



MONTHLY INVESTMENT UPDATE

SEPTEMBER 2021 // PREPARED BY



LATEST NEWS & INFORMATION

| TRADING UPDATE

Lockdowns continued throughout September across New South Wales and Victoria with restrictions slowly beginning to ease. Vaccination rates continue to increase across the country, providing hope for further easing of restrictions before the end of year festive season.

The preliminary auction data for the last week of September recorded the highest weighted average clearance rate since March of this year with a weighted average of 82.4% of properties being sold. Adelaide, Canberra and Sydney performed the best, recording 87.7%, 85.9% and 84.3% clearance rates respectively whilst, Brisbane and Melbourne also achieved strong clearance rates of 79.7% and 77.2%. Total auctions were up on the same weekend of last year, with 1,631 auctions taking place compared to 1,082 in 2020.

| City | Clearance rate | Total auctions | CoreLogic auction results | Cleared auctions | Uncleared auctions | Clearance rate (last year) | Total auctions (last year) |
|------------------|----------------|----------------|---------------------------|------------------|--------------------|----------------------------|----------------------------|
| Sydney | 84.3% | 841 | 747 | 630 | 117 | 65.4% | 812 |
| Melbourne | 77.2% | 343 | 254 | 196 | 58 | 45.0% | 40 |
| Brisbane | 79.7% | 187 | 133 | 106 | 27 | 48.2% | 84 |
| Adelaide | 87.7% | 166 | 114 | 100 | 14 | 75.7% | 72 |
| Perth | n.a. | 12 | 9 | 4 | 5 | 25.0% | 12 |
| Tasmania | n.a. | 2 | 2 | 1 | 1 | n.a. | 0 |
| Canberra | 85.9% | 80 | 71 | 61 | 10 | 77.4% | 62 |
| Weighted Average | 82.4% | 1,631 | 1,330 | 1,098 | 232 | 64.2% | 1,082 |

Source: <https://www.corelogic.com.au/news/sharp-drop-number-withdrawn-auctions-across-melbourne-and-canberra-has-contributed-highest>

Despite lockdowns continuing, property prices continue to increase rapidly with the year-on-year change above 14% across all cities and an average of 19.09%, with Sydney, Brisbane and Adelaide leading the way with 23.39%, 21.28% and 19.04% respectively. The change quarter on quarter also remains positive with an average of 4.51%, again with Brisbane recording the strongest result at 5.99%, followed by Sydney, Adelaide and Melbourne with 5.61%, 5.46% and 3.29% respectively.

| CoreLogic Daily Home Value Index - 29.09.2021 | | | | |
|---|---------------------|-------------------|---------------------|-------------------|
| City (All Dwellings) | Today's Index Value | Change Day on Day | % Change Qtr on Qtr | % Change Yr on Yr |
| Sydney | 208.50 | +0.13▲ | +5.61%▲ | +23.39%▲ |
| Melbourne | 171.61 | +0.07▲ | +3.29%▲ | +14.97%▲ |
| Brisbane (inc Gold Coast) | 134.91 | +0.10▲ | +5.99%▲ | +21.28%▲ |
| Adelaide | 142.10 | +0.10▲ | +5.46%▲ | +19.04%▲ |
| 5 capital city aggregate | 167.84 | +0.08▲ | +4.51%▲ | +19.09%▲ |

Note: Perth/WA indices data has been temporarily removed while CoreLogic investigate and resolve an anomaly.

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

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

| CHANGES TO ASCF DISTRIBUTION RATES

In the last month's newsletter, we advised we would be reviewing the distribution rates for each of our retail funds.

The review has resulted in a further reduction of the distribution rates payable to investors.

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The new rates will be effective from Friday 1st October 2021 and are shown below.

| Investment Term | Premium Capital | Select Income | High Yield |
|-----------------|-----------------|----------------|----------------|
| 3 months | 4.50% | 5.05% | 5.55% pa |
| 6 months | 4.75% | 5.30% | 5.85% pa |
| 12 months | 5.00% | 5.60% | 6.25% pa |
| 24 months | 5.20% | Not Applicable | Not Applicable |

The distribution rate on all current investments will remain unchanged until the maturity date; however, the new rates will be applied to current investments in all the funds when they are rolled for new terms on maturity.

ASCF constantly strives to ensure we are able to pay the highest distribution rates possible to our investors. At this point, we believe we are at the bottom of the interest rate cycle in terms of what we are able to pay our investors and are hopeful that as monetary stimulus starts to tighten across the country the next change we make in our rates will be an increase.

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



| WHY INVEST WITH ASCF?

At Australian Secure Capital Fund, we know that not all investors are the same which is why ASCF offers three funds for investors to choose from.

The rate of return differs depending on the underlying loan criteria of the fund and the term chosen in that fund.

So which one is best for you?

We can't give you any advice on that, but we can provide you with the facts for your decision-making process.

First, the longer you fix your term, the higher the distribution rate payable to you.

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| WHY INVEST WITH ASCF? (Cont.)

There are two 1st mortgage fund options - ASCF Premium Capital or ASCF Select Income. ASCF Premium Capital offers a lower maximum loan to valuation ratio (LVR) to borrowers of 70% and offers the additional safety mechanism of spread protection in the event the fund were to incur a loss. ASCF Select Income provides a higher return while still only providing 1st mortgage loans to borrowers, but is able to lend up to a maximum loan to valuation ratio of 80%. ASCF Select Income does not have the benefit of spread protection.

The ASCF High Yield Fund offers our highest targeted distribution rates. This fund allows mortgages to be undertaken with a maximum LVR of 80% and includes a mixture of 1st and 2nd mortgages.

All funds have the benefit of the investor reserve account.



| AN INTERESTING TRANSACTION

This month, we had two business loans settle for the same borrowing entity within 3 weeks of each other. The broker approached us on behalf of their client requesting a loan for business cash flow against 3 lots of vacant land in Junction View, Queensland.

The client required funding at the start of the month for \$588,200 for 12 months, with interest instalments to be paid monthly in advance. The purpose was to refinance an existing loan and provide funding for working capital. A valuation was commissioned which came back at \$1,360,000 in total and the loan was funded via a 1st registered mortgage at an LVR of 43.25% with an interest rate of 11.75% per annum.

Towards the end of the month, the client required an additional loan for \$340,000, also for 12 months to assist with expanding its business towards international exports. This loan was secured against 2 further lots of vacant land in Junction View, Queensland which were valued at \$500,000. The loan was funded via a 1st registered mortgage at an LVR of 68% with an interest rate of 11.95% per annum. In addition to this security ASCF also secured the facility by registering a 2nd mortgage behind our existing first mortgage securities on the original loan. This reduced the overall LVR on the second facility to 49.90%.

The exit for both loans is to use funds from the sale of the security properties to repay their ASCF loans.

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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 | 4.85% pa | 3 months | 5.45% pa | 3 months | 6.05% pa | 6 months | 7.89% pa |
| 6 months | 5.10% pa | 6 months | 5.70% pa | 6 months | 6.35% pa | 12 months | 8.09% pa |
| 12 months | 5.35% pa | 12 months | 6.00% pa | 12 months | 6.75% pa | 18 months | 8.29% pa |
| 24 months | 5.55% pa | 24 months | N/A | 24 months | N/A | 24 months | 8.49% pa |

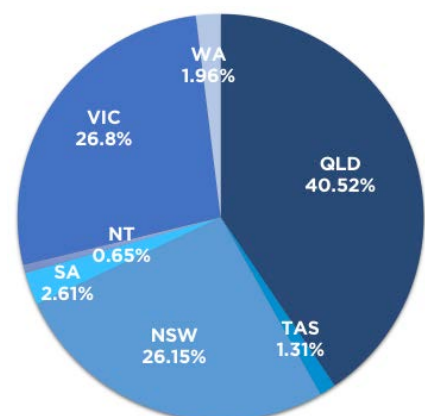
Rates paid are net of all fund costs and management fees.

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 29 September 2021 | \$1.00 | | |
| Unit Price for ASCF Premium Capital Fund | as at 29 September 2021 | \$1.00 | | |
| Unit Price for ASCF High Yield Fund (previously ASCF #2 Fund) | as at 29 September 2021 | \$1.00 | | |
| Income Distribution | For August 2021 | PAID | | |
| Total Funds Under Management: ASCF Select Income Fund + ASCF High Yield Fund + ASCF Premium Capital Fund | as at 29 September 2021 | \$180,504,270.30 | | |
| | | ASCF Premium Capital Fund | ASCF Select Income Fund | ASCF High Yield Fund |
| Average Weighted Loan to Valuation Ratio (LVR) | as at 29 September 2021 | 47.91% | 65.30% | 68.33% |
| Average Loan Size | as at 29 September 2021 | \$643,959.70 | \$993,948.17 | \$1,057,044.88 |
| Percentage of 1 st Mortgage Loans on a Weighted Basis (ASCF HIGH YIELD FUND ONLY) | as at 29 September 2021 | 100% | 100% | 76.88% |
| Percentage of 2 nd Mortgage Loans on a Weighted Basis (ASCF HIGH YIELD FUND ONLY) | as at 29 September 2021 | 0% | 0% | 8.50% |
| Percentage of Loans with 1 st and 2 nd Mortgages on a Weighted Basis (ASCF HIGH YIELD FUND ONLY) | as at 29 September 2021 | 0% | 0% | 14.62% |

| ASCF CURRENT LOANS BY STATE

To view a current summary of our loans as at 29th September 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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