

Freehold Debt Income Fund

FEBRUARY 2021 INVESTMENT UPDATE

FREEHOLD
Investment Management

OVERVIEW

The Fund's investment objective is to provide investors with a total annualised return of between 7 – 8% p.a. paid through a monthly income stream derived from a diversified pool of loans. The underlying portfolio of loans is primarily secured by registered first ranking mortgages held over Australian property financing real estate development, construction and ownership across the east coast of Australia. The Fund does not lend directly to real estate companies, but through Special Purpose Vehicles (SPVs) and funds established by Alceon, a leading Australian non-bank corporate lender and investment firm.

Investment Performance

	1 Month	3 Month	6 Month	1 Year	Since Inception
Net Return (cumulative)	0.55%	2.06%	4.16%	8.51%	12.36%
Net Return (annualised)	6.65%	8.24%	8.31%	8.51%	8.72%
Distribution (cumulative)	0.59%	2.18%	4.15%	8.36%	11.30%
Distribution (annualised)	7.12%	8.72%	8.29%	8.36%	7.97%

Most of the portfolio represents senior debt (98%) with a monthly coupon (90%). The underlying portfolio continues to be conservatively positioned with the weighted average LVR at 54%. Over the near term, the Fund will focus predominantly on lowly leveraged senior debt opportunities, along with some limited capacity for mezzanine and preferred equity.

Key Portfolio Metrics

Average LVR	54.30%
Average Duration	12.0 months
Number of Loan Facilities	38
Number of Borrowers	25
Senior Facilities	98% of portfolio



Asset Type

- Residential Construction
- Residential Land
- Residential Completed Stock
- Mixed Use
- Retail
- Corporate Loan

Geography

- Sydney
- Melbourne
- Other Capitals
- Regional

Fund Details

Fund Inception Date	1-Oct-19
Fund Size	33,188,017
Objective (1)	7 - 8% p.a.
Investment Timeframe	3 - 5 Years
Min. Investment	\$100,000
Income Distribution	Monthly
Unit Pricing	Monthly
Management Costs	1.75% p.a.
Performance Fees	10% over 3-month BBSW
Trustee and Investment Manager	Freehold Investment Management Ltd
Sub-Investment Manager	Alceon Real Asset Management Pty Ltd
Auditor	Moore Australia
APIR Code	FRM9005AU
ISIN Code	AU60FRM90055



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Important Notice

Notes:

1) Please note, this is an objective and not a forecast. No returns are guaranteed.

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