

FUND PERFORMANCE | NET FUND RETURNS (%)<sup>1,2</sup>NAV: \$1.00<sup>1,2,3</sup>

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%	-	-	-	-	-	-	-	4.45%

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

*May 2023 Performance*

The Fund will pay a distribution of 0.85% (net) in June. The Manager advises this return reflects the impact of a cash balance accumulated in May and June to fund a substantial new loan targeted for July settlement. Refer to *Fund Loan Pipeline* below for more information. There were \$0.8m in aggregate drawdowns from existing borrowers during the month.

*Portfolio*

Fund exposure will continue to diversify as new loans are actively assessed and diligenced. In May, the Manager executed final documentation on a \$5.0m equipment-backed working capital facility. Initially undrawn, the facility will deliver a 3.0% Commitment Fee. Upon utilisation it is expected to reflect <50% LVR and pricing reflecting a 11.50% margin over the 30-day BBSW (4.1%) and a 0.5% drawdown fee on each utilisation.

Description	Security Type	LVR <sup>1</sup>	Total Facility	Drawn Debt	Return <sup>2</sup>
Receivable portfolio #1	Receivables, equity, cash	62.1%	\$15.00m	\$6.25m	13.0%
Receivable portfolio #2	Receivables, equity, cash	50.8%	\$10.00m	\$3.05m	14.1%
Working capital facility	Equipment, inventory, cash	n/a	\$5.00m	-	3.0% <sup>3</sup>
Total / weighted average		58.4%	\$30.00m	\$9.30m	13.4%

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. Includes the annualised value of any upfront, commitment, undrawn, and drawdown fees incurred during the month
3. This facility was executed at the end of the month, and its contribution to the May return was marginal

Total Funds Under Management on 31 May was \$11.0m with a further \$2.4m in applications for which units will be issued in June.

*Fund Loan Pipeline*

In May, the Manager issued a Term Sheet and commenced diligence on a \$5.0m receivable and property-backed acquisition facility. Fully drawn at settlement, it will reflect an LVR of <85% (<35% including equity) and pricing reflecting a 11.50% margin over the 30-day BBSW (4.1%). Diligence has been satisfactory, and subject to Investment Committee approval the Manager expects financial close in the first week of July. This will see the current cash balance deployed and generating strong returns for investors.

The Manager continues to see strong demand from potential borrowers.

Given funding commitments for existing loans and a strong new loan pipeline, 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](mailto:enquiries@rixon.capital).