



MONTHLY INVESTMENT UPDATE

AUG 2018 // PREPARED BY



ASCF
Australian Secure Capital Fund



ASCF

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MONTHLY INVESTMENT UPDATE | AUGUST 2018

Australian Secure Capital Fund is pleased to provide this monthly update to our investors.

You may have read a number of newspaper articles recently discussing the rising number of mortgage loan applications which are being rejected by the banks. There is no doubt that the major banks are tightening credit under pressure from regulators. The recent revelations from the Hayne Royal Commission has also forced the banks to review their compliance regime in relation to loan approvals and their loan assessment criteria generally. Expense estimates have been raised substantially and detailed cost breakdowns must now be provided by borrowers under new tests being imposed by the banks.

As a consequence, loan sizes have been slashed and expense estimates raised with the net result seeing a dramatic increase of loan rejections by the banks of over 300% between April (25,384) and July 2018 (78,075).

The media dubbed “credit crunch” is real and is impacting all segments of borrowers with second and third tier lenders such as ASCF stepping in to fill this void.

AN INTERESTING RECENT TRANSACTION

A borrower entered into a contract approximately 12 months ago to purchase a unit off the plan in Surrey Hills for \$1,350,000. The borrower had received a pre-approval from his bank at the time. The title was subsequently issued and the developer requested settlement of the contract. Unfortunately, the borrower's bank was not prepared to formally approve the transaction even though the applicants financial position had not changed. The borrower's broker secured longer term funding for the borrower, but meeting the conditions of that approval would take approximately 5 weeks. As settlement is due to be completed next week, we have approved a \$1,000,000 facility for a 2 month term at 15% per annum to assist the borrower in settling the property and avoiding the loss of his deposit.

ASCF CURRENT NET INTEREST RATES PAID TO INVESTORS



ASCF#1 First Mortgage Fund		ASCF#2 First and Second Mortgage Fund	
Investment Term	Rate	Investment Term	Rate
3 months	6.25% pa	3 months	7.99% pa
6 months	6.50% pa	6 months	8.29% pa
12 months	6.75% pa	12 months	8.69% pa
24 months	7.19% pa	24 months	9.09% pa

Rates paid are net of all fund costs and management fees.

FUND OBJECTIVE

To invest in short-term loans secured by registered mortgages against Australian property in order to provide our investors with a secure fixed monthly return on their investment.

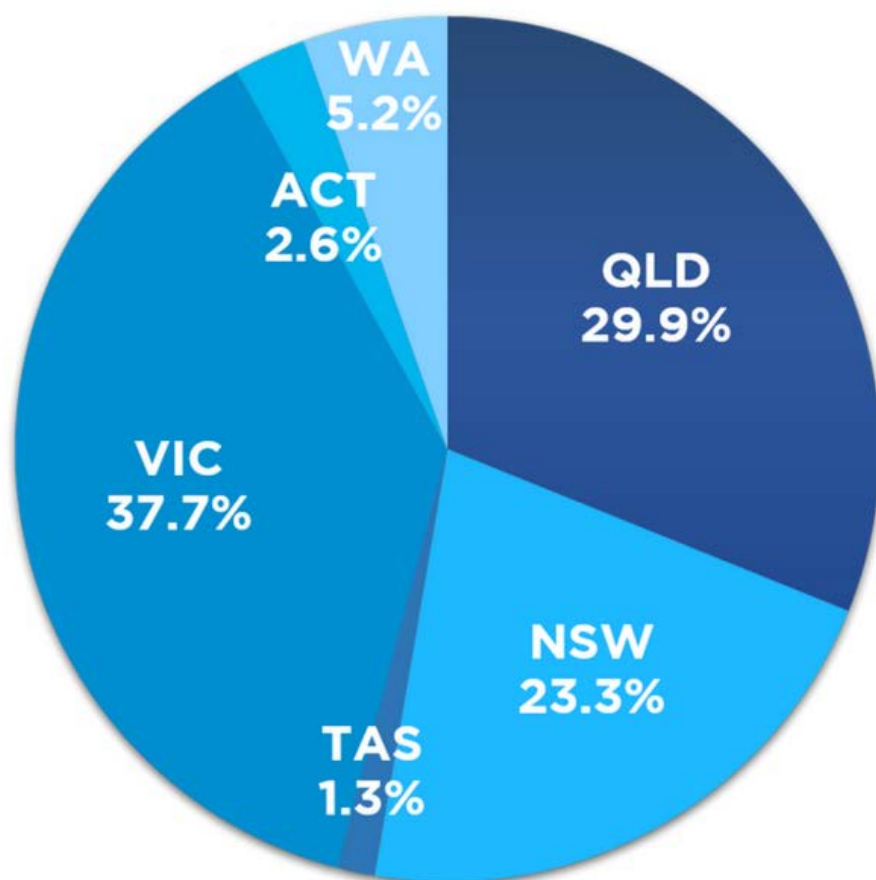
KEY FUND INFORMATION	
Manager	Australian Secure Capital Fund Ltd.
Custodian	Australian Executors Trustees (AET)
Auditor	Grant Thornton
Australian Financial Service Licence No. and Australian Credit Licence No.	491201
ASCF#1 Unit Price as at 31 August	\$1.00
ASCF#2 Unit Price as at 31 August	\$1.00
Income Distribution for July	Paid
ASCF #1 and ASCF #2 Funds under management as at 31 August	\$41,246,396
Average Weighted Loan to Valuation Ratio ASCF#1 as at 31 August	61.97%
Average Loan Size ASCF#1 as at 31 August	\$658,282.22
Average Weighted Loan to Valuation Ratio ASCF#2 as at 31 August	62.42%

Minimum Initial Investment Amount	\$20,000
Minimum Additional Investment	\$5,000
Minimum Investment Term	3 months
Entry & Exit fees	Nil
Withdrawals	1 to 3 months notice depending on initial investment term
Security	Your investment is secured by a pool of registered mortgages over Australian real estate.

To view a current summary of all our loans as at 31st August 2018.

[CLICK HERE](#)

ASCF CURRENT LOANS BY STATE



SINCE COMMENCEMENT IN 2016

- ✓ All investors have received their interest distribution every month
- ✓ All investors have had their request to redeem funds paid on time
- ✓ The value of investors initial investment has remained stable at \$1.00 per unit



BENEFITS OF THE FUND

- * Monthly interest payments to investors
- * No construction loans to developers
- * Low loan to valuation ratios with a maximum 80% loan of property valuation
- * High liquidity fund due to the short-term nature of our loans
- * Capital stability
- * Low risk profile to property market fluctuations with maximum loan term to borrowers of 12 months

Are you looking to invest in ASCF or increase your existing investment in the Funds?

CALL US TODAY ON 1300 269 419 OR

[CLICK HERE](#)

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