RIXON INCOME FUND | APIR: RIX4439AU

MONTHLY INVESTOR REPORT | SEPTEMBER 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%	0.93%	1.02%	0.99%	-	-	-	8.27%

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

September 2023 Performance & Forward Guidance

The Fund will pay a September 2023 distribution of 0.99% (net). September saw a $0.77m drawdown for existing Receivable Portfolio #1. The Manager guides a return of 0.93 - 0.95% (net) for October and confirms medium-term guidance of 0.92 – 1.00% (net).

Portfolio

Fund exposure will continue to diversify as new loans are actively assessed and diligenced.

Description	Security Type	LVR[1]	Total Facility	Drawn Debt	Return[2]
Receivable Portfolio #1	Receivables, cash, equity	62.6%	$15.00m	$8.77m	14.3%
Receivable Portfolio #2	Receivables, cash, equity	51.7%	$10.00m	$3.05m	14.6%
Working Capital Facility	Equipment, inventory, cash, equity	n/a	$5.00m	-	3.0%
Acquisition Facility	Receivables, property, cash, equity	59.0%	$5.00m	$5.00m	15.6%
Total / weighted average on invested funds		59.6%	$35.00m	$16.82m	14.7%[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 Commitment Fee of the Working Capital Facility as no capital is deployed to the loan

Total Funds Under Management on 30 September was $17.8m with a further $1.4m in applications for which units will be issued in October.

Fund Loan Pipeline

In the August Unitholder Update, the Manager disclosed one Indicative Term Sheet with diligence underway.

The Manager confirms the potential loan received unanimous Investment Committee approval on 19 September, and loan & security documentation has commenced. The opportunity reflects a $2.5m receivable & property backed term loan facility to an APRA-regulated financial services business. Fully drawn at settlement, it will reflect an LVR of <65% and pricing at an 11.0% margin over the 30-day BBSW (4.1%). Financial settlement is targeted for December.

The second Indicative Term Sheet disclosed in the last Update has been withdrawn for reasons including concerns surrounding business risk in the current economic environment. Note this was despite the availability of substantial property & receivable security.

The Manager advises a substantial emerging loan pipeline, with opportunities reflecting over $40.0m in potential lends under review.

Given funding commitments for new & existing loans and a substantial deployment 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. Send queries to enquiries@rixon.capital. The Fund is also available on Netwealth.