Territory	1%
Total	**100%**

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

Key underlying ABS statistics

	Total
Number of loans	8,496
Average loan balance	$53,563
Total current loan balances	$455,070,996
Weighted average LVR	66%
Weighted average term to maturity	33 months
Weighted average seasoning	26 months
Weighted average interest rate	8.93%
90+ days in arrears	0.56%
% 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%**

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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You should also consider the Information Memorandum (IM) for the Fund dated 1 July 2025 which is available via resimac.com.au or by request from fundsmanagement@resimac.com.au, or by phoning +61 2 8267 2000.

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