

RIXON INCOME FUND

MONTHLY INVESTOR REPORT | JUNE 2023



FUND PERFORMANCE | NET FUND RETURNS (%)^{1,2}

NAV: \$1.00^{1,2,3}

| Net distribution | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------------------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-------|-------|-------|
| 2022 | - | - | - | - | - | - | - | - | - | - | 1.79% | 0.80% | 2.59% |
| 2023 | 0.80% | 0.80% | 0.90% | 1.10% | 0.85% | 0.88% | - | - | - | - | - | - | 5.33% |

1. Fund returns are after fees and costs
2. Past performance is not a reliable indicator of future performance
3. Net of distribution

PORTFOLIO COMMENTARY

June 2023 Performance

The Fund will pay a distribution of 0.88% (net) in July. There were \$0.3m in aggregate drawdowns from existing borrowers in June. On 7 July, financial settlement was reached on a \$5.0m receivable & property-backed acquisition facility. The Manager guides returns of over 0.90% (net) from July following deployment of the cash balance accumulated to fund this facility.

Portfolio

From July, the portfolio will include the \$5.0m receivable and property-backed acquisition facility. Fully drawn, it will reflect an LVR of <85% (<35% including equity) and pricing reflecting an 11.5% margin over the 30-day BBSW (4.1%).

| Description | Security Type | LVR ¹ | Total Facility | Drawn Debt | Return ² |
|--|----------------------------|------------------|----------------|------------|---------------------|
| Receivable portfolio #1 | Receivables, equity, cash | 64.3% | \$15.00m | \$6.25m | 12.8% |
| Receivable portfolio #2 | Receivables, equity, cash | 51.2% | \$10.00m | \$3.05m | 15.0% |
| Working capital facility | Equipment, inventory, cash | n/a | \$5.00m | - | 3.0% |
| Total / weighted average on invested funds | | 60.0% | \$30.00m | \$9.30m | 13.5% ³ |

1. LVR only factors the value of tangible assets, noting the Fund also has first ranking security over the borrower business which is not factored in the LVR
2. Reflects the annualised value of any upfront, commitment, undrawn, and drawdown fees incurred during the month
3. Weighted average return on invested funds excludes earnings from the undrawn Commitment Fee of the Working Capital Facility as no capital is deployed to the loan

Total Funds Under Management on 30 June was \$13.5m with a further \$1.7m in applications for which units will be issued in July.

Fund Loan Pipeline

The Manager continues to see strong demand while being cautious of emerging borrower risks including but not limited to:

- Rising electricity costs
- Increased scrutiny of Government revenue streams (e.g. NDIS, Medicare)
- Pressure on industries adjacent to the construction sector
- Exposure to material wage rises and ability to absorb or pass-on any increase

Given funding commitments for existing loans, the Fund remains open for new investment.

FUND STATUS

The Fund is open for investment and issues Units on a rolling monthly basis.

If you are interested in investing in the Fund, click [here](#) to access the OLIVIA123 portal. Email queries to enquiries@rixon.capital.

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www.rixon.capital

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