

ASCF High Yield Fund

ARSN 616 367 330

Interim Financial Report - 31 December 2025

**ASCF High Yield Fund
Director's Report
31 December 2025**

The Directors of Australian Secure Capital Fund Ltd (the 'Responsible Entity'), the Responsible Entity of ASCF High Yield Fund (the 'Fund'), submit their report together with the interim financial statements of the Fund for the half-year ended 31 December 2025.

Directors

The following persons were Directors of the Responsible Entity during the whole of the financial period and up to the date of this report, unless otherwise stated:

Richard John Taylor
Anthony Russo
Filippo Sciacca

Review of operations

Revenue of \$11,896,355 less expenses of \$5,185,417 resulted in a distribution to Unitholders of \$6,710,938 (6 months to December 2024: \$5,723,801).

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Fund during the half-year.

Principal activities

The principal activity of the Fund during the half-year was the provision of regular monthly income through a selection of investments in short-term registered first mortgage loans. Unitholders are provided with a fixed rate, fixed term interest only investment.

Matters subsequent to the end of the reporting period

No matter or circumstance has arisen since the end of the half-year that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial periods.

Auditor's independence declaration

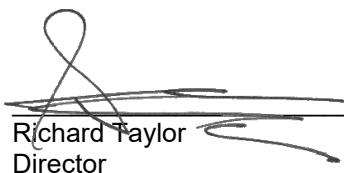
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in these interim financial statements.

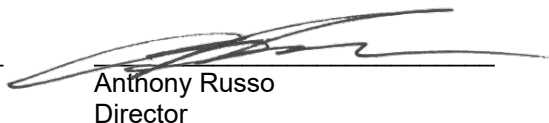
Auditor

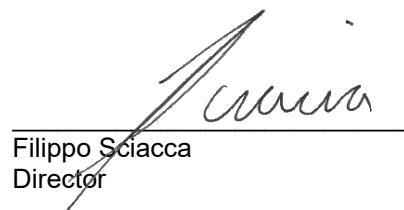
Grant Thornton Audit Pty Ltd continues in office in accordance with section 331AAA of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 306 of the Corporations Act 2001.

On behalf of the Directors


Richard Taylor
Director


Anthony Russo
Director


Filippo Sciacca
Director

3 March 2026

Grant Thornton Audit Pty Ltd

King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001
T +61 7 3222 0200

Auditor's Independence Declaration

To the Directors of Australian Secure Capital Fund Ltd, the Responsible Entity of ASCF High Yield Fund

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of ASCF High Yield Fund for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



N M Lawrence
Partner – Audit & Assurance

Brisbane, 3 March 2026

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ASCF High Yield Fund
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General information

The financial statements cover ASCF High Yield Fund as an individual entity. The interim financial statements are presented in Australian dollars, which is ASCF High Yield Fund's functional and presentation currency.

The Fund is an Australian Registered Scheme and was constituted on the 22nd December 2016. Australian Secure Capital Fund Ltd (the 'Responsible Entity' for the Fund) is incorporated and domiciled in Australia and acts as the manager of the Fund. The Fund's registered office and principal place of business are:

Registered office

Level 1, 50 Park Road
MILTON
QLD 4064

Principal place of business

Level 1, 50 Park Road
MILTON
QLD 4064

A description of the nature of the Fund's operations and its principal activities are included in the Directors' report, which is not part of the interim financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 3 March 2026.

ASCF High Yield Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Revenue			
Interest revenue	3	11,896,355	9,862,087
Total revenue		11,896,355	9,862,087
Expenses			
Legal & compliance fees		(36,829)	(4,815)
Performance fees		(5,547,909)	(4,376,440)
Other expenses		(2,459)	(12,257)
Impairment reversal	5	401,780	255,226
Total expenses		(5,185,417)	(4,138,286)
Operating profit for the half-year		6,710,938	5,723,801
Finance Costs Attributed to Unitholders			
Distributions to Unitholders		(6,710,938)	(5,723,801)
Income tax expense		-	-
Total profit for the half-year		-	-
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive income for the half-year		-	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

ASCF High Yield Fund
Statement of financial position
As at 31 December 2025

	Note	31 December 2025 \$	30 June 2025 \$
Assets			
Cash and cash equivalents	4	7,775,056	14,970,392
Loans receivable	5	171,061,032	162,845,665
Other receivables		38,575	-
Other assets		-	476,052
Total assets		178,874,663	178,292,109
Liabilities			
Trade and other payables		937,200	76,019
Borrowings		104,880	91,680
Total liabilities (excluding net assets attributable to Unitholders)		1,042,080	167,699
Net assets attributable to Unitholders	6	177,832,583	178,124,410

The above statement of financial position should be read in conjunction with the accompanying notes

ASCF High Yield Fund
Statement of changes in equity
For the half-year ended 31 December 2025

	31 December	31 December
	2025	2024
	\$	\$
Total equity at the beginning of the half-year	-	-
Profit/(Loss) for the half-year	-	-
Other comprehensive income for the half-year	-	-
Transactions with unitholders in their capacity as owners	-	-
	<hr/>	<hr/>
Total equity at the end of the half-year	-	-
	<hr/>	<hr/>

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

The above statement of changes in equity should be read in conjunction with the accompanying notes

ASCF High Yield Fund
Statement of cash flows
For the half-year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Cash flows from operating activities			
Interest received on loans receivable		11,791,246	9,430,774
Interest received on cash and cash equivalents		211,446	623,907
Other operating expenses		(226,580)	(339,665)
Performance fees paid to the Responsible Entity		(4,249,251)	(3,196,696)
Loans advanced to Borrowers		(50,778,631)	(111,574,077)
Loans repaid by Borrowers		43,045,996	114,116,999
Net cash (used in)/from operating activities		(205,774)	9,061,242
Cash flows from financing activities			
Distributions paid to Unitholders		(6,710,938)	(5,723,801)
Advances from the Responsible Entity		13,200	11,000
Funds received from Unitholders		37,571,447	39,979,021
Funds paid to Unitholders		(37,863,271)	(26,345,699)
Net cash (used in)/from financing activities		(6,989,562)	7,920,521
Net (decrease)/increase in cash and cash equivalents		(7,195,336)	16,981,763
Cash and cash equivalents at the beginning of the financial half-year		14,970,392	15,308,290
Cash and cash equivalents at the end of the financial half-year	4	7,775,056	32,290,053

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General Information

Basis of Preparation

These interim financial statements for the reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025. All aspects of the Fund's material accounting policies are consistent with that disclosed in the Annual Report for the year ended 30 June 2025.

Unless otherwise stated, the interim financial statements have been prepared under the historical cost convention and the accounting policies adopted are consistent with those of the previous financial year. Assets and liabilities have been presented in order of liquidity, providing reliable and more relevant information, due to the nature of activities of the Fund. The amounts presented in the interim financial statements have been rounded to the nearest dollar.

New or amended Accounting Standards and Interpretations adopted

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Fund.

Note 2. Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund. Areas which include assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 December 2025 include the following:

- Expected credit loss estimation and impairments of loans receivable
- Recognising and assessing the collectability of interest revenue from loans receivable
- Determination & calculation of the effective interest rate.

Note 3. Interest revenue

	31 December 2025	31 December 2024
	\$	\$
Interest revenue from loans receivable	11,684,899	9,238,181
Interest revenue from cash and cash equivalents	211,456	623,906
Total interest revenue	11,896,355	9,862,087

Note 4. Cash and cash equivalents

	31 December 2025	30 June 2025
	\$	\$
Cash at bank	7,775,056	14,970,392
Total cash and cash equivalents	7,775,056	14,970,392

ASCF High Yield Fund
Notes to the financial statements
31 December 2025

Note 4. Cash and cash equivalents (continued)

Cash at bank is restricted as it comprises investor application monies not yet deployed into mortgage investments and borrower funds held pending settlement or disbursement.

These amounts may only be applied toward funding mortgages, satisfying withdrawal requests, or returning funds to investors and borrowers, and are not available for general operating purposes. Non-lending operating expenses are borne by the Responsible Entity and are not funded from these restricted cash balances, with any such amounts recognised as related party balances where applicable.

Performance fees are calculated based on the performance of the Fund and are payable to the Responsible Entity in accordance with the Fund's governing documents.

Reconciliation of cash

Cash at end of the half-year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	31 December 2025	30 June 2025
	\$	\$
Cash at bank	7,775,056	14,970,392
Total cash and cash equivalents	7,775,056	14,970,392

Note 5. Loans receivable

	31 December 2025	30 June 2025
	\$	\$
Loans receivable	171,391,091	161,238,457
Less: Allowance for expected credit losses	(330,059)	(812,792)
Drawn commitments held in trust	-	2,420,000
Total loans receivable	171,061,032	162,845,665

At the reporting date, all trade and other receivables are due within 12 months. The entity does not have any receivable balances with contractual maturities greater than 12 months after the reporting date.

Drawn commitments held in trust represent amounts advanced in connection with approved lending facilities that are temporarily held in third-party trust accounts pending completion of customary settlement conditions.

a. Financial Commitments

As at the half-year end, the Fund had no undrawn loan commitments (30 June 2025: Nil).

b. Impairment of Financial Assets

The Directors have performed an assessment of impairments in relation to loans receivable in the statement of financial position as at the end of the year, and have determined that there has been no significant increase in credit risk during the half-year.

Current year allowance for expected credit losses represents 0.19% of total loans receivable (30 June 2025: 0.50%). Details of the provision and expense are below.

Note 5. Loans receivable (continued)

	31 December 2025	30 June 2025
	\$	\$
Allowance for expected credit losses		
Opening balance	812,792	1,287,779
Charge/(Release) to the statement of profit or loss	(482,733)	(474,987)
Closing balance	330,059	812,792
	6 Months to 31 December 2025	6 Months to 31 December 2024
	\$	\$
Impairment expense		
Loans receivable derecognised and written off	80,953	130,001
Less: recovered loans receivable previously derecognised	-	-
Net Shortfall/(Reversal)	80,953	130,001
Charge/(Reversal) to the provision	(482,733)	(385,227)
Impairment Expense/(Recovery)	(401,780)	(255,226)

Note 6. Issued Units

a. Units on Issue

The Fund has authorised 177,832,583 (30 June 2025: 178,124,410) units on issue at \$1 each amounting to \$177,832,583 (30 June 2025: 178,124,410). The Responsible Entity manages investors' funds as working capital, notwithstanding investors' funds are classified as a liability under AASB 132. The different categories in aggregate are referred to as funds under management when referring to the funds contributed by investors and are analysed as follows:

	31 December 2025	30 June 2025
	\$	\$
Number of fully paid units		
3 Month Investment Term	23,339,707	22,437,543
6 Month Investment Term	23,259,036	24,149,500
12 Month Investment Term	126,594,924	127,548,857
24 Month Investment Term	4,638,916	3,988,510
Total investor funds	177,832,583	178,124,410

Units are of equal value and Unitholders are entitled to share in the income of ASCF High Yield Fund in proportion to their Unitholding. Upon liquidation each Unitholder is entitled to a pro rata share of the Fund's net assets.

As stipulated within the Fund's Constitution, each Unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes on units, and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed at the end of the investment term in line with the Product Disclosure Statement; however, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the half-year cannot be reliably determined.

Note 7. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Note 8. Commitments and contingencies

The Fund does not have any commitments, contingent assets or contingent liabilities as at 31 December 2025.

Note 9. Financial Risk Management

All aspects of the Fund's financial risk management objectives and policies are consistent with that disclosed in the Fund's Annual Report for the year ended 30 June 2025.

Note 10. Fair Value Measurements

Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurement based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The valuation techniques selected by the Fund are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Loans and Receivables

The carrying value less expected credit losses of loans receivable is a reasonable approximation of their fair values. The allowance for expected credit losses are assessed each month by Directors as disclosed in the Fund's Annual Report for the year ended 30 June 2025. Financial assets and liabilities are recorded at amortised cost. As such, the amount expected to be settled within twelve months after the end of the half-year cannot be reliably determined.

The Responsible Entity of the Fund has a control framework in place to monitor the measurement of fair value, particularly in relation to Level 3 instruments. The principles of this control framework are based on the following activities:

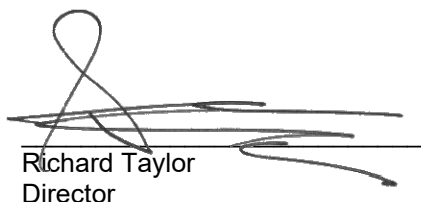
- Compliance Committee Meeting;
- Compliance Plan guidelines to determine appointment and engagement of approved registered valuers;
- Compliance Monitoring;
- Review of the Fund's Strategy; and
- Due diligence over new loans and rollover of loan facilities.

**ASCF High Yield Fund
Directors' declaration
31 December 2025**

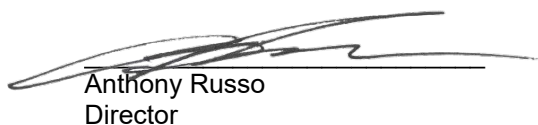
In accordance with a resolution of the Directors of ASCF High Yield Fund, the Directors of the Responsible Entity declare that:

- The interim financial statements and notes, present fairly the Fund's financial position as at 31 December 2025 and its performance for the half-year ended on that date in accordance with the Corporations Act 2001, including:
- Giving a true and fair view of its financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- Complying with Australian Accounting Standards AASB 134 Interim Financial Reporting; and

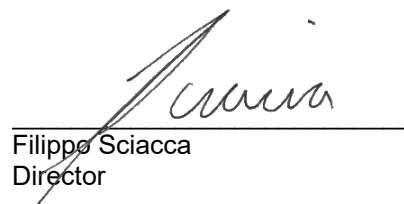
There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.



Richard Taylor
Director



Anthony Russo
Director



Filippo Sciacca
Director

3 March 2026

Grant Thornton Audit Pty Ltd

King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001
T +61 7 3222 0200

Independent Auditor's Review Report

To the Unitholders of ASCF High Yield Fund

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of ASCF High Yield Fund (the Scheme), which comprises the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of ASCF High Yield Fund does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the ASCF High Yield Fund's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' responsibility for the half-year financial report

The Directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the ASCF High Yield Fund's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Nicole Lawrence

N M Lawrence
Partner – Audit & Assurance

Brisbane, 3 March 2026