



MONTHLY INVESTMENT UPDATE

OCTOBER 2019 // PREPARED BY



LATEST NEWS & INFORMATION

| UPDATED PRODUCT DISCLOSURE STATEMENT

ASCF is pleased to advise that we have updated our Product Disclosure Statement (PDS) effective 1st November 2019.

The new PDS is available for download on our website by [clicking here](#).

The main changes relate to updated ASIC Benchmark Disclosure Principles (Section 1.2), clarification on our fee structure (Section 6) and the establishment of an Investor Reserve account (Section 3, page 22).

This Investor Reserve account shall be a discretionary account funded by our management fees and held by Australian Secure Capital Fund Ltd for the sole benefit of investors in our funds ASCF #1 and ASCF #2.

The account does not form part of the fund assets but may be used to cover impairments and capital losses incurred on individual loans should a loss be incurred.

In the event a loan loss occurs and there are insufficient funds in the Investor Reserve account to cover the loss the Unit Price for the fund will still be adjusted accordingly to reflect the capital loss.

Whilst the account may not be sufficient to cover all potential losses, we believe it to be a prudent step towards providing our Investors with added protection against potential loan losses.

The account has an initial balance of \$100,000 and further contributions shall be made to the account from ASCF management fees.

| ASCF FINANCIALS NOW ONLINE

We are pleased to advise that ASCF's financial statements and compliance audit reports for our funds ASCF #1 and ASCF #2 are now available to download from our website.

You can review the financials by [clicking here](#).

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

| ASCF INTEREST RATES

Since ASCF launched in 2016, the Reserve Bank of Australia has lowered the official cash rate from 1.5% to 0.75% with more rate cuts likely to follow.

During this time ASCF has not lowered rates; however, borrowers are becoming more interest rate sensitive because of lower bank rates and whilst this has not impacted our loan origination which remains strong, **we will be lowering our interest rates on all new investments in ASCF #2 Fund effective 1st November 2019.**

This will enable us to offer slightly lower interest rate loans to borrowers to ensure we remain competitive.

LATEST NEWS & INFORMATION

The new investor interest rates for ASCF #2 will be:

7.49% for a 3-month investment

7.79% for a 6-month investment

8.09% for a 12-month investment

The interest rate reduction will only affect new investments in ASCF #2 from 1st November 2019.

All current investment rates will remain fixed until their maturity date; however, the new rates will apply to all current investments in ASCF #2 when they are rolled for new terms on their maturity.

ASCF #1 interest rates 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.



| AN INTERESTING TRANSACTION

This month we were approached by a borrower to provide urgent funding in order to pay an outstanding ATO debt for their business and refinance an existing loan.

The borrower was seeking \$600,000 including capitalised interest for 3 months with a 6-month facility term enabling the borrower sufficient time to sell their business and repay the debt.

The security offered was a property located in Bogangar, New South Wales and commercial premises in Jondaryan, Queensland.

A letter of offer was issued after valuations of the security properties had been obtained. The house in Bogangar was valued at \$690,000 and the commercial building in Jondaryan valued at \$600,000.

The interest rate charged was 15% per annum with a loan to valuation ratio of 46.51%.

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	7.49% pa
6 months	6.50% pa	6 months	7.79% pa
12 months	6.75% pa	12 months	8.09% pa

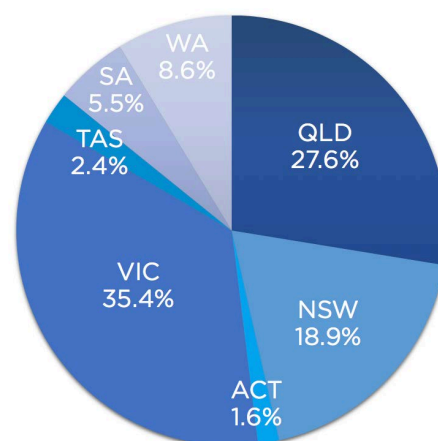
Rates paid are net of all fund costs and management fees.

KEY FUND INFORMATION

Australian Financial Service Licence (AFSL) and Australian Credit Licence (ACL) No.		491201
ASCF #1 Unit Price	as at 31 October 2019	\$1.00
ASCF #2 Unit Price	as at 31 October 2019	\$1.00
Income Distribution	for September 2019	Paid
ASCF #1 and ASCF #2 Funds Under Management	as at 31 October 2019	\$91,940,236.94
Average Weighted Loan to Valuation Ratio ASCF #1	as at 31 October 2019	61.25%
Average Loan Size ASCF #1	as at 31 October 2019	\$755,912.09
Average Weighted Loan to Valuation Ratio ASCF #2	as at 31 October 2019	58.91%
Average Loan Size ASCF #2	as at 31 October 2019	\$601,623.75
Percentage of ASCF #2 1st Mortgage Loans on a Weighted Basis	as at 31 October 2019	73.97%
Percentage of ASCF #2 2nd Mortgage Loans on a Weighted Basis	as at 31 October 2019	26.03%

| ASCF CURRENT LOANS BY STATE

To view a current summary of our loans as at 31st October 2019, 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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