

One Lending Fund

Quarterly Investment Report Dec 2022

N1H

fund manager COMMENTARY

The official interest rate of Australia now targets 3.10% pa as determined by the Reserve Bank of Australia (RBA), and there hasn't been a clear signal if the terminal rate would be 3.60% or beyond. The persistent inflation number and low unemployment are definitely on alert for the RBA. The Australian property market however has been priced in with more rate rises, and we see a recovery of activity post-Christmas and New Year season. Borrowing costs certainly drive market activity and sentiment, however Australian real estate market exists in pockets and varies largely between pockets of local markets. The keys to prudent risk management at the stage of the property and rate cycle are controlled leverage ratio (LVR), and diversification in the aspects of security geography and types. The aim is to manage risks in a basket of factors. As the fund manager of One Lending Fund, we keep a close check on elements of risks with appropriate degree of liquidity, with the motive of not just aversion of risks but also the ability to capitalise on attractive and lucrative opportunities.



lending PERFORMANCE

WEIGHTED AVERAGE LVR 64.68%	AVERAGE LOAN TERM 285 days
AVERAGE LOAN SIZE \$1.02mil	AGGREGATED LOAN BOOK \$89.8mil <small>SINCE FUND INCEPTION</small>

WEIGHTED AVERAGE LOAN to VALUE RATIO

The weighted average LVR is below than 70%, which remains at a similar level as last quarter. Ample preserved equity of 35.32% act as buffered against property value. All valuation is done by a certified independent valuer approved by investment committee.

AVERAGE LOAN TERM

The current average loan term size is approximately 9.5 months, which is slightly reduction in the average loan term for the quarter. All approved extensions are fully assessed by our credit managers and treated as new applications.

AVERAGE LOAN SIZE

The average loan size dropped 17.75% to \$1.02 million from last quarter. Granular loan size represents diversified risks. The credit policy sets a maximum of \$7mil loan per security. The current average loan size sits comfortably well below the maximum allowable limit, demonstrating a conservative approach to risk assessment.

AGGREGATED LOAN BOOK

The cumulative aggregated loan book mounted to \$89.85 million since inception. 65% are deployed in NSW, 23% in VIC and 8.5% in QLD. Among deployed loans, \$73 million have been successfully closed with zero loss, and the balance are backed by quality property with a strong equity buffer. Investment committee will exercise prudent risks management practice when assessing security locations nationally.

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INVESTMENT OVERVIEW

Type of Fund	Mortgage Fund
Fund Start	Sep 2018
Target Size	50 Million AUD
Investor Requirement	Wholesale Investors Only
Term of Investment	6 months / 1 Year / 2 Years
Distributions	Quarterly in Arrears
Management Fee	Nil
Fund Manager	N1 Asset Management AFSL 477879
Legal	Piper Alderman
Auditor	ShineWing Australia

sample securities held by ONE LENDING FUND



n1 asset management

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