



# MONTHLY INVESTMENT UPDATE

JANUARY 2020 // PREPARED BY



# LATEST NEWS & INFORMATION

## | AUSTRALIAN MORTGAGE FUNDS CONTINUE TO GROW

The last 12 months have seen a dramatic increase in the mortgage trust industry with SQM Research confirming growth of 61% in 2019 with funds under management for the sector now exceeding \$10 billion.

This growth is the result of tightened lending policies by banks for SMEs, as they focus on traditional residential mortgage loans. This has led to Australian small and medium businesses requiring alternate avenues for their financing needs.

SQM Research confirmed arrears for the mortgage market remain muted, with only funds with elevated exposure to construction loans facing an increased risk of default, another reason our funds do not provide construction finance to property developers on the anticipated end value of security property yet to be constructed.

Property prices across major Australian cities continue to display stability with continued growth in the Sydney and Melbourne markets as a result of ongoing low-interest rates and strong employment numbers as evidenced by the ABS jobs report issued this month. Melbourne home prices experienced a 0.8% increase in the first 21 days of January 2020, followed by 0.7% in Sydney and 0.3% in Brisbane-Gold Coast values.

Economic forecasts suggest official interest rates will continue to remain low, and whilst further cuts later this year are possible it appears the RBA will be sitting back and watching how things play out. The current evidence, based on the recent jobs report and property prices do indicate that last years rate cuts are starting to work.

## | CHANGE OF FUND NAMES

We are pleased to advise that we have recently changed the names of our funds from ASCF #1 Fund to ASCF Select Income Fund and ASCF #2 Fund to ASCF High Yield Fund.

The account details for each of the funds remain the same.

Please [click here](#) to view ASIC confirmations in relation to the change of names.

# LATEST NEWS & INFORMATION

## | ONLINE INVESTOR APPLICATION FORMS

We will be launching our new online investor application forms in early February 2020.

Investors will benefit from a faster and simpler application process, which will streamline initial applications for new investors and also for existing investors wishing to make an additional investment in the funds.

The existing paper-based forms will continue to be available for investors who are not yet ready to make the transition to online application forms.



## | AN INTERESTING TRANSACTION

This month we were approached by a borrower to provide funding to facilitate the purchase of 3 development approved lots with prime highway frontage in Loganholme, Queensland, and the refinance of an adjoining lot already owned by the borrower.

One of the three development lots to be purchased included a portion of the adjoining residential lot at the rear, which was to be amalgamated into a single lot.

The borrower was seeking \$3.815M with a 12-month facility term with interest capitalised for 6 months enabling sufficient time to market the property for sale.

A letter of offer was issued after a \$5.9M valuation of the four properties was confirmed.

The interest rate charged was 15.0% per annum with a loan to valuation ratio of 64.67%.



## ASCF CURRENT NET INTEREST RATES PAID TO INVESTORS



ASCF Select Income Fund First Mortgage Fund	
Investment Term	Rate
3 months	6.25% pa
6 months	6.50% pa
12 months	6.75% pa

ASCF High Yield Fund First and Second Mortgage Fund	
Investment Term	Rate
3 months	7.49% pa
6 months	7.79% pa
12 months	8.09% pa

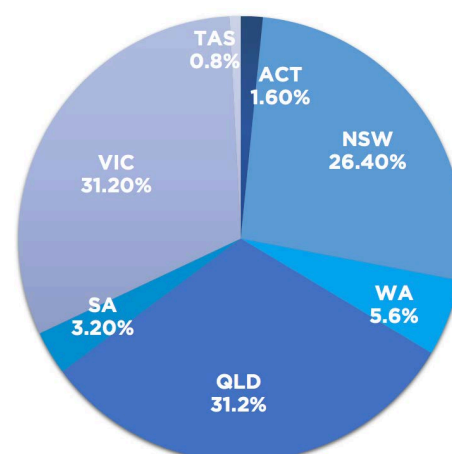
Rates paid are net of all fund costs and management fees.

### KEY FUND INFORMATION

Australian Secure Capital Funds		
Australian Financial Service Licence (AFSL) and Australian Credit Licence (ACL) No.		491 201
Unit Price for ASCF Select Income Fund (previously ASCF #1 Fund)	as at 31 January 2020	\$1.00
Unit Price for ASCF High Yield Fund (previously ASCF #2 Fund)	as at 31 January 2020	\$1.00
Income Distribution	for December 2019	Paid
Funds Under Management for ASCF Select Income Fund and ASCF High Yield Fund	as at 31 January 2020	\$106,434,016.68
Average Weighted Loan to Valuation Ratio (LVR) for ASCF Select Income Fund	as at 31 January 2020	62.56%
Average Loan Size for ASCF Select Income Fund	as at 31 January 2020	\$865,219.05
Average Weighted Loan to Valuation Ratio (LVR) for ASCF High Yield Fund	as at 31 January 2020	59.63%
Average Loan Size ASCF High Yield Fund	as at 31 January 2020	\$666,397.51
Percentage of ASCF High Yield Fund 1st Mortgage Loans on a Weighted Basis	as at 31 January 2020	67.67%
Percentage of ASCF High Yield Fund 2nd Mortgage Loans on a Weighted Basis	as at 31 January 2020	32.33%

### | ASCF CURRENT LOANS BY STATE

To view a current summary of our loans as at 31<sup>st</sup> January 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 12 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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