



# MONTHLY INVESTMENT UPDATE

SEP 2018 // PREPARED BY





# ASCF

## Australian Secure Capital Fund

MONTHLY INVESTMENT UPDATE | SEPTEMBER 2018

Australian Secure Capital Fund is pleased to provide this monthly update to our investors.

### FINSURE SYDNEY PRODUCT DEVELOPMENT DAY

This month we were proud to be the only lender to present at Finsure's Sydney PD Day to a group of over 350 brokers. Finsure is one of Australia's leading mortgage broker aggregators and has over 1,300 brokers Australia-wide.



### | ASCF AUDITED FINANCIALS

We are pleased to advise that Grant Thornton our auditors are close to finalising our audited financials for each of our funds for the year ended 30th June 2018 and these will be posted to our website next week once they have been lodged with ASIC. A compliance plan audit report for each fund will also be posted.

### | CAPITAL RAISING

In order to complement our retail funds under management ASCF Managed Investments Pty Ltd a related entity to Australian Secure Capital Fund Ltd recently completed an AUD \$35 million bond issue through BGC Mint a spin-off company of multi-billion dollar New York hedge fund Cantor Fitzgerald. These funds will be used to bolster our capital base and jointly fund loans with our retail funds.

## | MAJOR BANKS WITHDRAW FROM SMSF MARKET


All 4 major banks in Australia have now withdrawn from lending to Self Managed Super Funds. This has created a void in the market with only three 2nd tier lenders now lending to SMSF funds. ASCF has recently stepped in to assist several borrowers who were advised of the policy change by their bank at the last minute and were left with nowhere else to turn to fund their loan on short notice.

## | MAJOR BANKS WITHDRAW FROM SMSF MARKET

A borrower recently completed an industrial warehouse/showroom commercial strata development in Melbourne but his construction funder would not fund his next development until such time as their loan had been repaid in full. The borrower had a number of pre-sales but they were not sufficient to repay the construction lender in full. Rather than wait and delay the start of construction of the new development the borrower approached ASCF through his broker for a residual stock loan on 14 of the strata warehouses valued at \$6m to pay out the construction lender.

ASCF approved a \$3.9m loan at 65% LVR for 6 months at 15% per annum to enable the borrower to roll his existing construction loan over to his next development. ASCF will be repaid from a partial refinance of the security by 2nd tier lenders and a gradual sell down of the remaining strata units enabling the borrower to maximise his sale prices on the commercial units.

## 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	7.99% pa
6 months	6.50% pa	6 months	8.29% pa
12 months	6.75% pa	12 months	8.69% pa
24 months	7.19% pa	24 months	9.09% pa

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

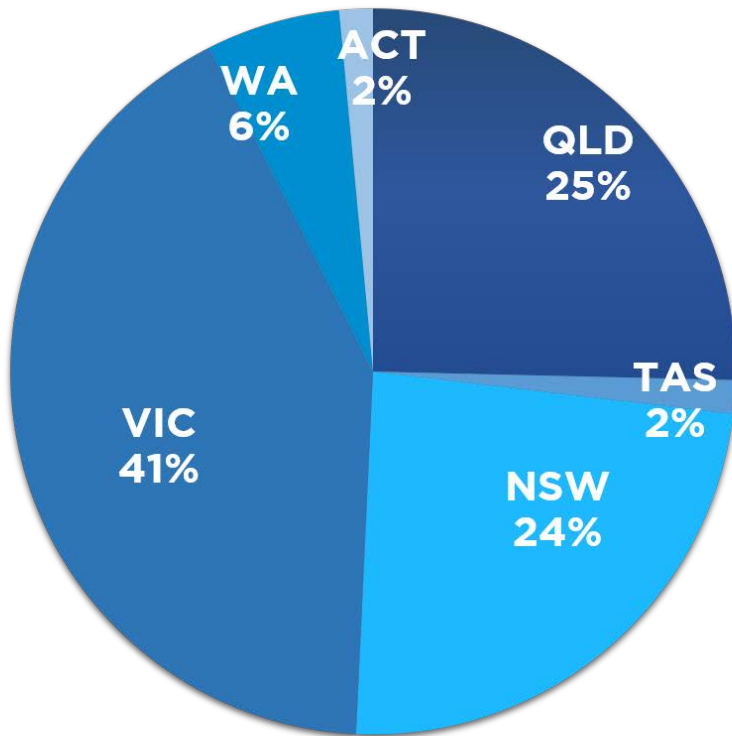


## FUND OBJECTIVE

To invest in short-term loans secured by registered mortgages against Australian property in order to provide our investors with a secure fixed monthly return on their investment.

KEY FUND INFORMATION	
Manager	Australian Secure Capital Fund Ltd.
Custodian	Australian Executors Trustees (AET)
Auditor	Grant Thornton
Australian Financial Service Licence No. and Australian Credit Licence No.	491201
ASCF#1 Unit Price as at 28 September	\$1.00
ASCF#2 Unit Price as at 28 September	\$1.00
Income Distribution for September	Paid
ASCF#1 and ASCF#2 Funds under management as at 28 September	\$39,883,296
Average Weighted Loan to Valuation Ratio ASCF#1 as at 28 September	65.54%
Average Loan Size ASCF#1 as at 28 September	\$811,376.75
Average Weighted Loan to Valuation Ratio ASCF#2 as at 28 September	63.52%
Average Loan Size ASCF#2 as at 28 September	\$399,421.57
Percentage of ASCF#2 1st Mortgage Loans on a Weighted Basis as at 28 September	65.77%
Percentage of ASCF#2 2nd Mortgage Loans on a Weighted Basis as at 28 September	34.23%
Minimum Initial Investment Amount	\$20,000
Minimum Additional Investment	\$5,000
Minimum Investment Term	3 months
Entry & Exit fees	Nil
Withdrawals	1 to 3 months notice depending on initial investment term
Security	Your investment is secured by a pool of registered mortgages over Australian real estate.

## ASCF CURRENT LOANS BY STATE



To view a current summary of our loans as at 28th September 2018, 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

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

**CALL US TODAY ON 1300 269 or**

[Click Here](#)

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As with all investments, each Fund is subject to risks, including loan default, security, priority and enforcement risk. If these risks eventuate, they may result in a reduction in the value of your investment in the Funds and/or a reduction or cessation of distributions. The performance of the Funds, the repayment of capital or of any particular rate of return is not guaranteed.

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