ASIC Benchmark & Disclosure Principles

ASIC Regulatory Guide RG45 (revised 9 May 2012) has eight benchmarks for unlisted mortgage schemes for Scheme Members and prospective retail or wholesale investors to better understand and assess the risks, rewards and suitability of this form of investment. ASL explains how its Fund deals with each benchmark in the ASIC Benchmark Overview below. ASL will provide updates to investors regularly via its website.

References to the Product Disclosure Statement | PDS | provide more information on each benchmark.

	Benchmark & Disclosure Principle	Overview	ASTF	Product Disclosure Statement Reference
1	**Liquidity**	Addresses the schemes ability to satisfy withdrawal requests and other operational commitments	**ASTF complies with this benchmark**. ASTF complies with this benchmark by maintaining and continually updating its cash flow forecasts over a forecast twelve (12) month period to ensure it can meet its expenses, liabilities and other cash flow needs for the next twelve (12) months. The cash flow forecasts are approved by the Board when they meet every three (3) months. The cash flow forecasts are used to ensure there are sufficient liquid assets held in readily realisable investments to meet redemption requests.	Page 8 (Withdrawals) Page 13 (Risk)
2	**Scheme Borrowing**	Addresses the Scheme's policy on borrowing	**ASTF complies with this benchmark.** ASTF does not have current borrowings and does not intend to borrow on behalf of the scheme.	Not Applicable
3	**Portfolio Diversification**	Addresses the scheme's lending practices and portfolio risk	**ASTF does not comply with this benchmark.** ASTF holds a diversified portfolio of: (a) mortgage securities and (b) cash equivalent investments. All loans made by the scheme are secured by first mortgages over real property (including registered leasehold title). All mortgage investments made by the scheme in ASIF are on the basis that such investments are first registered mortgages over real property and meet the requirement for direct mortgage investments by ASTF. The Fund will not comply with aspects of this benchmark at inception as it may have an investment that exceeds 5% of the total scheme assets. In addition, ASL will disclose key components of the Fund's investment portfolio on a quarterly basis to current investors in the Fund.	Page 4 (Investment Selection Criteria)
4.	**Related Party Transactions**	Addresses the risks associated with related party lending, investments and transaction	**ASTF complies with this benchmark**. ASTF Constitution prohibits related party borrowings (i.e. via mortgage securities). Related parties may contribute as an investor to ASTF in accordance with the ASTF Constitution and PDS. ASL benchmarks the effectiveness, relevance and service value of all service providers which includes all related parties.	Page 3 (About ASL)

5.	**Valuation Policy**	Addresses the scheme's property related valuation practices	**ASTF complies with this benchmark.** Licensed valuers (from ASL's approved panel) value each property over which a mortgage security is being taken, in accordance with valuation standards. Properties are valued on an "as is" basis. Valuations must be less than 3 months old before funds are advanced for mortgage securities. Independent re-valuations are obtained when a loan is renewed after 3 years or within two months of a likelihood that the security property valuation decrease may have caused a material breach of a loan covenant. Valuer certifies their valuation complies with current valuation standards. The Valuation Policy is contained in the ASTF Compliance Plan (or for ASIF investments in the ASIF Compliance Plan).	Page 5 (Valuation Policy)
6.	**Lending Principles (Loan to Valuation Ratios)**	Addresses the scheme's property related lending practices	**ASTF complies with this benchmark** Loan to valuation ratios are limited to a maximum of 66% "as is" value below the ASIC benchmark of 80%. Lower Loan to Valuation ratios may be enforced by ASL to reflect higher risk for a specific security. The maximum and weighted average loan-to-valuation ratios of the Fund are disclosed on a quarterly basis.	Page 4 (Investment Selection Criteria)
7.	**Distribution Practices**	Addresses the transparency of the scheme's distribution practices	**ASTF complies with this benchmark** Failure by the borrower to pay interest on time is a risk to the income of investors in the Fund. ASL does not guarantee interest payments. ASTF only distributes income made from the Fund's investments. However, the Income Assurance Fund is used to manage income risks associated with borrower default. The use of the Income Assurance Fund is at the discretion of ASL. Fixed income or variable income [tied to the cash target rate set by the RBA] and paid monthly to investors based on the daily interest earned by the Fund. ASL management fees as set out in the PDS are deducted from the monthly interest payment.	Page 9 (Income Distributions)
8.	**Withdrawal arrangements**	Addresses the transparency of the responsible entity's approach to withdrawals of investments	**ASTF complies with this benchmark.** ASTF allows an investor to withdraw each deposit 90 days after each deposit and subject to 14 days notice being given by the investor and their being at least 66% (by value) of the scheme property that is: (a) money in an account or on deposit with a bank and available for withdrawal immediately or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or (b) assets that ASL can reasonably expect to realise for market value within 10 business days.	Page 8 (Withdrawals) Page 9 (Early Withdrawal)

AUSTRALIAN SECURITIES

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