



MONTHLY INVESTMENT UPDATE

AUGUST 2020 // PREPARED BY



Australian Secure Capital Fund

LATEST NEWS & INFORMATION

| TRADING UPDATE

In recent weeks, Victoria has progressed to stage four lockdown restrictions leading to a decrease in loan inquiries from Victorian brokers. In all other Australian states, however, loan inquiry levels continue to increase since our appointment to the AFG Panel. We continue to enhance our brand awareness across their network, thereby increasing our exposure to the AFG lending market.

The recent decrease in confirmed COVID-19 cases across Victoria indicates the tightened restrictions are finally showing results. As we enter week four of the strict six-week lockdown, the lowest daily numbers since early July were recorded on 31st August with just 73 new cases.

Recent data from CoreLogic for the last week of August show a rise in auction clearance rates to 67.7% across the capital cities, just 2.3% less than the same weekend last year. Whilst total auction numbers were down from 1,615 to 1,163, the total auctions in Sydney and Canberra were well above this time last year. The shortfall across total auctions and clearance rates is largely due to the current lockdown conditions within Victoria, with Melbourne reporting a clearance rate of 49.6% from 167 auctions, in comparison to 74.4% from 768 auctions last year.

Capital City Auction Statistics (Preliminary)

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions	Clearance rate (last year)	Total auctions (last year)
Sydney	74.0%	730	543	402	141	74.5%	590
Melbourne	49.6%	167	121	60	61	74.4%	768
Brisbane	44.6%	113	74	33	41	38.7%	118
Adelaide	83.9%	59	31	26	5	47.3%	82
Perth	22.2%	14	9	2	7	58.3%	26
Tasmania	n.a.	1	1	1	0	n.a.	1
Canberra	75.9%	79	58	44	14	64.3%	30
Weighted Average	67.7%	1,163	837	568	269	70.0%	1,615

Source: <https://www.corelogic.com.au/news/strength-sydneys-auction-market-while-melbourne-auction-activity-fades>

Furthermore, the CoreLogic Daily Home Value Index as at the 31st August 2020 indicates that the five capital city aggregate change year-on-year remains up by 6.34%, with all capital cities remaining positive with the exception of Perth.

CoreLogic Daily Home Value Index - 31.08.2020

City (All Dwellings)	Today's Index Value	Change Day on Day	% Change Qtr on Qtr	% Change Yr on Yr
Sydney	169.56	-0.08 ▼	-2.14% ▼	+9.84% ▲
Melbourne	150.61	-0.01 ▼	-3.46% ▼	+5.89% ▲
Brisbane (inc Gold Coast)	110.70	-0.01 ▼	-0.61% ▼	+4.22% ▲
Adelaide	118.40	+0.05 ▲	-0.12% ▼	+2.71% ▲
Perth	84.92	+0.03 ▲	-1.64% ▼	-2.02% ▼
5 capital city aggregate	141.32	-0.03 ▼	-2.21% ▼	+6.34% ▲

Source: <https://www.corelogic.com.au/research/daily-indices>

Our retail Funds have continued to perform strongly during August, with Funds Under Management (FUM) returning to pre-COVID levels of \$115 million including a strong cash balance of \$13.8 million and over \$5 million in cash reserves.

LATEST NEWS & INFORMATION

| ASCF HIGH YIELD FUND - CHANGE OF INTEREST RATES

Since ASCF launched in 2016, the Reserve Bank of Australia has lowered the official cash rate from 1.5% to 0.25% representing a decrease of 1.25%, with the majority of banks following their lead on term deposit rates.

During this time ASCF has limited the impact of these rate reductions on our investors. However, with interest rates reaching all-time lows, we have made the difficult decision to reduce the interest rate for each investment term for ASCF High Yield Fund by 0.3%, effective 1st September 2020 to ensure our competitiveness in the lending market.

The new investor interest rates for ASCF High Yield Fund will be:

3 Month Term	6 Month Term	12 Month Term
7.19% p.a.	7.49% p.a.	7.79% p.a.

The interest rate reduction will affect new investments in ASCF High Yield Fund from 1st September 2020 only. The interest rate on all current investments will remain fixed until the maturity date; however, the new rates will apply to current investments in the ASCF High Yield Fund when they are rolled for new terms on maturity.

The rates across the ASCF Premium Capital Fund and ASCF Select Income Fund remain unchanged.

Should you have any questions regarding the new rates, please do not hesitate to contact our Investor Relations team on 1300 269 419.

Invest better.™

Should you wish to learn more about our funds, please contact us on 1300 269 419 and speak with Josh or Rob from our Investor Relations team.

LATEST NEWS & INFORMATION

| UPDATED PRODUCT DISCLOSURE STATEMENT

ASCF is pleased to advise that we have updated our Product Disclosure Statement (PDS) effective 1st September 2020. The new PDS is available for download on our website by [clicking here](#).

The update relates to a new maximum investment limit of \$250,000 able to be invested by any one investor in any Fund for a 3-month term. This applies for all 3-month investment terms in ASCF Premium Capital Fund, ASCF Select Income Fund and ASCF High Yield Fund. There is no limit on the amount of investment an investor may make for 6 or 12-month terms.

The limit will be applied per fund, thereby an investor may make an investment of \$250,000 in each of our funds for a 3-month term should they so desire. The 3-month investment limit will only apply to new investments and does not impact current investments.



| AN INTERESTING TRANSACTION

This month ASCF was approached via a broker to provide \$50,000 in funding for an individual to consolidate their personal unsecured debts and provide additional cash out for investment.

The first mortgage to a major bank was left in place with ASCF providing a second mortgage against the borrower's home at Westmead in NSW.

The scenario was assessed under the NCCP Code pursuant to our Credit Licence and was approved.

The value of the 1st mortgage was confirmed and we provided a \$50,000 loan at 21% per annum for a 12-month term with at an overall LVR of 52.86% including the 1st mortgage.

The customer expects to payout the facility in 12 months from funds owed to him.

ASCF CURRENT NET INTEREST RATES PAID TO INVESTORS



ASCF Select Income Fund First Mortgage Fund		ASCF Premium Capital Fund First Mortgage Fund		ASCF High Yield Fund First and Second Mortgage Fund	
Accepting Applications		Accepting Applications		Accepting Applications	
Investment Term	Rate	Investment Term	Rate	Investment Term	Rate
3 months	6.25% pa	3 months	5.00% pa	3 months	7.19% pa
6 months	6.50% pa	6 months	5.25% pa	6 months	7.49% pa
12 months	6.75% pa	12 months	5.50% pa	12 months	7.79% pa

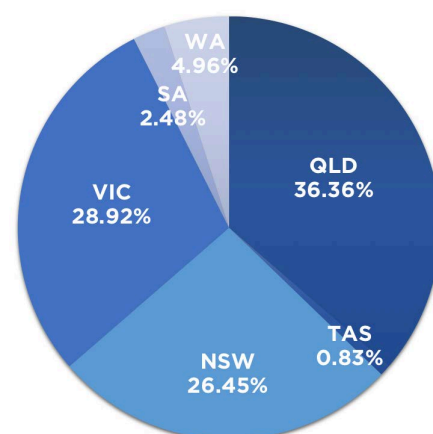
Rates paid are net of all fund costs and management fees.

KEY FUND INFORMATION

Australian Secure Capital Funds Australian Financial Services Licence (AFSL) and Australian Credit Licence (ACL) Number			491 201	
Unit Price for ASCF Select Income Fund (previously ASCF #1 Fund)		as at 31 August 2020	\$1.00	
Unit Price for ASCF Premium Capital Fund		as at 31 August 2020	\$1.00	
Unit Price for ASCF High Yield Fund (previously ASCF #2 Fund)		as at 31 August 2020	\$1.00	
Income Distribution		for July 2020	PAID	
Total Funds Under Management: ASCF Select Income Fund + ASCF High Yield Fund + ASCF Premium Capital Fund		as at 31 August 2020	\$115,200,637.10	
		ASCF Premium Capital Fund	ASCF Select Income Fund	ASCF High Yield Fund
Average Weighted Loan to Valuation Ratio (LVR)	as at 31 August 2020	48.13%	54.54%	58.42%
Average Loan Size	as at 31 August 2020	\$769,605.37	\$1,124,139.39	\$746,349.58
Percentage of 1 st Mortgage Loans on a Weighted Basis	as at 31 August 2020	100%	100%	70.25%
Percentage of 2 nd Mortgage Loans on a Weighted Basis (ASCF HIGH YIELD FUND ONLY)	as at 31 August 2020	0%	0%	29.75%

| ASCF CURRENT LOANS BY STATE

To view a current summary of our loans as at 31st August 2020, please [click here](#).



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 24 months

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

CALL US TODAY ON 1300 269 419

Or
[click here](#)



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