



ASCF

Australian Secure Capital Fund

Australian Secure Capital Fund Ltd Distribution Reinvestment Plan (DRP)



Important Information

Australian Secure Capital Fund Ltd (ASCF) is the Responsible Entity for—

1. ASCF High Yield Fund ARSN 616 367 330
2. ASCF Premium Capital Fund ARSN 637 973 409 and
3. ASCF Select Income Fund ARSN 616 367 410

(Retail Funds)

4. ASCF Private Fund

(Wholesale Fund)

(collectively, **Funds**).

The information contained in this notice has been issued by Australian Secure Capital Fund Ltd ACN 613 497 635 Australian Financial Services Licence 491201. Investment in the Funds is offered pursuant to a Product Disclosure Statement (PDS) for the Retail Funds or an Information Memorandum (IM) for the Wholesale Fund, each issued (as amended from time to time) by ASCF .

ASCF is pleased to offer the ASCF Distribution Reinvestment Plan (DRP) for investors (Unitholders) of the Funds.

The DRP provides Unitholders with the option to automatically reinvest their Distribution Payments*, increasing their holding of Units in the Funds.

New Unitholders may elect to participate in the DRP on the Application Form. Existing Unitholders may participate by completing and submitting a DRP Election Form.

New Units issued pursuant to the DRP will be issued on the day Distribution Payments are paid, which for the Retail Funds is within seven days of the end of each month and for the Wholesale Fund is within ten days of the end of each month.

A copy of the DRP Rules is annexed to this notice.

If you have any questions or would like to know more about the DRP or the Funds generally, then please visit ascf.com.au for the Retail Funds, or ascfprivate.com.au for the Wholesale Fund. Alternatively, if you wish to contact ASCF directly, you may call them on 1300 269 419 or email investor@ascf.com.au.

Prospective investors should read the PDS or IM (as applicable) for the Funds in its entirety before making an investment decision. A copy of the PDS and IM can be downloaded from our websites.

*Distribution Payments are not guaranteed. There is a risk that you may lose some or all of your capital and/or there may be a reduction or cessation of distributions.

Distribution Reinvestment Plan Rules

Section 1 What is the ASCF Distribution Reinvestment Plan?

- 1.1** The Australian Secure Capital Fund (ASCF) Distribution Reinvestment Plan (DRP) is a convenient way for Unitholders to increase their holding of Units in the Funds by automatically reinvesting some or all of the Distribution Payments without having to lodge an Additional Application Form each month. A Unitholder who participates in the DRP is referred to as a Participant in these Rules.
- 1.2** The DRP applies to each of the Funds. These Rules must be interpreted as separately applying to each Fund.

Section 2 Participation in the ASCF DRP

- 2.1** There are two methods for electing to participate in the ASCF DRP:
 - (a) New Unitholder**

A New Unitholder can elect to participate in the DRP from the beginning of their investment term. On the ASCF Investor Application Form, select the box for participation in the ASCF DRP.
 - (b) Existing Unitholder**

An Existing Unitholder with current Units can elect to participate in ASCF DRP. This can be done by completing a DRP Election Form and submitting it to ASCF by post, or email to investor@ascf.com.au.

- 2.2** If the DRP Election Form is completed by an individual or a body corporate under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the DRP Election Form unless the power of attorney has previously been noted by ASCF.
- 2.3** A completed Change of Investment Form received by ASCF to participate in the DRP or to vary the level of participation or to terminate participation in the DRP is not effective in respect of a Distribution unless it is received prior to the Cut Off Date for that Distribution. The Cut Off Date is 5:00PM on the 24th calendar day of each month preceding the Distribution.

- 2.4** Formal notice by way of a DRP Election Form remains in force until:
 - (a)** the Participant formally varies or terminates the Participant's participation in the DRP in accordance with these Rules; or
 - (b)** ASCF terminates the DRP, whichever occurs earlier.
- 2.5** A Unitholder will not be able to participate in the DRP until confirmed by ASCF following receipt of a fully completed Investor Application Form or DRP Election Form. ASCF will confirm receipt by sending a Welcome Letter to new Unitholders or a Confirmation Letter to Existing Unitholders.
- 2.6** ASCF may, in its absolute discretion, accept or refuse to accept in whole or in part any Investor Application Form or DRP Election Form. Without limiting the generality of the above, ASCF may from time to time determine that the right to participate in the DRP is not available to Unitholders.
- 2.7** If ASCF refuses an Investor Application Form or DRP Election Form, they must notify the relevant Unitholder of the refusal as soon as practical afterwards. ASCF will not be obliged to state reasons for the refusal.

Section 3 Eligibility to Participate in the ASCF DRP

- 3.1** All Unitholders applying for or already holding Units in a Fund are eligible to participate in the DRP.

Section 4 Participation Essentials

- 4.1** Partial withdrawals are not permitted for DRP participants. Full withdrawal may only be made at the maturity of the investment.
- 4.2** Units cannot be transferred while participating in the ASCF DRP. Any transfer of units will cease the DRP on the initial units, and once transferred, the Unitholder may, as part of the application, elect to participate in the ASCF DRP.
- 4.3** Investments participating in the ASCF DRP cannot be switched to another Fund.
- 4.4** Investment term changes (for example, a change from a 12-month term to a 3-month term) may only be made effective on the first day of any given month.

Distribution Reinvestment Plan Rules Cont.

Section 5 Levels of Participation in the ASCF DRP

5.1 Unitholders may nominate one of the following levels of participation:

(a) *Full Participation*

A Unitholder may nominate Units in all accounts registered in the name of the Unitholder, including Units subsequently acquired by the Unitholder whether under the DRP or otherwise (e.g. transfer of units), to participate in the DRP. If a Unitholder's Investor Application Form or DRP Election Form is accepted, that Unitholder will be admitted as a Full Participant.

(b) *Partial Participation*

A Unitholder may nominate the Units in specific accounts held in the name of that Unitholder in a Fund to participate in the DRP. If a Unitholder's Investor Application Form or DRP Election Form is accepted, that Unitholder will be admitted as a Partial Participant in respect of the nominated accounts only.

In respect of any one of those accounts, all of the Distribution Payments in respect of Units held in that account, and not just some, must be reinvested if the Unitholder makes an election to participate in the DRP. In other words, if the Unitholder has two accounts and elects Partial Participation in the DRP, all the units in the elected account will be reinvested.

5.2 Nominated Units are called Participating Units in these Rules.

Section 6 Changing Participation in ASCF DRP

6.1 Unitholders may change the level of participation in the DRP at any time with the submission of the DRP Election Form to ASCF. The change is not effective until ASCF issue a Confirmation Letter confirming DRP has been applied.

Section 7 Operation of ASCF DRP & how it works

7.1 Where a Unitholder is a Full Participant:

- (a)** All Units allocated or transferred to the Participant under the DRP will be added to the number of Participating Units unless a further DRP Election Form advising ASCF to the contrary has been delivered to and acknowledged by ASCF; and

- (b)** Any further Units acquired (by whatever means) by a Full Participant automatically become Participating Units on being registered in the Full Participant's name.

7.2 Units issued under the DRP in respect of a Distribution are applied at the Unit Price as at the date of Distribution.

7.3 Distributions for the Retail Funds will be paid within seven days following the end of the month, and distribution for the Wholesale Fund will be issued within ten days following the end of the month.

7.4 At the date of issue of a Distribution, ASCF will for each Participant:

- (a)** determine the Distribution payable in respect of the Participating Units which may be reinvested under the DRP;
- (b)** credit that amount in clause 7.4(a) to the Participant's DRP.

Section 8 Issuing of DRP Units

8.1 Subject to the Constitution of the relevant Fund, all Units issued under the DRP:

- (a)** Will be issued on or about the date of payment of the Distribution to which the Distribution relates; and
- (b)** Rank equally in every respect with the existing issued Units.

Section 9 Reinvested Distribution - Units Issued

9.1 Units issued under the DRP will be added to the same investment account that earned the income reinvested according to the DRP.

9.2 Provided the completed DRP Election Form is received and acknowledged by ASCF prior to the Cut Off Date (refer to clause 2.3), the income earned for the entire month after the Form is received will be reinvested or paid, depending on the request on the DRP Election Form.

9.3 If the completed DRP Election Form is received by ASCF *after* the Cut Off Date:

- (a)** *For Existing Unitholders electing to participate in DRP*

Income for that month will be paid to the Unitholders account as has previously occurred.

Distribution Reinvestment Plan Rules Cont.

- (b) *For Existing Participants of DRP who wish to cease participation*

Income for that month will be reinvested, adding to the Unitholders current Units, with the following month's income being paid to the nominated bank account.

- 9.4** Should a Unitholder wish to know how many Units have been issued following a Distribution, the Unitholder may contact ASCF at investor@ascf.com.au or they can access the information from the Investor Portal. If the Unitholder does not have the Investor Portal set up, and wish to be, contact ASCF at the above email or call 1300 269 419.

Section 10 Cost of Participating

- 10.1** No brokerage, commission or other transaction costs will be payable by Participants on Units acquired under the DRP.
- 10.2** If existing legislation changes so that at the date of any issue of Units under the DRP, any stamp duty is payable in respect of the issue, the amount of such stamp duty will be paid by the Participant to whom the Units are issued and will be debited to that Participant's DRP account.

Section 11 Unitholder Participation Termination

- 11.1** Subject to clause 2.4, a Participant may at any time terminate participation in the DRP by completing and returning to ASCF a further DRP Election Form indicating the Participant's wish to terminate participation in the DRP.
- 11.2** A Participant will be deemed to have terminated their participation in the DRP:
- (a) On receipt by ASCF of the DRP Election Form requesting termination and following confirmation by ASCF;
 - (b) On registration of a transfer or withdrawal of all Participating Units;
 - (c) On termination of the DRP by ASCF as below.

Section 12 Termination by ASCF

- 12.1** ASCF may, at its discretion, at any time resolve to:
- (a) Vary the DRP and any agreement relating to the DRP;
 - (b) Suspend the operation of the DRP; or
 - (c) Terminate the DRP.
- 12.2** Any variation, suspension or termination made in accordance with clause 12.1:
- (a) subject only to clause 12.4, is effective from the date of resolution or otherwise from the date determined by ASCF; and
 - (b) does not give rise to any liability on the part of or right of action against ASCF or related parties of ASCF, nor any of their registered or unregistered Funds.
- 12.3** ASCF must give written notification to the Participants of any variation, termination or suspension of the DRP.
- 12.4** Termination of the DRP is not effective until at least one month after the date on which notice is given by ASCF to the Participant of their intention to terminate the DRP.
- 12.5** If ASCF varies these Rules, the Participants continue to participate under the modified DRP Rules unless ASCF is notified by a Participant to the contrary by submitting a further DRP Election Form.
- 12.6** The accidental omission to give notice of any variation, suspension or termination of the DRP to any Participant or the non-receipt of any notice by any Participant does not invalidate the variation, suspension or termination of the DRP.

Section 13 Taxation

- 13.1** None of the Funds nor ASCF, its officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants.
- 13.2** Specific taxation advice from professional advisers should be obtained by the Participants.

Section 14 Governing Law

- 14.1** The DRP, these Rules and the operation of the DRP are governed by the laws of Queensland, Australia.



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