

## PRESS RELEASE

### Sydney, 15th May 2024– Foresight Analytics & Ratings Assigns ‘VERY STRONG’ Rating to the Remara Cash Management Fund.

Foresight Analytics & Ratings has recently completed its inaugural ratings assessment of the **Remara Cash Management Fund**, a new fund expected to be launched imminently during May. The Investment Rating for the strategy has been graded at **VERY STRONG** while the Foresight Complexity Indicator has been graded **COMPLEX**.

A **VERY STRONG** rating indicates a very high level of conviction that the Fund can deliver risk-adjusted returns in line with its investment objectives. The Fund is a cash-enhanced product that aims to provide investors with a stable income based on a fixed or variable rate of return, depending on the unit class. The Fund offers 5-unit classes, with respective target returns as follows: Senior Secured At-Call Account, RBA + 75bps; 6-Month Investment-Grade Fixed, RBA + 150bps; 6-Month Investment-Grade Variable, RBA + 150bps; 12-Month Investment-Grade Fixed, RBA + 200bps; and 12-Month Investment-Grade Variable, RBA + 200bps.

The Fund will invest in short-term notes linked to a pool of public and unlisted floating-rate Australian credit instruments, all of which are investment-grade rated (externally and through shadow-rated instruments). These include public floating-rate notes with AAA or AA ratings and investment-grade securitised public and private RMBS/ABS/MBS instruments. Private securitised ABS investments will be implemented via a Remara warehouse that comprises several secured SME lending verticals. This investment will be in the senior note of the tranching structure. While all the underlying investments are floating-rate, the 2 fixed-rate options will incorporate total return swaps to deliver on the ‘fixed’ return component.

The Fund has been particularly well designed to address the 2 key risks in cash-enhanced term products – being paid less than the ‘promised’ amount (performance risk) and not being paid on time (liquidity risk). It delivers attractive risk-adjusted returns on a relative (to comparable products) and an absolute basis.

Compared to other enhanced cash term products on the market, the Fund has several attractive features. The underlying portfolio is of high quality and consists of senior tranche investments instead of whole-of-loan exposures. It has particularly well-structured liquidity with multiple layers of provision. Furthermore, a distinct point of differentiation is both the fixed and variable interest rate options, enabling investors to express a view on the interest rate cycle.

While the Fund may be a new product offering from Remara, the key team members developing and running the product have considerable prior experience, especially in corporate trading, related treasury functions and product structuring.

Designation as a **COMPLEX** product predominantly relates to the multiplicity of warehouse structures and, in turn, the multiplicity of lending verticals. However, at the heart of this complexity is what, in our view, provides various risk-return attractions for investors.

## About Foresight Analytics' Investment Due Diligence Rating (IDD Rating)

The objective of Foresight Analytics' Investment Due Diligence Rating (IDD Rating) is to identify the best funds and opportunities for future investment. We assess the fund's historical risk-adjusted performance - compared to its peers - to form a holistic view of the manager's ability to deliver future returns. The IDD rating indicates the quality of the investment option within the context of a diversified portfolio and full investment cycle.

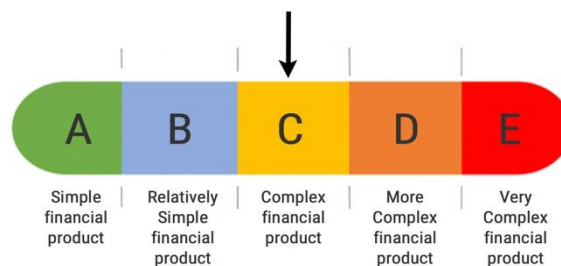
Foresight's analysts use a 5-point scale to determine how the fund will perform against a range of risk factors.

- **SUPERIOR** indicates the highest level of confidence that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is highly suitable for inclusion on APLs.
- **VERY STRONG** indicates a very strong conviction that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is suitable for inclusion on most APLs.
- **STRONG** indicates a strong likelihood that the fund can deliver a risk-adjusted return in line with its investment objectives and that it is suitable for inclusion on most APLs.
- **COMPETENT** indicates the fund may deliver a risk-adjusted return in line with its relevant benchmark and that it may be suitable for APLs.
- **WEAK** indicates the fund is unlikely to deliver a risk-adjusted return in line with its investment objective and that it is not suitable for most APLs.

A '**Hold**' designation is applied to a fund's rating if a material change impacts the fund manager, and we need to review the rating. A '**Sell**' designation indicates the Foresight Investment Ratings Committee considers risk factors to be elevated enough that maintaining an investment in the fund as part of their diversified portfolio is questionable.

## Foresight Complexity Indicator

A Foresight Complexity Indicator (FCI) highlights the complexity of an investment product based on a range of indicators. These typically include its terms and conditions, performance-based fees, liquidity structure, financial leverage, use of derivatives, rare and niche asset class/opportunity set, currency exposure and the level of transparency offered for investors. Foresight believes these factors can disproportionately affect risk-adjusted return outcomes for investors even if a manager is very skilled. Investors can use FCI as a guide to portfolio position sizing within a diversified portfolio context.



The full research report is available for subscribers on the F360 Digital platform. The platform can be accessed via [Register | Sign In - Foresight Analytics \(foresight-analytics.com\)](#) by registered Financial Advisers & Sophisticated Investors.

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## About Foresight Analytics & Ratings

Foresight Analytics, an independent Sydney- based firm, provides investment ratings, data analytics, assurance and advisory solutions to leading investment management companies, superannuation funds and wealth groups across the Asia Pacific.

Foresight's innovative, evidence-based approach blends both human and forensic insights into the analyses of economies, markets, themes, investments products and portfolios. Foresight Analytics was founded in 2015 by Jay Kumar, a former executive of Morningstar, Optimix Investment Management, ANZ Wealth & Private Bank and the Reserve Bank of Fiji.

Foresight Analytics & Ratings platform provides investment and operational due diligence ratings on both public and private market strategies. As a niche investment ratings house, Foresight Analytics & Ratings focuses on complex alternative investments, including domestic and international alternative credit.

For more information on our capabilities, please visit our website on [www.foresight-analytics.com](http://www.foresight-analytics.com) and social media platforms via [LinkedIn](#), [Facebook](#) or [Twitter](#) and streaming channels [YouTube](#) and [Podcast](#). You can also email us on [customersuccess@foresight-analytics.com](mailto:customersuccess@foresight-analytics.com).