

THE AUSTRALIAN SECURITISATION INVESTOR REPORT 2018



PERPETUAL CORPORATE TRUST
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In 2017, Perpetual Corporate Trust asked global investors for insights into the pros and cons of the Australian securitisation market and what they were looking for in Australian securitisation investments.

This year, Perpetual and the Australian Securitisation Forum (ASF) have turned our attention to local trends and co-sponsored research into the needs and attitudes of **Australian** securitisation investors.

Some of the key findings include:

Demand vs Supply - With more global and local investors entering the fray, demand for quality assets is increasing – that’s putting pressure on spreads and making performance harder to capture.

Quality counts - Investors are focused on quality and quality *information* about the assets they’re investing in. They are wary of anything that might interfere with quality issuance.

Need for data pre and post deal - As long-term players, investors want post-deal data to improve – they’re looking for standardised and consistent data, calling for more dialogue and greater transparency in the secondary market.

The primary frustration is the secondary market - Local investors find themselves in a “buy and hold” cycle. They’d like to see a stronger secondary market to give them more investment flexibility and liquidity.

What property crash? The media’s obsession with a mortgage correction is not shared by local securitisation investors. In their view, strong economic fundamentals, a growing population and a proven regulatory model backstop their investment.

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Facts & Stats

\$750m

The median investor invests around \$750 million in RMBS and asset-backed securities (ABS) and most have capacity for more.



Price and quality dominate investment decisions



According to local investors, the no.1 trait of a great issuer is – “maintaining a dialogue”

4/10

4 in 10 investors feel the quality of information provided by RMBS issuers varies considerably



Clear desire for more information so investors can effectively monitor their investments.

63%

For 63% of local investors, the availability of stock is the key area for potential improvement in the Australian market.