



**AUSTRALIAN
SECURITIES**

Member Investment Authorisation Tier One

The Member(s) identified in this Member Investment Authorisation [MIA]:

- ☐ Authorise the investment contribution on this sub-scheme.
- ☐ Rejects this investment contribution.
- ☐ Requests another sub-scheme be submitted for consideration.
- ☐ Requests funds be returned to the Member(s).

Member: _____

Member: _____

Date: / /

| | |
|------------------------|--|
| Sub-scheme: | D&G Brothers Management Group Pty Ltd Greigs Road Rockbank Trust 637 990 704 |
| Sub-scheme number: | 203701 |
| Sub-scheme security: | 262 - 302 Greigs Road ROCKBANK VIC 3335 |
| Interest rate type: | Fixed |
| Tier One Interest Rate | 6.25% pa |
| Sub-scheme amount: | \$2,400,000.00 |
| Maximum LVR | 40.00% |

Offer Date: 16 June 2020

Offer Closing Date: 18 June 2020

Anticipated settlement Date: 19 June 2020

| | |
|---------------------------|---|
| Member: | Redfern Family Superannuation Fund |
| Member ID: | 37431 |
| Investment contribution: | \$50,000.00 |
| Investment registered as: | Australian Securities Limited ACN 005 428 231 |
| Management fee 0.81% pa: | \$405.00 |

Investment Directions

ASL will not accept any investment contribution in a sub-scheme without a signed authority from the Members/Authorised Representative. You need to signify to us in writing your approval of this sub-scheme increase before the investment contribution can be allocated on the offer closing date.

Privately Funded since 1925

Australian Securities Limited
Level 29, 140 William Street Melbourne VIC 3000
Tel: (03) 9607 8111 Email: mail@asltd.com.au
Web: www.australiansecurities.com.au

Australian Securities Income Fund [ARSN 092 514 488]
Australian Securities Property Fund [ARSN 153 029 264]
Australian Securities Term Fund [ARSN 605 224 600]
Australian Securities Limited [ABN 69 005 428 231]
AFSL & Credit Licence No 260499



ASL Ref: 37431
Manager: Maryanne Hanlon
Direct Line: 03 9607 8133
Direct E-mail: maryanne.hanlon@asltd.com.au

16 June 2020

Redfern Family Superannuation Fund
12 Clear Water Drive
CLIFTON SPRINGS VIC 3222

Redfern Family Superannuation Fund
D&G Brothers Management Group Pty Ltd Greigs Road Rockbank Trust 637 990 704
Sub-scheme 262 - 302 Greigs Road ROCKBANK VIC 3335
New Investment Registration as Australian Securities Limited

Please find attached for your consideration a Mortgage Security Description [MSD] for the Sub-scheme of **D&G Brothers Management Group Pty Ltd Greigs Road Rockbank Trust 637 990 704**.

Please complete, sign and return the attached Member Investment Authorisation [MIA] form via post or email.
You can also accept this investment via the [ASL Online Investor Portal](#).

Your investment contribution will be registered in the name of Australian Securities Limited [ASL] under a Mortgage Trust Declaration. You will receive a Mortgage Security and Trust Declaration following registration of the mortgage by the mortgage security by the Land Registry Office (usually 30 days after settlement)

Thank you for investing in the Australian Securities Income Fund. I or If you have any queries regarding this investment or would like to invest further funds kindly contact the Investment Team.

Kind Regards,

Maryanne Hanlon | Investment Manager

Attachment:- Mortgage Security Description
- Member Investment Authorisation



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Mortgage Security Description

This Mortgage Security Description (MSD) should be read in conjunction with the Product Disclosure Statement for the Australian Securities Income Fund [ARSN 092 514 488]

T1 Mortgage® Security Description – Explanatory Notes for Tier One Investor in a TT Mortgage® Sub-Scheme

This T1 Mortgage® Security Description | T1 MSD | is submitted to you as a Member of the Australian Securities Income Fund | ASIF | using preferences you previously supplied for your choice of investment. These notes should be read in conjunction with the Product Disclosure Statement | PDS | and retained for the duration of your investment in this sub-scheme. An electronic copy of the ASIF PDS can be obtained at www.australiansecurities.com.au.

Mortgage Security

Australian Securities Limited | ASL | and its valuer approve the mortgage security in this T1 MSD as a suitable sub-scheme for ASIF Member investment. This T1 MSD contains mortgage security terms and information about the real estate on which the mortgage is registered.

Acceptance

You accept this mortgage security only after reading this MSD and by signing and returning the attached approval form.

Tier Two Sub-Scheme

You have read these Explanatory Notes for T1 Mortgage® sub-schemes and understand your investment on this security has a first ranking priority before the second tier investors within the first mortgage.

Registration

Your investment in the T1 Mortgage® Sub-Scheme prescribes your contribution to the sub-scheme will be registered over the security as a nominee Mortgage with ASL holding your interest as first ranking investor within the first mortgage as trustee.

Security Category

The mortgage security in any sub-scheme may be:

- | | | |
|---------------|------------------------------|--------------------|
| ▪ Residential | ▪ Regional/Rural | ▪ Regional/Town |
| ▪ Commercial | ▪ Development & Construction | ▪ Regional/Coastal |
| ▪ Industrial | ▪ Other | |

Contribution

The amount of your contribution for this investment is stated in this T1 MSD. You cannot increase or decrease your contribution in this sub-scheme but can request to invest in another sub-scheme without accepting this sub scheme.

T1 Interest Rate

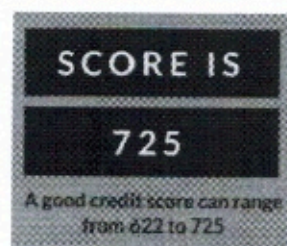
The interest rate | **mortgage rate** | is the actual rate the borrower pays. The mortgage rate is competitively set by prevailing market forces for supply and demand of funds when this T1 MSD was issued. ASL Base Rate is the interest rate advertised by ASL for mortgage securities for 1 year or longer. The mortgage rate is not the interest rate you will be paid. The 'Tier One Rate' is less than the mortgage rate to reflect the lower risk for T1 investors in the mortgage security. The T2 investors in the T2 mortgage® sub-scheme receive an interest rate above the mortgage rate. The difference in the interest rates paid in each sub-scheme reflects the different risks assumed by each sub-scheme.

Construction loans: The 'building rate' applies to construction or development loans during any construction period. Members contributing to the sub-scheme receive the benefit of additional interest in proportion to their contribution. The interest rate will reduce to the normal rate at the next interest payment date following receipt of the certificate of occupancy.

Credit Reporting Agency

Equifax is a registered Credit Agency which uses available bureau data (obtained from licenced credit providers or banks) to calculate a risk estimate to predict the likelihood of a future adverse event of failure being recorded against the Borrower. 100 High Risk rising to 1200 Reduced Risk.

Example an Equifax score of 759 means within the next 12 months chance of an adverse event is 2% and chance of failure is 0.63%



Interest Payments

Your interest payment will be deposited directly into the bank account (you nominated in the Application to the PDS) within 10 days of the first interest payment date set out in this T1 MSD.

Valuation

A valuer independently inspects and values the real estate and any improvements erected. The relevant valuation details are contained in this document. A full copy of the valuation is contained in the Mortgage Summary supplied to all contributing Members in the sub-scheme following settlement. The valuation includes the current value of land, current value of improvements, valuation on completion for construction loans and the retention amount to be held by ASL to complete the building works. The actual or estimated rental value of the security is set by the valuer.

Insurance

ASL valuer estimates replacement value of the improvements on a total loss. The borrower is required to insure the improvements for this minimum amount. The PDS contains further information.

Loan Term

The term of the loan is usually 1 to 5 years. The exact term of the loan may be extended by not more than 31 days caused by the settlement date occurring before the first interest payment date.

Loan to Valuation Ratio | LVR |

The LVR is a formula being the loan amount divided by security valuation expressed as a percentage and is usually 60% for a first or T1 mortgage and will not exceed 66.66% for a T2 mortgage.

Compliance fee

The mortgagor pays an annual compliance fee of 0.59% pa to ASL. Occasionally this fee may rise to cover higher anticipated costs to ASL and this is disclosed in this MSD when applicable.

Finance Fee Facility

When a mortgagor retains a broker to obtain their loan from ASL they may agree to pay the broker an upfront or trail fee over the life of the loan. The fee is an amount negotiated between the broker and the mortgagor. ASL facilitates to collection and payment of this finance facility on signed authority of the mortgagor and their broker.

Repayment

You will be repaid the amount of your contribution one business date after the repayment date unless you accept an extension application from the borrower outlined in a Roll Over Notice or the mortgage is in default.

Roll Over

If the borrower on this T1 MSD applies [one month before your contribution is due] to extend the loan term then you will receive a Roll Over Notice inviting you to extend the sub-scheme term for a further term at the current interest rates. Your funds will be reinvested at the rate in the Roll Over Notice unless you give written notice within 14 days of the Roll Over Notice that you require your contribution to be repaid from the sub-scheme.

Management Fee

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website www.moneysmart.gov.au has a managed investment fee calculator to help you check out different fee options.

| Type of fee or cost | Amount | How and when paid |
|---|--|---|
| Fees when your money moves in or out of the fund | | |
| Establishment fee The fee to open your investment | Nil | Not applicable |
| Contribution fee The fee for the initial and any subsequent investment you make to the Fund | Nil | Not applicable |
| Withdrawal fee¹ This is the fee on each amount you take out of your investment | Nil | Not applicable |
| Management costs Funds invested in sub scheme | 0.81% ² per annum <i>For example - \$100,000 investment</i> $\$100,000 \times 0.81\% = \810 <i>per annum</i> | The management fee is due on approval of the MSD by the investor or on rollover but is paid in arrears by deduction from interest collected or on early repayment of the loan amount. |
| Service fees | Nil | Not applicable |
| Termination fee The fee to close your investment | Nil | Not applicable |

Interest adjustments

ASL retains additional interest as part of its management cost if excess interest is collected as a consequence of any gap between the two sub-schemes and the mortgage continuing after repayment of the second tier loan.

¹ Early withdrawal is not permitted unless ASL decides exceptional circumstances exist. Refer - *Withdrawals* page 7

² This amount is inclusive of GST

Mortgage Investment Summary

After the mortgage has settled you will receive a Mortgage Investment Summary Booklet containing a summary of the mortgage details, copy mortgage and title deeds, copy valuation and copy of the TT Mortgage³ Trust Deed which sets out your first tier priority contribution and entitlements for repayment of capital and interest.

Income Statement

You will receive an annual income statement containing information you require for income tax purposes. Income statements will also be issued to you quarterly by ASL. These statements will disclose the interest rate applicable to each investment you hold, the effective date of any change in interest rate applies to your investment and the amount of any management fee deducted.

Repayment Options

All ASL mortgages contain alternatives for a borrower to repay the mortgage. Some options will attract higher interest rates for the investment. A repayment option will be included in the Investment Summary Information:

NR – No right to repay during the term of the loan (business or investment purpose loan)

CR – No right to repay during the term of the loan (domestic purpose loan)

RR – Right to repay after giving one months notice without penalty

RPR – Right to make partial repayments by multiple amounts set in the form on an interest payment date after giving written notice not less than one month before repayment. The minimum amount of any partial repayment is set out in the Security Information.

RPD – Right to partial discharges with no penalty.

PRC – Principal Reducing Credit advance applies a predetermined principal reductions on the total loan on specific dates. These repayments are applied to the separate internal investor and do not affect investors interest returns for the loan period.**R1** – Right to repay on giving one months' notice for each year remaining under the loan and paying one month's additional interest for each year remaining in the loan (maximum notice period is 3 months).

IRO – Interest reset option for the borrower to reset the interest rate at the ASL base rate on the next interest payment date.

The **ASL Base Rate** is charged for a NR or CR loan. The other options attract between 0.25% and 1.00% additional interest depending on the option selected by the borrower.

TT Mortgage³ is a two tier mortgage where the first tier of investors are paid a lower interest rate to rank in priority to the second tier investors.

Variable Interest

Variable interest denoted after interest rate in the MSD means your income on this investment will rise and fall with any movements in the target cash rate set by the Reserve Bank of Australia. The new rate will apply on interest earned after day 15 of the month when the rate change became effective and the new rate will appear in your next income statement.

Delayed Settlements

Occasionally settlement for ASL loans will occur after the scheduled settlement date and on most occasions your interest will begin to accrue from the original scheduled settlement date. ASL will provide any updates to investors on mortgages where settlement has been delayed significantly.

For assistance with this investment contact your Financial Adviser or one of our Investment Executives on 03 9607 8111 or email investment@asltd.com.au.

³ TT Mortgage³ is a registered trademark of Australian Securities Limited



Australian Securities Income Fund

ARSN 092 514 488
Responsible Entity: Australian Securities Limited
ACN 005 428 231 AFSL 260499
Level 29, 140 William Street, Melbourne Vic 3000
Tel: 03 9607 8111
E-mail: investment@asitd.com.au

Mortgage Security Description

| MSD |

First Mortgage - Tier 1

Sub Scheme

| | | | |
|-------------------------------------|--|-------------------------------------|-----------------------|
| Name | DG Brothers | Reference | 203701 |
| Loan | \$2,400,000.00 | Interest rate | 6.25% pa |
| Retention sum | \$328,320 – 24 months interest & compliance fees | Payments | Monthly |
| Term | 2 Years | Loan to Value Ratio (LVR) | 40.00% |
| Due Date | 15 June 2022 | Anticipated Settlement Date: | 15 June 2020 |
| Interest type | Fixed | First Interest Payment | 15 June 2020 |
| Repayment Option | NR | Credit code | Business / Investment |
| Partial repayment amount | Not Applicable | Credit score | 708 |
| Borrower Compliance fee rate | 0.59% pa | Total Loan Advance | \$2,400,000.00 |

| | | | |
|--------------------------|--|---------------------|---------------|
| Security | 262 - 302 Greigs Road ROCKBANK VIC 3335 | | |
| Valuer | Commercial Business Sales & Property Valuers | | |
| Current | \$6,000,000.00 | Inspected | 21 May 2020 |
| Land | \$6,000,000.00 | LVR | 40.00% |
| Building | \$0.00 | Occupant | Vacant |
| Insurance | \$450,000.00 | Rental Value | \$1,950.00 pm |
| Security Category | Land | Land Size | 5.317HA |

Inspection Summary

Location

The suburb of Rockbank is located approximately 25 km's West of the Melbourne Central Business District. Main arterial roads include Greigs Road, Western Freeway and Hopkins Road.

Improvements

The property consists of 5.317HA of raw land zoned in an Urban Growth zone. In accordance with the Rockbank PSP the property number on the plan 106 and having a total land area of 5.27 hectares of which 0.02 hectares is set aside for arterial road widening and intersection flaring and 0.50 hectares is set aside for local Park via CL52.01. Therefore, the total developable land is 4.75 hectares.

Currently, the property comprises of a three-bedroom dwelling built in the 1970s.

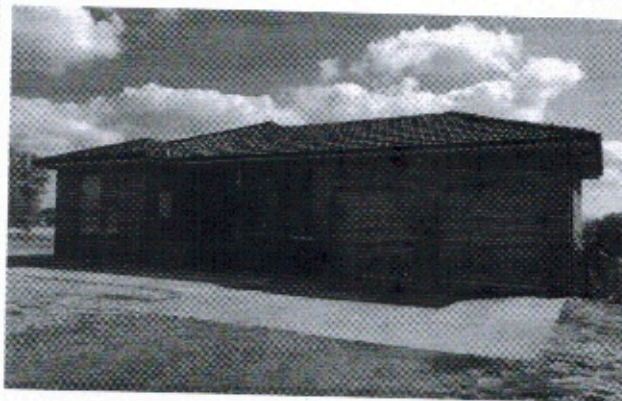
Remarks

This property is next door to the "Hillgrove Rockbank" development which is currently being subdivided by the borrower. It is intended that once Stage 8 of the Hillgrove Rockbank subdivision is completed in July 2021; plans will be obtained to commence works on this site for a 93 lot subdivision.

The property has been valued at \$6,650,000 however the valuer has reported a longer than normal selling period between 6-12 months with a longer than usual settlement period of 1-2 years. Due to the extended selling and settlement periods a discount has been applied to the valuation.

The valuation amount adopted is \$6,000,000.

ASL interest for 2 year loan term to be prepaid.



Prepared on: 16 June 2020