

# One Lending Fund

## Quarterly Investment Report June 2023

N1H

### fund manager COMMENTARY

The official rate of Australia now targets 4.15% per annum, as determined by the Reserve Bank of Australia. Previously, the terminal rate was widely suggested to be around 4.10% or higher. However, there is a general consensus among economists that there might be further increases beyond the peak rate. The terminal rate was termed by the media as the peak rate to rein in the current inflationary environment. The Australian property market, however, has priced in with more rate rises, and there is reportedly a rapid and unusual increase in the number of listings by property vendors, prompting alerts of rising cost of home loans that could potentially affect the Australian real estate investment sentiment. We previously anticipated a surge in market activity when the market has a more certain grasp of the terminal rate. The portfolio of the fund is heavily weighted towards residential properties, as a safety measure against rising mortgage and valuation stress in the commercial property market, as evidenced by funds focused on commercial properties or niche purpose properties are taking action to freeze redemptions. We define niche-purpose properties to be those that rely on industry operators such as child care, hotel, aged care, etc. to add value. Nonetheless, as the fund manager of One Lending Fund, we continue to exercise prudent risk management. The key advantage of our portfolio comes from the most up-to-date independent valuation of loan security, and our short term lending allows resilient leverage ratio reset.



### lending PERFORMANCE

#### WEIGHTED AVERAGE LOAN to VALUE RATIO

The weighted average LVR is lower than 65%, which remains below the threshold. Ample preserved equity of 38.8% (due to weighted average LVR of 61.2%), which act as a buffer against property values. All valuations are done by a certified independent valuer approved by the investment committee.

#### AVERAGE LOAN TERM

The current average loan term size is less than 1 year. There is a slight increase 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 increased to \$1.86 million from last quarter. Granular loan size represents diversified risks. The credit policy sets a maximum of \$7 million loan per security. The current average loan size sits comfortably below the maximum allowable limit, demonstrating a conservative approach to risk assessment.

#### AGGREGATED LOAN BOOK

The cumulative aggregated loan book mounted to \$102.7 million since inception. 64.4% are deployed in NSW, 25.0% in VIC, 7.7% in QLD, 1.9% in ACT and 1.0% in SA. Among deployed loans, \$86.8 million have been successfully closed with zero loss, investment committee will exercise prudent risks management practice when assessing security locations nationally.

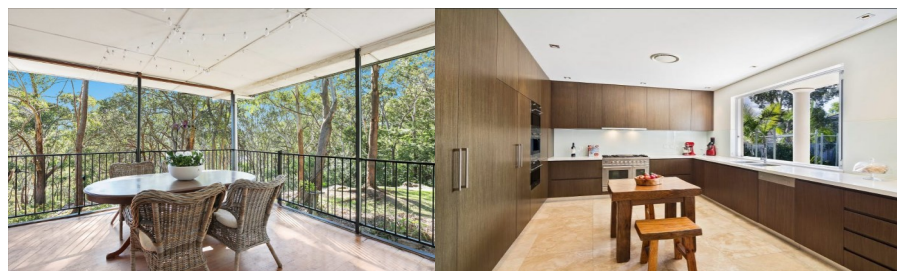
### INVESTMENT OVERVIEW

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	SW Audit

WEIGHTED AVERAGE LVR	AVERAGE LOAN TERM
<b>61.2%</b>	<b>351 days</b>
AVERAGE LOAN SIZE	AGGREGATED LOAN BOOK
<b>\$1.86M</b>	<b>\$102.7M</b>
	SINCE FUND INCEPTION

*DISCLOSURE: This document is dated 30 June 2023 based on existing book and has been issued by N1 Asset Management (ABN 83 602 937 851, AFSL 477 879). This document is for information purposes only and does not constitute an offer or invitation for the subscription, purchase or transfer of units in the One Lending Fund. While every care has been exercised in compiling the information contained in this report, N1 Asset Management accepts no responsibility for any errors or omissions within it.*

### sample securities held by ONE LENDING FUND



n1 asset management

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