

Advance Mortgage Fund

~~ADVANCE~~

SINGLE MANAGER FUND

Effective rate for October 2011

7.54% pa¹

The Advance Mortgage Fund (Fund) is currently closed to new/additional deposits and withdrawals. The Fund however continues to provide a regular source of income to investors.

Reasons to invest in the Advance Mortgage Fund

Nil exit fees

Unlike our competitors, the Advance Mortgage Fund does not charge withdrawal or termination fees.

Conservative LVR

The average LVR as at the end of October 2011 was 71.59%. The maximum LVR allowed is 75%, which is the maximum the Fund will lend of the value of the mortgage.

Monthly distributions

Monthly distributions paid directly into your bank account.

No residential mortgages

Advance reduces risk of capital loss by not loaning to residential owner occupiers.

Loan size

Mortgage sizes are limited to ensure that investor capital is not overexposed to any one property.

Competitive monthly rate

Advance provides one of the best monthly rates in the market.

Portfolio blend

The Advance Mortgage Fund can compliment your other investments.

Mortgage portfolio information

Investment management

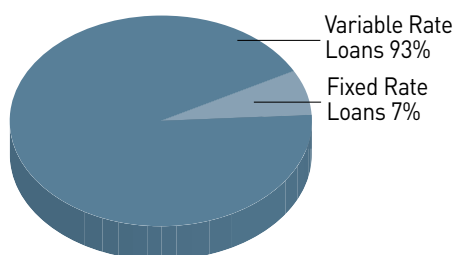
The underlying investment manager is MacarthurCook Fund Management Limited, a wholly owned subsidiary of MacarthurCook Limited. MacarthurCook is an ASX listed specialist manager focused on the management of mortgage, property and real estate securities and currently manages approximately \$1.1 billion² of assets on behalf of over 20,000 clients internationally.

Investment style

A conservative investment approach ensures consistent performance across a range of market conditions. The Fund's mortgage portfolio is diversified at a number of levels including sector, interest rate type, geographic location and loan size.

The maximum loan-to-valuation ratio (LVR) of any mortgage is 75% of an independent valuation from an approved valuer.

Interest rate type



Source: Advance, 31 October 2011.

31 October 2011	
90 Day Bank Bill Swap rate	4.70%
3 year Bank Swap rate	4.37%
5 year Bank Swap rate	4.72%
Australian 10 year Bond rate	4.51%

Property type profile

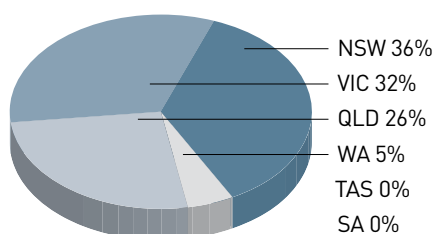
Advance Mortgage Fund's portfolio includes loans for commercial purposes only. These loans are still able to be secured by residential properties, but the Advance Mortgage Fund doesn't lend to residential owner occupiers.

Type	% Value of Loans
Retail	53%
Commercial	36%
Industrial	6%
Other – Non-specialised	2%
Residential ³	3%
Land	0%
Total	100%

Source: Advance, 31 October 2011.

Geographic distribution

The Advance Mortgage Fund's Portfolio investments are spread across Australia to further increase diversification and risk minimisation.



Source: Advance, 31 October 2011.

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advance.com.au

1. The rate quoted is an effective wholesale rate for the month of October 2011 only and then will vary monthly based on the monthly fund returns. The effective rate assumes distributions are reinvested and income remains constant over a 12 month period. The effective retail rate for the month of October 2011 is 6.88% pa Past performance is not a reliable indicator of future performance.

2. As at June 2009.

3. Residential investment only, ie properties that are tenanted by a third party.

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