

# MONTHLY INVESTMENT UPDATE

January 2022



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## | LATEST NEWS

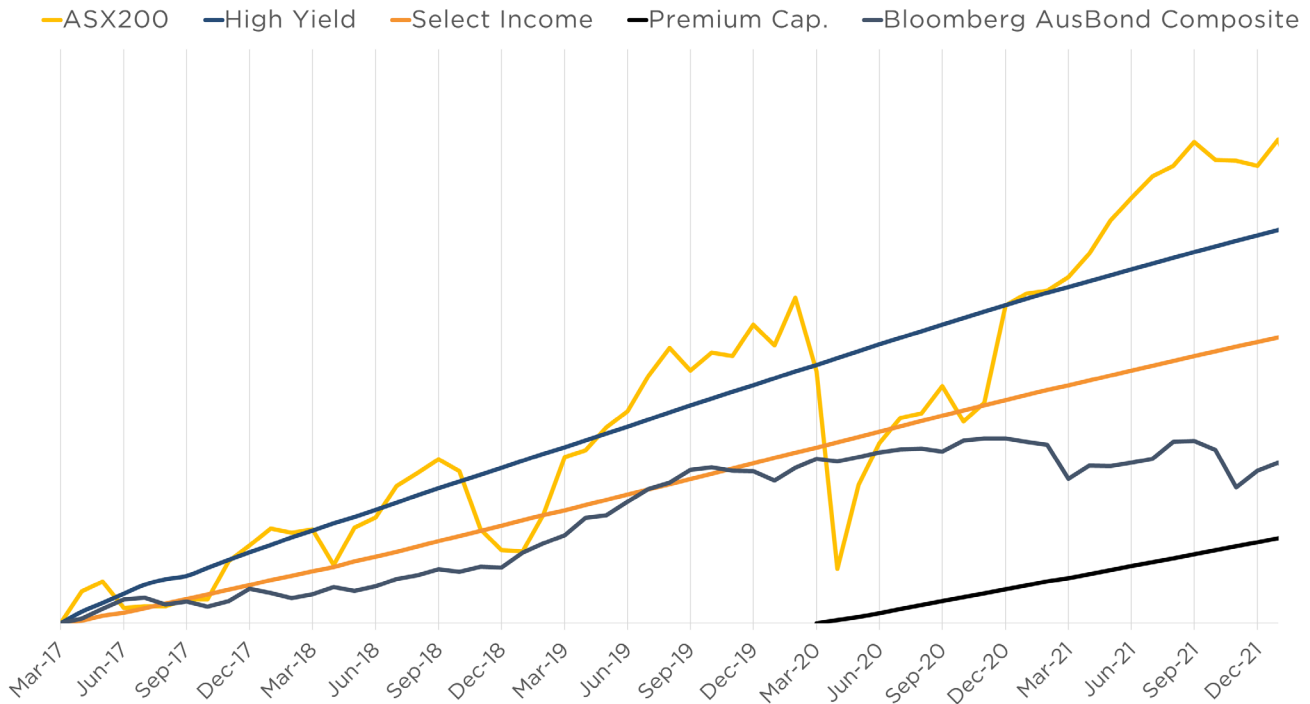
The ASCF team hopes you've had a relaxing holiday period. After moving offices to our new location, 50 Park Road, Milton, we are back in action for 2022.

We are pleased to provide this monthly update to our investors.

# | TRADING ACTIVITY

## MONTHLY FUND GROWTH & PERFORMANCE

Our pooled investments have increased to \$193,163,695 as of the 31st of January and new investments across all our retail funds continue to grow.



Source: [Australian Fund Monitors](#), [Bloomberg](#), [Investing.com](#)

Note 1: ASCF Premium Capital Fund began in February of 2020

Note 2: Past performance is not indicative of future performance.

### Funds Under Management

|                      | Nov-21           | Dec-21           | Jan-22           |
|----------------------|------------------|------------------|------------------|
| High Yield Fund      | \$109,495,771.37 | \$110,591,202.44 | \$111,883,316.37 |
| Select Income Fund   | \$53,754,918.73  | \$54,721,913.73  | \$55,349,903.73  |
| Premium Capital Fund | \$24,923,475.82  | \$24,735,746.31  | \$25,930,475.82  |
| Combined FUM         | \$188,174,165.92 | \$190,048,862.48 | \$193,163,695.92 |

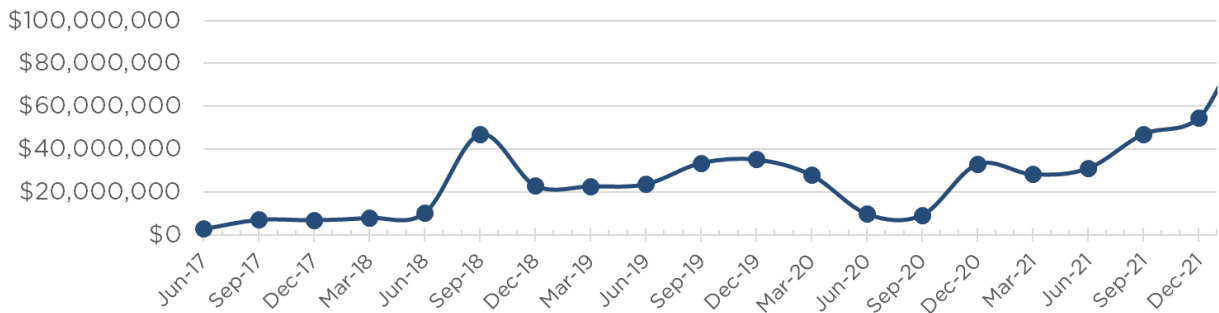
The unit price across all three of our retail funds remains stable at \$1.00.

All monthly distributions have been paid in full for the month of January.

# LENDING ACTIVITY

Loan originations this month were \$5,822,750, far higher when compared to last year's \$3,085,300 in loans (+89% year on year). Most were bridging loans or funds for refinancing and working capital. The types of loans offered are likely due to the gradual recovery of economic conditions after recent COVID-19 restrictions. Many are reorganising or kickstarting their lives once more.

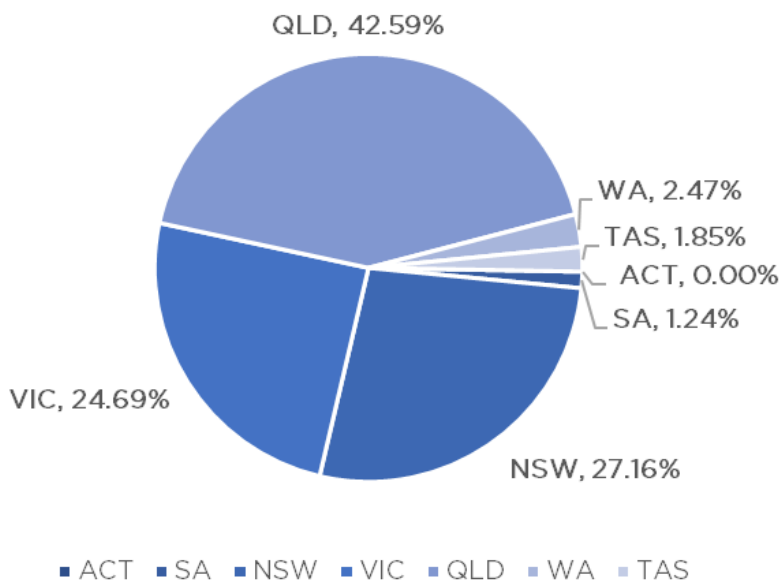
## Quarterly Loan Settlements



## Current Loans by Fund Source

|                     | High Yield Fund | Select Income Fund  | Premium Capital Fund |
|---------------------|-----------------|---|----------------------|
| 1st Mortgage Loans  | 76.25%          |   |                      |
| 2nd Mortgage Loans  | 11.98%          | Select Income & Premium Capital Funds only provide financing for 1st mortgage securities. |                      |
| 1st & 2nd Mortgages | 11.77%          |   |                      |
| Avg. Weighted LVR   | 66.58%          | 66.41%  | 37.70%               |
| Avg. Loan Size      | \$1,054,146.14  | \$1,003,791.00  | \$863,809.72         |

## Geography of Current Loans



# MARKET UPDATE

## QUICK INSIGHTS

### The Commercial Cause

According to global real estate firm Cushman & Wakefield, city commercial space is unlikely to grow significantly in value until 2023.

### Go Home, Stay Home

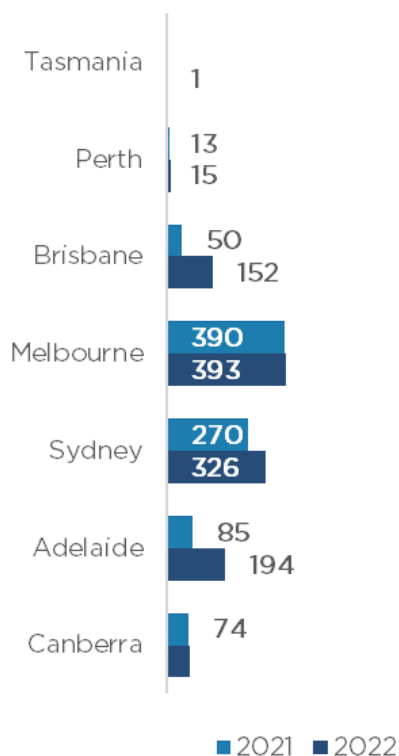
Stay-at-home working arrangements could begin to cause damage to the growth of regional housing values around Australia. As some areas become as expensive as capital cities, there may be less incentive to buy.

### COVID Clearances

Inner-city Melbourne rents have jumped by 10% as residential property values and the economic damages of COVID-19 begin to subside.

Source: Australian Financial Review, [Article 1](#), [Article 2](#), [Article 3](#)

## AUCTIONS 24<sup>th</sup>-30<sup>th</sup> January

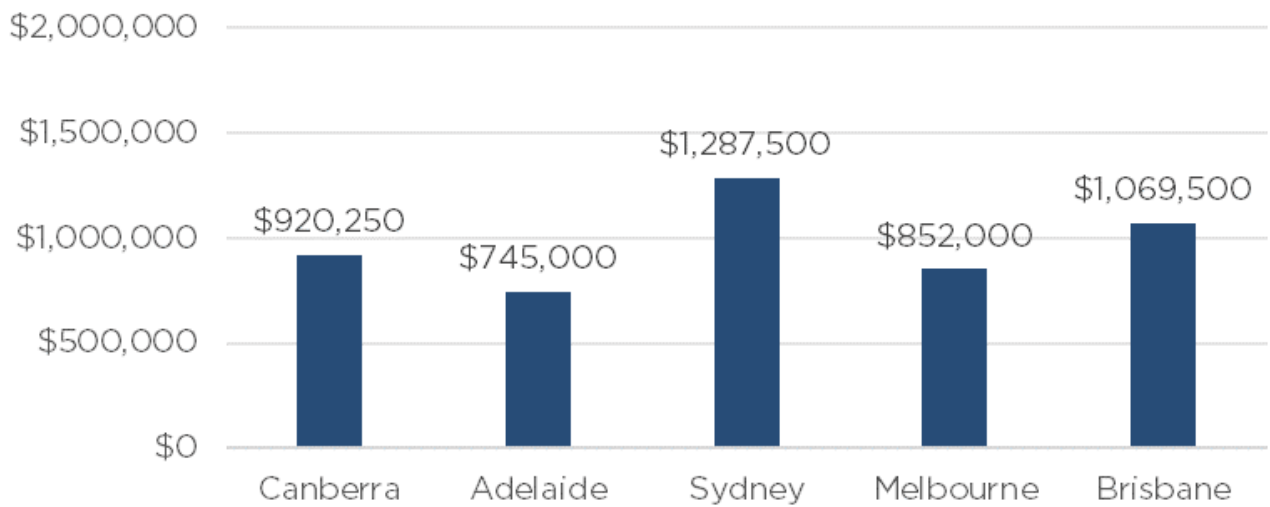


The number of auctions across Australia's eight capitals increased from 882 to 1,159 (+31.22%) this week compared to last year with Melbourne performing 393 auctions, Sydney 326, Brisbane 152, and the remainder of the country 289 auctions.

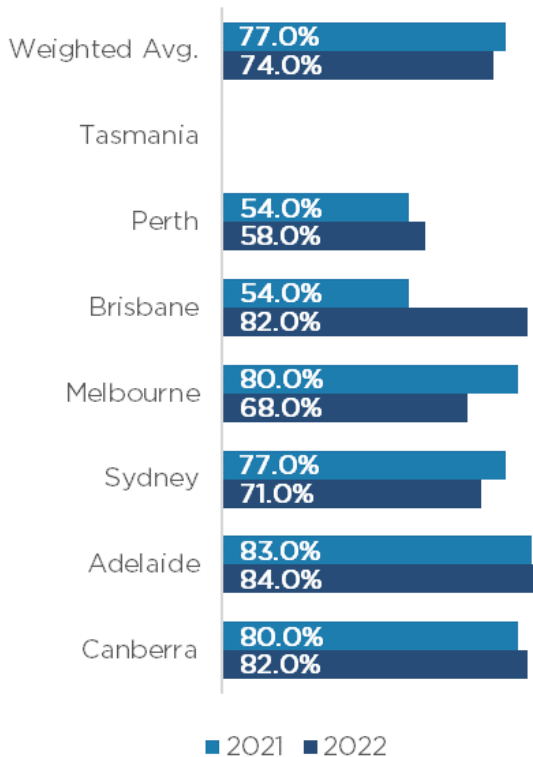
Brisbane and Adelaide in particular presented the market with 102 (+204%), and 109 (+128%) more auctions respectively.

Source: CoreLogic

## Median Auction Sale Prices



## CLEARANCE RATES 24<sup>th</sup>-30<sup>th</sup> January

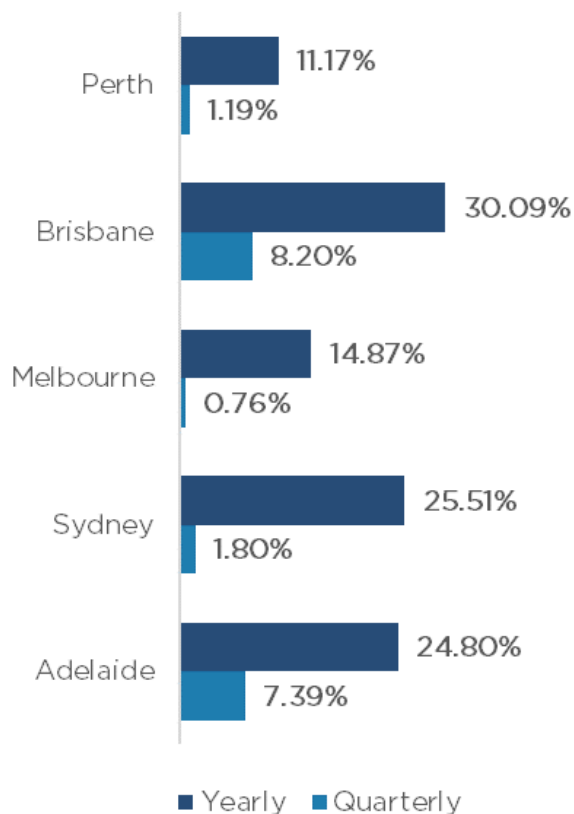


The weighted average clearance rate across the country is tracking on par to last year at 74% in comparison to 2021’s 77% clearance rate (-3%).

Other cities achieved rates fairly similar to last year, with the exception of Brisbane and Melbourne. Compared to previous years, Brisbane performed exceedingly well (+32%), with Melbourne performing lower (-12%).

Source: CoreLogic

## PROPERTY VALUES as at 30<sup>th</sup> January



Aggregated property values across the country on a year on year basis have grown strongly (+21%), with the highest performer being Brisbane (+30%) followed closely by Adelaide (+25%).

Source: **CoreLogic**

However, we are starting to see some price moderation in Sydney and Melbourne which is likely to extinguish the Australian Prudential Regulation Authority's planned increase in financial regulation for home buyers.

## AN INTERESTING TRANSACTION

**Joe Bennett**  
- Lending



### PROBLEM:

At the end of last year, we were contacted directly by a client concerned about losing her deposit on a house she wished to purchase in Devonport, Tasmania. We offered her a bridging loan that allowed her to buy the property in Tasmania worth \$520,000 while waiting to sell her unencumbered property in Elwood, Victoria, valued at \$2,200,000.

### SOLUTION:

After reviewing the scenario, we provided a loan facility of \$575,000 at 7.45% per annum for a 3-month term at an LVR of 21.14%.

Our client was able to complete their purchase on the property in Tasmania and has subsequently discharged her loan via the sale of her property in Victoria.

# WHY INVEST WITH US?

**Anastasia Woolmer  
- Investing**



ASCF employs prudent risk mitigating strategies to service our customers' needs and help keep investors funds safe.

One of these strategies is the Investor Reserve Account, and it is in place for all of the ASCF Funds.

So what is it, and how does it work?

ASCF contributes funds to an Investor Reserve Account out of management income received each month. This account is for the investor's benefit and is separate from the Funds' assets. The amount is at the discretion of ASCF with the balance normally around 1% of FUM.

Should any impairment or capital loss be incurred in any of the three ASCF Funds, the directors can at their discretion, use this account to make good the loss.

While this strategy is in place, since inception there has never been the need to tap into the account.



# KEY FUND INFORMATION

## Targeted Distribution Rates

| ASCF High Yield Fund |          |           | ASCF Select Income Fund |          |           | ASCF Premium Capital Fund |          |           |           |
|----------------------|----------|-----------|-------------------------|----------|-----------|---------------------------|----------|-----------|-----------|
| 3 Months             | 6 Months | 12 Months | 3 Months                | 6 Months | 12 Months | 3 Months                  | 6 Months | 12 Months | 24 Months |
| 5.55%                | 5.85%    | 6.25%     | 5.05%                   | 5.30%    | 5.60%     | 4.50%                     | 4.75%    | 5.00%     | 5.20%     |

Distribution rates are an investment objective and not a forecast.

\*Distribution rates are not guaranteed nor a forecast. Lower than expected returns may not be achieved. Targeted distribution rates are paid net of all fund costs and management fees. Investment in the mortgage Funds is not a bank deposit and investors risk losing some or all of their capital. Read the [PDS](#) and [TMDs](#), available from our website for more information.

# Invest better.<sup>TM</sup>

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

**Book a time** for a call back at your convenience.

**TO VIEW THE LATEST SUMMARY OF OUR LOANS.**

**CLICK HERE**

**CALL US TODAY ON**

**1300 269 419**

**OR**

**CLICK HERE TO LEARN MORE**

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