



# ASCF

Australian Secure Capital Fund

## MONTHLY

# INVESTMENT UPDATE

March 2022

Invest better.™

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## | LATEST NEWS

ASCF is please to provide this monthly update to our investors.

### HALF-YEARLY FINANCIALS NOW ONLINE

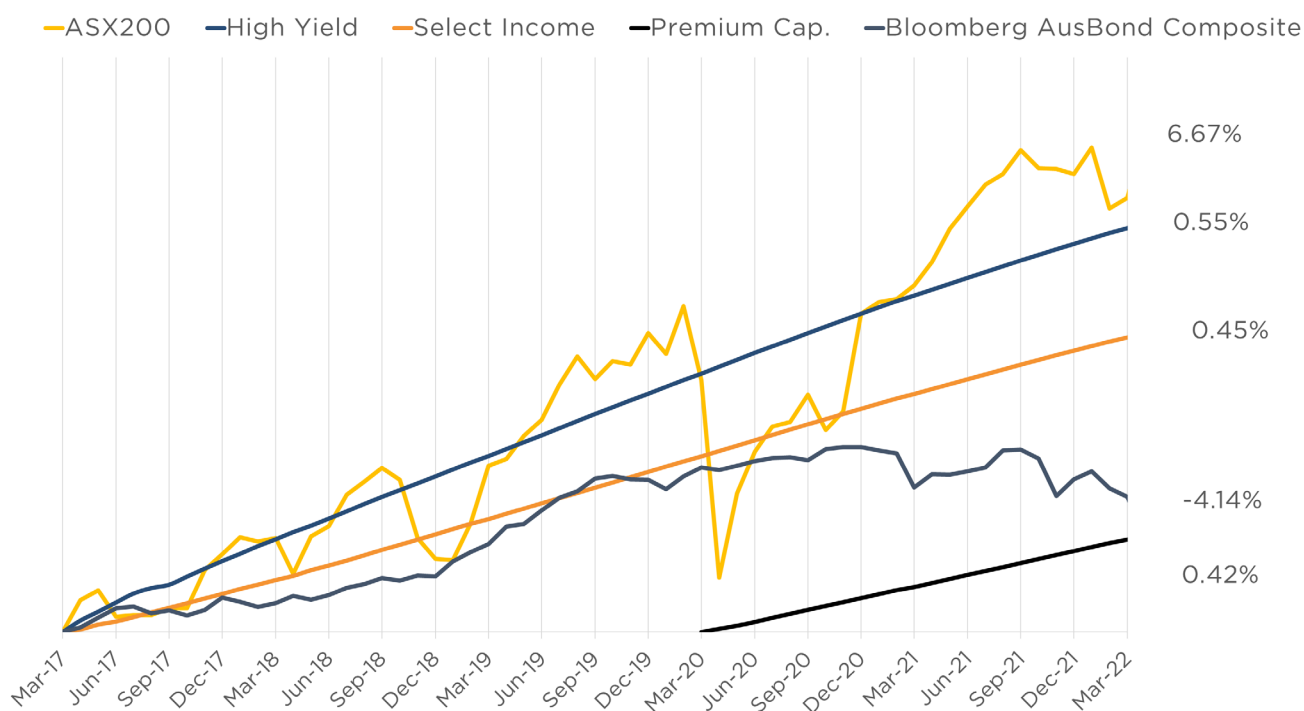
Our half-yearly audited financial statements for the year ending 31 December 2021 are now available for ASCF Premium Capital Fund, ASCF Select Income Fund and ASCF High Yield Fund. You can review the interim financials by clicking [here](#).

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

# TRADING ACTIVITY

## MONTHLY FUND GROWTH & PERFORMANCE

Our pooled retail investments have increased from \$204,949,605.92 in February to \$211,943,994.43 as of the 31st of March (+3.41%) and new investments across all our retail funds are continuing 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

	Jan-22	Feb-22	Mar-22
High Yield Fund	\$111,883,316.37	\$119,451,226.37	\$125,678,614.88
Select Income Fund	\$55,349,903.73	\$55,892,903.73	\$57,018,903.73
Premium Capital Fund	\$25,930,475.82	\$29,605,475.82	\$29,246,475.82
Combined FUM	\$193,163,695.92	\$204,949,605.92	\$211,943,994.43

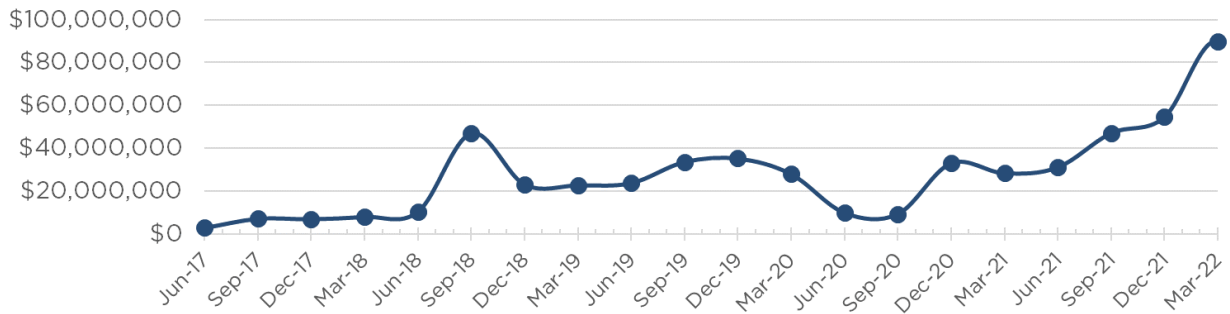
The unit price across all three of our retail funds remains stable at \$1.00.

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

# LENDING ACTIVITY

Loan originations this quarter were \$86,513,720, exceeding expectations when compared to the previous year's performance at \$28,311,300 (+61.37%). We continue to see elevated demand in loan originations.

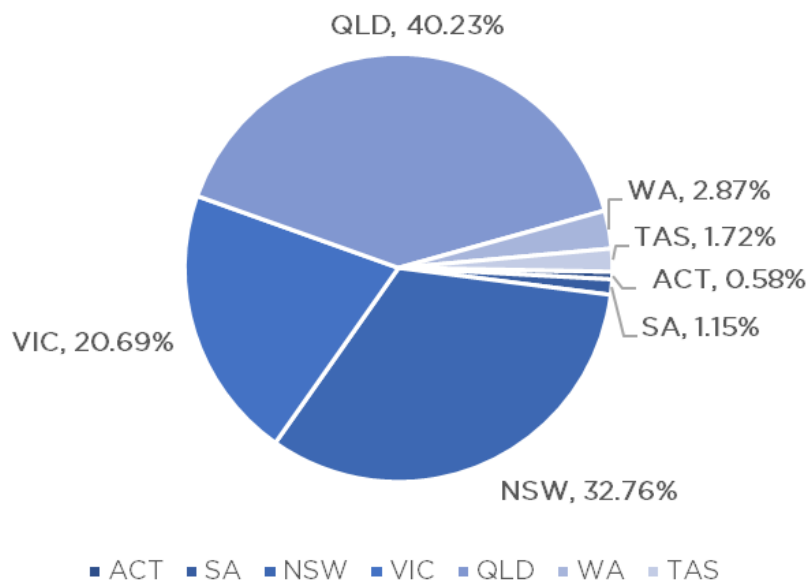
## Quarterly Loan Settlements



## Current Loans by Fund Source

	High Yield Fund	Select Income Fund	Premium Capital Fund
1st Mortgage Loans	75.75%	Select Income & Premium Capital Funds only provide financing for 1st mortgage securities.	
2nd Mortgage Loans	9.76%		
1st & 2nd Mortgages	14.49%		
Avg. Weighted LVR	65.67%	64.83%	39.88%
Avg. Loan Size	\$1,290,378.37	\$1,054,800.76	\$959,630.01

## Geography of Current Loans



# MARKET UPDATE

## QUICK INSIGHTS

### Guaranteeing Growth?

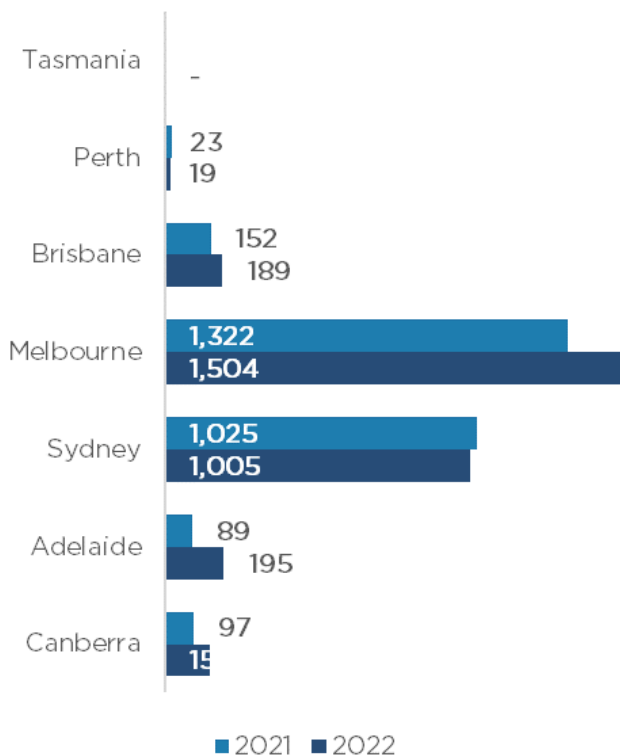
The Federal Government's new home guarantee scheme is set to roll out into regional areas and is likely to raise property prices. The supply of housing and construction services historically responds slowly to demand; however, the scheme, which allows first-buyers to purchase with a 5% deposit, will also be open to existing homeowners.

### Week-Day Woes

According to recent data from Domain, the best time to auction your home are weekends. Auctions on weekends reportedly sell at prices up to 10% higher than during the working week. In Adelaide specifically, prices can increase by almost 19%

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

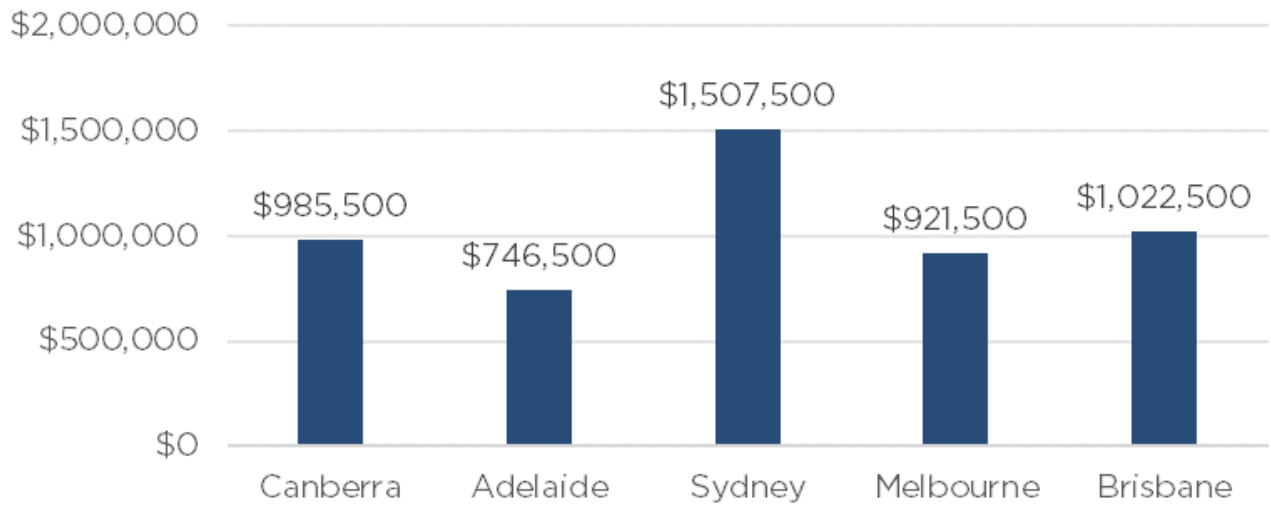
## AUCTIONS 26<sup>th</sup>-31<sup>st</sup> March



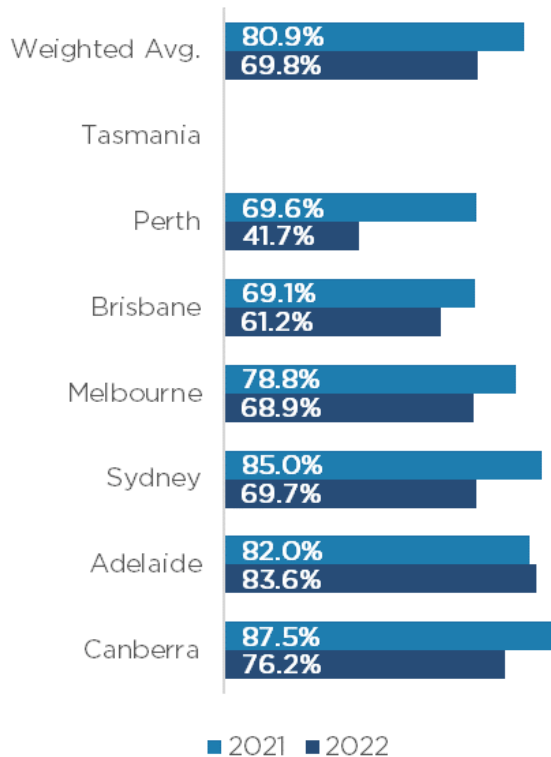
The number of auctions across Australia's eight capitals rose from 2,710 to 3,062 (+12.99%) this week compared to last year, with Melbourne conducting 182 more auctions (+13.77%), Brisbane with 37 (+24.34%), Sydney with 20 less (-1.95%), and the remainder of the country at 155 more auctions than the same period in 2021.

Source: [CoreLogic](#)

## Median Auction Sale Prices



## CLEARANCE RATES 26<sup>th</sup>-31<sup>st</sup> March

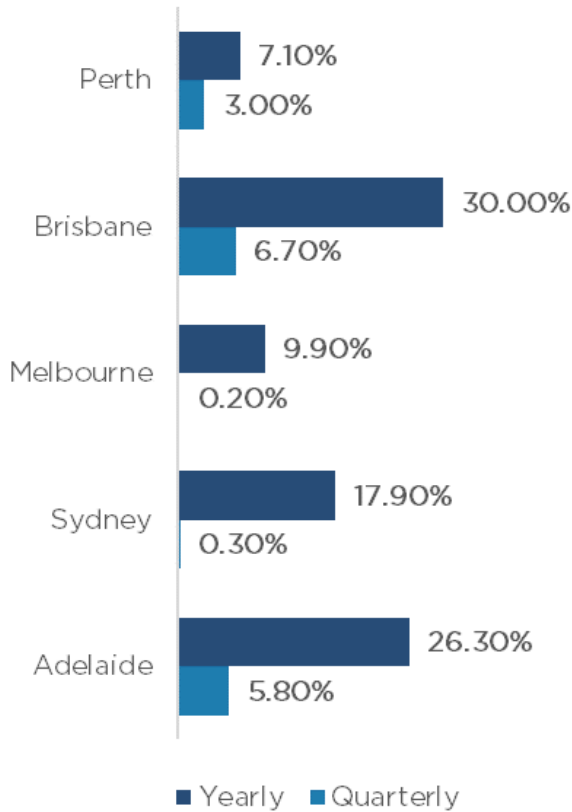


The weighted average clearance rate across the country is much lower than last year at 69.8% compared to 2021's 80.9% clearance rate (-11.10%).

Other cities across the board achieved rates marginally lower to last year, with the exception of Adelaide. Adelaide increased by (+1.60%) compared to the previous year, with Perth being pushed down in comparison (-27.90%).

Source: **CoreLogic**

# PROPERTY VALUES as at 31<sup>st</sup> March



Aggregated property values across the country on a yearly basis have continued to grow (+16.20%), with the highest performer being Brisbane (+30.00%), followed by Adelaide (+26.30%) once again.

Source: **CoreLogic**

Property values continue to grow throughout this year. Although clearance rates have slowed, median sale prices have climbed.

This state of affairs has had many economists concerned about housing affordability in recent years. But as stated in our Quick Insights section, the Government's attempts to intervene are not assisting or balancing the situation. Instead of assisting developers and construction contractors, the government programs subsidise mortgage borrowers increasing demand beyond serviceable means.

## AN INTERESTING TRANSACTION



**Joe Bennett**  
- Lending

### PROBLEM:

A broker approached ASCF on behalf of their client, who required funds that would allow him to fulfil his dream of living in a tropical paradise on his own houseboat.

Unfortunately, he did not hold the funds to purchase the boat. However, the borrower owned a home in Port Macquarie, New South Wales, which he intended to sell once he had embarked on his new life.

### SOLUTION:

After ASCF reviewed an independent evaluation, we were able to approve a sale funding loan of \$139,000 at 7.95% pa for a 3-month term, with an LVR of 26.99%. This provided him with sufficient funds to purchase his new home on the high seas.

# WHY INVEST WITH US?

**Anastasia Woolmer**  
- Investing



ASCF operates three pooled mortgage funds with monthly distributions for investors secured by mortgage investments over Australian property.

Our business serves a niche area in the market for borrowers. We provide a short-term solution for borrowers where, if approved, funds can be provided in as little as 72 hours subject to the loan meeting our lending criteria and valuation policy.

The higher rate the borrower pays for our service is a short-term rate for a specific purpose and intended to be treated as such. When assessing a loan, we examine a range of factors, including the property location and quality of the asset, the purpose of the funds and the loan to value ratio.

The most important criteria however is the borrower's exit strategy.

We require evidence of how the borrower intends to exit the loan at the expiration of the term which could include the sale of the security property or refinance.

A key question in our assessment is always whether the borrower will be better off after they leave us as a result of having taken out the loan.



# 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	6 Months	12 Months	24 Months
4.85%	5.15%	5.50%	4.50%	4.75%	5.00%	4.50%	4.75%	5.00%

\*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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This newsletter and the information contained in it has been issued by Australian Secure Capital Fund Ltd ACN 613 497 635 AFSL and ACL number 491201 (ASCF). ASCF is the responsible entity for the ASCF Premium Capital Fund ARSN 637 973 409, the ASCF Select Income Fund ARSN 616 367 410 and the ASCF High Yield Fund ARSN 616 367 330 (Funds).

As with all investments, each Fund is subject to risks which are set out in the [Product Disclosure Statement \(PDS\)](#). There is a risk that you may lose some or all of your capital and/or a reduction or cessation of distributions. An investment in a Fund is not a bank deposit. Withdrawal rights are subject to liquidity and may be delayed or suspended. The performance of the Funds, the repayment of capital or of any particular rate of return is not guaranteed and unless expressly stated, performance information contained in this newsletter is not intended to constitute forecasting of future performance. Any information about returns should be considered only as part of a balanced review of the features, benefits and risks associated with an investment in the Funds. Past performance is not indicative of future performance.

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## Responsible Entity

Australian Secure Capital Fund Ltd

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