

COVID-19 Market Update: 20 March 2020

Australian Unity Select Income Fund (SIF)

- SIF is an unlisted mortgage fund which offers investment in commercial first registered mortgages which predominantly finance residential development loans.
- Since Australian Unity took over management of SIF five years ago it has been successfully providing investors income returns ranging from 7.00% to 9.00% pa.
- Across SIF's portfolio of mortgages, as at 29 February 2020 the average loan to value ratio (LVR) is approximately 64%, based on the cost to complete a development.

The Select Income Fund is an unlisted mortgage fund which offers investment in commercial first registered mortgages which predominantly finance residential development loans.

Since we took over management of the Fund five years ago it has been successfully providing investors income returns ranging from 7.00% to 9.00% pa. In that time, with the support of our investors the Fund has grown to almost \$250 million in size, financing in excess of 70 residential developments which serves Australia's population boom, each mortgage ending in a full repayment of capital to investors.

Our mortgages are subject to a conservative, **stringent credit assessment** and valuation process. For example, across the Fund's portfolio of mortgages, as at 29 February 2020 the average loan to value ratio (LVR) is approximately 64%, based on the cost to complete a development. We expect that this LVR allows some headroom for borrowers and developers in the event they experience delays in construction programs or if residential values decline.

Our experienced management team actively engages with the Fund's borrowers and development partners to assess and identify risks as they arise, and we actively take steps to mitigate risk with the aim to protect investors' income and capital.

Important Information

The interests in the Australian Unity Select Income Fund ARSN 091 886 789 are issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454. Information provided here is general information only and current at the time of publication and does not take into account your objectives, financial situation or needs. In deciding whether to acquire, hold or dispose of the product you should obtain a copy of the Product Disclosure Statement (PDS) and seek professional financial and taxation advice. This information is intended for recipients in Australia only. Past performance is not a reliable indicator of future performance.

Interest rates, Loan to Value Ratios (LVRs) and investment terms are subject to a number of assumptions and risk that are detailed in the PDS and SPDS. **Interest rates quoted are not guaranteed.**