

One Lending Fund

Quarterly Investment Report Mar 2023

N1H

fund manager COMMENTARY

The official rate of Australia now targets 3.60% pa as determined by the Reserve Bank of Australia, and there hasn't been a clear signal if the terminal rate would be 4.10% or beyond however general consensus among economists are two more rises from peak. The persistent inflation number and low unemployment are definitely on alert for the RBA. The Australian property market however has priced in with more rate rise, and we see a recovery of activity during the quarter. We anticipate 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 to residential properties, a safety measure against rising mortgage and valuation stress in the commercial property market. Nonetheless, as the fund manager of One Lending Fund, we continue to exercise prudent risk management. The key advantage with our portfolio comes via the most up to date independent valuation of loan security, and our short term lending allows resilient leverage ratio reset.



lending PERFORMANCE

WEIGHTED AVERAGE LVR 59.74%	AVERAGE LOAN TERM 353 days
AVERAGE LOAN SIZE \$1.50mil	AGGREGATED LOAN BOOK \$95.1mil <small>SINCE FUND INCEPTION</small>

WEIGHTED AVERAGE LOAN to VALUE RATIO

The weighted average LVR is lower than 60%, which remains below the threshold. Ample preserved equity of 40.26% act as buffered against property value. All valuation is done by a certified independent valuer approved by investment committee. One loan in the fund lending portfolio has 79% LVR due to a recent revaluation. The security property has now been successfully sold with sufficient equity to fully repay the loan principal.

AVERAGE LOAN TERM

The current average loan term size is less than 1 year, which is slightly 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 \$1.50 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 \$95.11 million since inception. 65% are deployed in NSW, 23% in VIC and 8.5% in QLD. Among deployed loans, \$77 million have been successfully closed with zero loss, Investment committee will exercise prudent risks management practice when assessing security locations nationally.

DISCLOSURE: This document is dated Mar 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.

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



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