



Australian Securities Property Fund

ARSN 153 029 264

Responsible Entity: Australian Securities Limited ACN 005 428 231

Level 29, 140 William Street, Melbourne Vic 3000

Tel: 03 9607 8111 Fax: 03 9602 2296

E-mail: propertyinvestment@asltd.com.au

**ASIC Benchmark Overview
Supplementary PDS**

#	Benchmark	Overview	Application to ASPF
1.	Gearing Policy	The responsible entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility level.	Benchmark met. The gearing ratio must not exceed 50% of the total value of the Sub-scheme at the time the loan is advanced. <i>PDS – Page 9 (Borrowings)</i>
2.	Interest Cover Policy	The responsible entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level.	Benchmark met. All interest on credit facilities must be met by the gross income of the Sub-scheme property (i.e. interest coverage must be at least 1. However, due to the gearing policy, this is generally expected to be significantly higher than 1). <i>PDS – Page 9 (Borrowings)</i>
3.	Interest Capitalisation	The interest expense of the scheme is not capitalised.	Benchmark met. All interest on credit facilities must be met by the gross income of the Sub-scheme property. <i>PDS – Page 9 (Borrowings)</i>
4.	Valuation Policy	The responsible entity maintains and complies with a written valuation policy that requires: (a) a valuer to: (i) be registered or licensed in the relevant state, territory or overseas jurisdiction in which the property is located (where a registration or licensing regime exists), or otherwise be a member of an appropriate professional body in that jurisdiction; and (ii) be independent; (b) procedures to be followed for dealing with any conflicts of interest; (c) rotation and diversity of valuers; (d) valuations to be obtained in accordance with a set timetable; and (e) for each property, an independent valuation to be obtained: (i) before the property is purchased: - for a development property on an 'as is' basis' and 'as if complete basis'; and - for all other property, on an 'as is' basis; and (ii) within two months after the directors form a view that there is a likelihood that there has been a material change in the value of the property.	Benchmark met. - ASL Valuers must be a certified practising valuer, a member of the Australia Property Institute (or equivalent) and must have at least 5 years experience in valuing similar properties. - ASL Valuers must immediately disclose any conflicts of interest. - ASL is required to select a valuer from its valuation panel by rotation. - All valuations must be obtained with specific timeframes set out in ASPF's compliance plan. - ASL obtains an independent valuation prior to the acquisition of a property. Details of the Australian Securities Property Fund valuation policy can be obtained from ASL.
5.	Related Party Transactions	The responsible entity maintains and complies with a written policy on related party transactions, including the assessment and approval process for such transactions and arrangements to manage conflicts of interest.	Benchmark met. ASL must assess any conflict arising from the proposed involvement of related parties. Related parties may contribute as an investor in any Sub-scheme. More details of ASPF's management of related party transactions can be found in ASPF's compliance plan.
6.	Distribution Practices	The Scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution.	Benchmark met. Each Sub-scheme will only pay distributions from its cash from operations (excluding borrowings) available for distribution. ASL management fees as set out in the PDS are deducted from the monthly distribution. <i>PDS – Page 15</i>