

# Freehold Debt Income Fund

**FREEHOLD**  
Investment Management

JUNE 2020 INVESTMENT UPDATE

## 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.

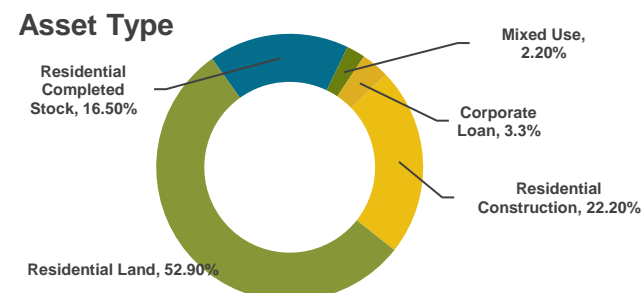
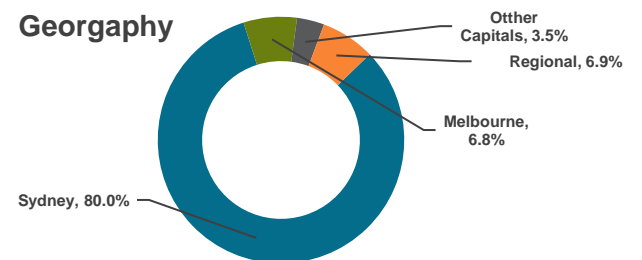
## Investment Performance

Monthly Returns	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
Net Return (monthly)	0.71%	0.69%	0.72%	0.72%	0.64%	0.73%	0.67%	0.72%	0.68%
Net Return (annual)	8.58%	8.32%	8.61%	8.70%	7.69%	8.82%	7.99%	8.66%	8.15%
Distribution	-	0.56%	0.67%	0.68%	0.69%	0.68%	0.47%	0.59%	0.94%
Distribution (annualised)	-	6.75%	8.01%	8.11%	8.23%	8.15%	5.62%	7.04%	11.26%

Most of the portfolio represents senior debt (98%) with a monthly coupon (86%). The underlying portfolio continues to be conservatively positioned with the weighted average LVR at 53%. 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	53.3%
Average Duration	13.1 months
Number of Loan Facilities	33
Number of Borrowers	20
Senior Facilities	98% of portfolio



## Fund Details

Fund Inception Date	1 October 2019
Fund Size	\$20,676,472
Objective (1)	7 – 8 % p.a.
Investment Timeframe	3-5 Years
Minimum Investment	\$100,000
Income Distribution	Monthly
Unit Pricing	Monthly
Management Costs	1.75% per annum
Performance Fee	10% over the 3-month BBSW
Trustee and Investment Manager	Freehold Investment Management Ltd
Sub-Investment Manager	Alceon Real Asset Management Pty Ltd
Auditor	Moore Stephens
APIR Code	FRM9005AU
ISIN Code	AU60FRM90055



## Important Notice

**Notes:**

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

The information in this document has been prepared by Freehold Investment Management Limited (**Freehold**), AFSL 339008. For the exclusive use of the recipient, who warrants by receipt of this material that they are a wholesale client as defined under the Corporations Act 2001 (Cth). This material is intended only for wholesale clients and must not be relied or acted upon by retail clients. This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should therefore assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

This material is not a securities recommendation or an offer or solicitation with respect to the purchase or sale of any securities in any jurisdiction. This document is not a prospectus, product disclosure statement, disclosure document or other offer document under Australian law or under any other law. This document is not, and does not constitute, financial product advice, an offer to sell or the solicitation, invitation or recommendation to purchase any securities and neither this document nor anything contained within it will form the basis of any contract or commitment. Reliance should not be placed on the information or opinions contained in this document.

Before making a decision to invest in the Freehold Debt Income Fund (**Fund**), you should obtain and read a copy of the Information Memorandum (**IM**) for the offer of units in the Fund. Freehold is the issuer of the IM and of units in the Fund.

