

## FIXED TERM MORTGAGE FUND NO. 2

FACTS & UPDATE  
June 2009



### Fund objective

The aim of the Fund is to provide investors with a high level of income return on their capital over a fixed term, primarily through investment in Registered First Mortgages.

### Risk and return profile

The level of income distributions will vary depending upon the level of mortgage and money market interest rates which may rise as well as fall.

All mortgage funds carry investment risk. Investors may risk losing all or some of their investment.

### Present strategy

We continue to manage the Fund in line with our long established conservative mortgage lending guidelines. These place particular emphasis on the borrower's

capacity to service the loan and the quality of the security property.

We seek to minimise risk by diversifying loans by both geography and property types.

### Investment style

The Fund is a conservatively managed mortgage Fund primarily investing in Registered First Mortgage loans. All loans must comply with our mortgage lending guidelines which are designed to maximise the quality of both:

- The borrower (including their capacity to service)
- The security property.

All loans are secured by first mortgages over freehold property located in Australia which is either income producing or owner occupied. No loan exceeds an amount equal to two thirds of an independent valuation made at the time of the loan.

## Key features

Interest is accrued daily and distributed quarterly – within 14 days of the last day of January, April, July and October

Size as at 30 June 2009	\$54.80 million
Units on issue	54.80 million
Value of units	\$54.80 million
Management Expense Ratio (MER)*	
Year Ended 30/07/08	MER 1.20%
Annual management fee	1.025% inclusive of the net effect of GST
Minimum initial investment	\$2,000
Minimum additional investment	\$1,000
Minimum ongoing balance	\$1,000
Withdrawals	Funds will be available 24 hours after maturity of the fixed term selected by the investor

\* Previous MERs are not a reliable measure of future fees to be paid or expenses to be incurred.

## Fund performance to 30 June 2009

Annual Returns	1 Year %	3 Years % p.a.	5 Years % p.a.
Fixed Term Mortgage Common Fund	6.20	5.83	5.31

Source: Trust Company Limited – Returns are net of fees without deduction of income tax.  
There is a risk that the investment may achieve lower than expected returns.

## Availability and Maturity Dates for Investments

Maturity date	Available for investment
30 April 2011	until 31 October 2009
31 October 2011	until 30 April 2010
30 April 2012	from 1 November 2008
31 October 2012	from 1 May 2009

## Benchmark data update

at 30 June 2009

### Benchmark 1: Liquidity

#### Asset Allocation

Cash	40.73%
Mortgages	59.26%

### Benchmark 2: Scheme borrowing

No changes

### Benchmark 3: Portfolio diversification

#### Size of the Fund

\$54.80 million

#### Location of security properties

Victoria	69.77%
NSW	23.26%
Queensland	6.97%

#### Mortgage security properties sector spread

Retail	46.52%
Commercial	13.96%
Industrial	37.21%
Residential	2.33%

#### Mortgages by interest rate profile

C1 (%) Interest rate	C2 (\$ Value	C3 (%) Percentage of Total
6.50 - 7.00	23,039,850	70.95
7.01 - 7.50	7,273,750	22.40
7.51 - 8.00	1,050,000	3.23
8.01 - 8.50	1,112,000	3.42
	32,475,600	100.00

### Mortgages by maturity profile

Period maturing	(%) Percentage of total
0 - 6 months	44.35
6 - 12 months	34.22
12 - 18 months	14.92
18 - 24 months	5.43
24 - 30 months	1.08
30 - 36 months	2.0
36 - 42 months	0
42 - 48 months	0
48 - 54 months	0
54 - 60 months	0
	100

### Total money lent to the ten largest borrowers:

\$17,383,000

### Breakdown of mortgagors

There are 43 mortgagors within the Fund representing 51 loan accounts

Borrower	(\$)	Loan value	(%) Percentage of Fund
Borrower 1	3,640,000		6.65
Borrower 2	3,068,000		5.60
Borrower 3	2,000,000		3.65

### Loans in arrears

There are no loans in arrears as at 30 June 2009

### Loan to value ratio lender profile

LVR%	Number of loans	Value
10.53 - 20	3	1,280,000
21 - 30	4	2,041,000
31 - 40	3	1,500,000
41 - 50	6	3,917,000
51 - 60	8	5,465,000
61 - 66.66	19	18,637,600

### Benchmark 4: Related party transactions

There are no related party transactions.

## Benchmark 5: Valuation policy

### Valuer diversification

Valuer	% of total valuation work
Valuer 1	41.86
Valuer 2	20.93
Valuer 3	11.63
Other valuers	25.60

### Loans greater than 5% of Loan Portfolio

Name	% of Loan Book	LVR	Security Valuation	Valuation Date	Loan Maturity
Loan 1	11.21	61.62%	5,907,500	1/2/07	15/1/10
Loan 2	9.45	66.66%	4,602,500	22/9/06	19/1/10
Loan 3	6.16	52.29%	3,825,000	11/12/06	29/9/09
Loan 4	6.04	66.66%	2,940,000	19/4/07	19/1/10

## Benchmark 6: Lending principles

### Property location

Metropolitan	95.34%
Regional	4.66%

## Benchmark 7: Distribution practices

No changes

## Benchmark 8:

No changes

If you have any queries on the Fund, call our Client Services team on 1800 612 822.

Trust Company Limited ABN 59 004 027 749

Trust Company Limited ABN 59 004 027 749 (Trust Company) is the responsible entity and issuer of units in the Fund.

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