



MONTHLY INVESTMENT UPDATE

OCTOBER 2021 // PREPARED BY



LATEST NEWS & INFORMATION

| TRADING UPDATE

Australia reached the 75% double vaccinated milestone this month with 77.2% of people aged 16 and over now double vaccinated. The reopening of borders and easing of restrictions has provided a boost to many industries, with tourism and hospitality set to be the big winners this holiday season.

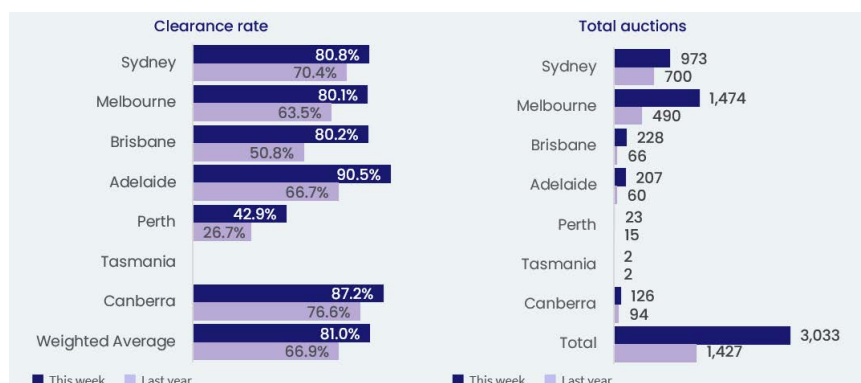
On the back of restrictions easing, the ASCF Loan Origination Portal continues to drive growth with 57 loans being settled since inception, contributing to over \$25m in settled loans. Recent reductions in ASCF lending rates have improved our competitiveness and contributed to 22 loans being settled for the month of October with ASCF achieving a monthly record in settled loans for the month of almost \$27m. November also appears set to be another strong month with several loan applications progressing to letters of offer and formal documentation.

As shown in the graph below, there has been a significant uplift in 2021, with over \$136 million in settlements since January, far greater than the \$77.8 million achieved in 2020. This has been driven by an increase in loans with terms of less than 6 months predominantly bridging finance and the continued investment in our loan origination portal.



Demand and inquiry levels from New South Wales and Victoria have improved and we are currently receiving a greater number of loan inquiries than we are currently able to fund.

On the property front, the weekend of the 23rd of October recorded the second busiest auction week of the year thus far, with 3,033 homes taken to auction, well above the 1,427 on the same weekend last year. Melbourne received the most auctions for the weekend as lockdowns ended, recording 1,474 auctions for the weekend, well above the 490 recorded last year. Sydney also contributed significantly to the weekend auction numbers with 973, up from 700 last year. Brisbane, Adelaide, Perth and Canberra also recorded higher numbers compared to last year.



Source: <https://www.corelogic.com.au/news/second-busiest-week-auctions-across-combined-capital-cities-so-far-year>

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Clearance rates were also strong, with a weighted average of 81.0% for the weekend (up from 66.9% last year), with Adelaide leading the way with a 90.5% clearance rate, followed by Canberra, Sydney, Brisbane and Melbourne with 87.2%, 80.8%, 80.2% and 80.1% respectively.

Property prices continue to increase, with the 5 capital city aggregate of 4.40% for the quarter and 20.55% for the year. Recently, Brisbane has performed strongly with 6.56% quarterly growth, followed by Adelaide, Sydney, Melbourne and Perth with 5.76%, 5.33%, 3.07% and 0.63% respectively.

CoreLogic Daily Home Value Index - 31.10.2021				
City (All Dwellings)	Today's Index Value	Change Day on Day	% Change Qtr on Qtr	% Change Yr on Yr
Sydney	211.98	+0.02▲	+5.24%▲	+25.22%▲
Melbourne	173.41	+0.04▲	+3.01%▲	+16.37%▲
Brisbane (inc Gold Coast)	138.48	+0.08▲	+6.61%▲	+23.81%▲
Adelaide	145.03	+0.12▲	+5.85%▲	+20.07%▲
Perth	105.31	+0.09▲	+0.65%▲	+16.36%▲
5 capital city aggregate	170.37	+0.06▲	+4.36%▲	+20.63%▲

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

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

| ASCF FINANCIALS NOW ONLINE

We are pleased to advise that ASCF's full year 2021 financial statements and compliance audit reports for ASCF Premium Capital Fund, ASCF Select Income Fund and ASCF High Yield Fund are now available to download from our website.

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

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



| AN INTERESTING TRANSACTION

This month we were approached by an experienced Brisbane property developer who had contracted to purchase a large house on over 2,100 square metres of land in Indooroopilly, Brisbane with the intention of splitting the house off and subdividing the remaining land.

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A valuation was commissioned on the property which came in at the purchase price of \$4.5m and funding of \$3.6m was advanced on a 9-month term at 10.45% per annum.

The developer whom we have previously assisted had already fielded several offers post-contract for the property at a higher value than purchased and whilst he was able to obtain funding at a lower rate than that offered by ASCF, preferred our loan product due to the fact that we did not insist a minimum interest period on the facility, unlike other lenders who whilst offering lower rates require a minimum interest period.

The developer is currently assessing his options in terms of whether to proceed with the development or sell the property as is at a profit and pay out the ASCF loan without penalty or early exit fees.



| WHY INVEST WITH ASCF?

The ASCF Premium Capital Fund offers investors the benefit of spread protection in addition to the Investor Reserve Account.

So, what is spread protection and how does it work?

The spread is simply the difference between the monthly income received in interest payments on mortgage investments minus the amount paid to Investors in Distribution Payments within the ASCF Premium Capital Fund.

This spread is used to cover ASCF Premium Capital Fund's expenses and as well as management and performance fees.

Should any capital loss on a mortgage investment occur in the ASCF Premium Capital Fund then any performance fees payable by the fund on performing loans will be retained by the fund on an ongoing basis until the loss is fully recovered. So while the value of the unit price may dip below \$1 the spread will be used to recover the loss until the value of the unit price returns to \$1 per unit. Any performance fees due to be paid from this fund will not be paid but retained by ASCF Premium Capital Fund until the loss is made good.

This protection is exclusive to investors in the ASCF Premium Capital Fund and is in addition to the Investor Reserve Account enjoyed by all ASCF Funds.

LATEST NEWS & INFORMATION

ASCF CURRENT NET INTEREST RATES PAID TO INVESTORS

ASCF Premium Capital Fund First Mortgage Fund		ASCF Select Income Fund First Mortgage Fund		ASCF High Yield Fund First and Second Mortgage Fund		ASCF Private Fund Wholesale Investor Fund	
Accepting Applications		Accepting Applications		Accepting Applications		Accepting Applications	
Investment Term	Rate	Investment Term	Rate	Investment Term	Rate	Investment Term	Rate
3 months	4.50% pa	3 months	5.05% pa	3 months	5.55% pa	6 months	7.89% pa
6 months	4.75% pa	6 months	5.30% pa	6 months	5.85% pa	12 months	8.09% pa
12 months	5.00% pa	12 months	5.60% pa	12 months	6.25% pa	18 months	8.29% pa
24 months	5.20% pa	24 months	N/A	24 months	N/A	24 months	8.49% pa

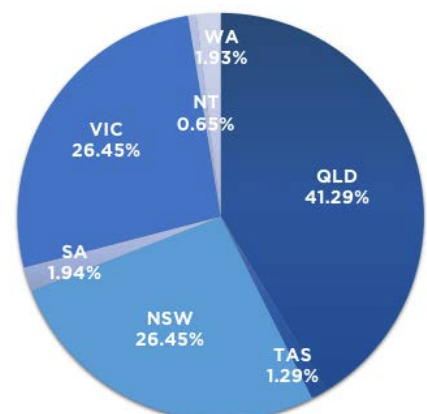
Rates paid are net of all fund costs and management fees.

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 28 October 2021	\$1.00		
Unit Price for ASCF Premium Capital Fund	as at 28 October 2021	\$1.00		
Unit Price for ASCF High Yield Fund (previously ASCF #2 Fund)	as at 28 October 2021	\$1.00		
Income Distribution	For September 2021	PAID		
Total Funds Under Management: ASCF Select Income Fund + ASCF High Yield Fund + ASCF Premium Capital Fund	as at 28 October 2021	\$184,617,079.84		
		ASCF Premium Capital Fund	ASCF Select Income Fund	ASCF High Yield Fund
Average Weighted Loan to Valuation Ratio (LVR)	as at 28 October 2021	49.33%	65.63%	68.26%
Average Loan Size	as at 28 October 2021	\$705,856.47	\$1,029,418.46	\$1,188,533.74
Percentage of 1 st Mortgage Loans on a Weighted Basis (ASCF HIGH YIELD FUND ONLY)	as at 28 October 2021	100%	100%	66.83%
Percentage of 2 nd Mortgage Loans on a Weighted Basis (ASCF HIGH YIELD FUND ONLY)	as at 28 October 2021	0%	0%	13.26%
Percentage of Loans with 1 st and 2 nd Mortgages on a Weighted Basis (ASCF HIGH YIELD FUND ONLY)	as at 28 October 2021	0%	0%	19.91%

| ASCF CURRENT LOANS BY STATE

To view a current summary of our loans as at 28th October 2021, 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
- ✓ High liquidity fund due to the short-term nature of our loans
- ✓ Low loan to valuation ratios with a maximum 80% loan of property valuation
- ✓ Capital Stability
- ✓ Low risk profile to property market fluctuations with maximum loan term to borrowers of 24 months
- ✓ No construction loans to developers

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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