

**ASSURED MORTGAGE FUND
ARSN 089 809 067**

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

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Registered Office & Principal Place of Business:
Suite 1, Surfers Hawaiian
2890 Gold Coast Highway
Surfers Paradise QLD 4217

ASSURED MORTGAGE FUND
ARSN 089 809 067

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

The Directors of Assured Management Limited (the 'Responsible Entity'), the Responsible Entity of Assured Mortgage Fund (the 'Fund'), submit their report together with the financial report of the Fund, for the half-year ended 31 December 2020.

Directors

The names of each person who has been a Director of the Responsible Entity during the year and to the date of this report are:

Stephen John Davoren – Managing Director
Michael Joseph Coman – Director
Nicholas James Davoren – Director

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

Net profit attributable to Unitholders for the half-year ended 31 December 2020 was \$nil (2019: \$nil).

The current distribution rate is between 7.5% to 9.5% per annum (2019: from 8.5% to 9.5% per annum). The rate of distributions paid to each investor is set at the time of entering into the mortgage investment.

Distributions paid or payable to Unitholders during the half-year ended 31 December 2020 totalled \$3,872,829 (2019: \$4,487,458).

The Fund had a total gross Loan Receivables of \$72,983,241 (27 Loans) as at 31 December 2020 which has decreased from \$82,295,382 (34 Loans) at 30 June 2020. The Directors have been working hard to source new loans and the demand for loans has increased.

Loans in 'Technical Default' as at 31 December 2020

As at 31 December 2020, the Fund had five (5) loans in technical default, in that the due date for repayment of principal had passed, but all other loan commitments (including payment of interest) were being met.

Loan 219

This loan is in technical default as at 31 December 2020, as it is passed its maturity date of 28 February 2020. The Assured Interest Program had been applied to this loan over a period of four (4) months during the course of the year and the Borrower subsequently repaid all interest owing. The Borrower again failed to pay interest in January 2021 and a reduction to the loan was made in early February 2021. The Borrower has since repaid the loan and all outstanding interest on 26 February 2021.

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Loans in 'Technical Default' as at 31 December 2020 (Cont'd)

Loan 258

This loan was in technical default as at 31 December 2020, as it is passed its maturity date of 7 November 2020. Interest has continued to be paid at all times. The Borrower has indicated that full repayment of the loan is imminent.

Loan 279

This loan was in technical default as at 31 December 2020, as it is passed its maturity date of 8 November 2020. Interest has continued to be paid at all times. The Borrower has been approved for a roll over of the loan facility for a further period of twelve (12) months. The roll over of this facility occurred on 8 February 2021 for a further twelve (12) months.

Loan 299

This loan was in technical default as at 31 December 2020, as it is passed its maturity date of 7 February 2020. An application has been received to rollover the loan for a further period of twelve (12) months and the Directors are currently completing their due diligence on this application. The term of the loan has been prolonged due to issues with Council requirement which are currently being rectified. A part payment of interest has been received for the month of January 2021 and the Borrower has advised that the balance of the interest payment is imminent.

Loan 313

This loan was in technical default as at 31 December 2020, as it is passed its maturity date of 5 October 2020. All interest has continued to be paid by the Borrower. Completion date has been set for late February 2021 with Council inspections to follow shortly after. Titles are expected to issue in early March 2021 with an expected repayment of the loan in March 2021.

Loans in 'Default' as at 31 December 2020

As at 31 December 2020, the Fund had one (1) loan in default totalling \$2,834,730, being 4% of the total loan book. No 'Provision for Impairment' has been raised in relation to this loan.

Loan 268

This loan went into default as the Borrower failed to pay interest in February 2020. The Assured Interest Program is currently being applied to this loan. Further reductions to the loan have been conducted and the loan has been reduced to \$2,055,179.46. There are six (6) remaining units to be sold, all of which are currently under negotiation. The sale of the units have been netting approximately \$400,000 per Lot. The Directors do not believe that there will be any impairment associated with this loan and full capital will be returned to the investors.

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**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

Loans in 'Default' or 'Technical Default' After Balance Date

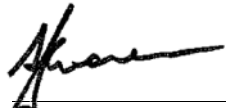
Loan 297

Loan went into 'technical default' on 28 February 2021, as it had passed its maturity date. Settlements are currently taking place and the loan is expected to pay out in full in the coming weeks. Interest has at all times been paid in full by the Borrower.

Auditor's Independence Declaration

The auditor's independence declaration under s307C of the *Corporations Act 2001* is set out on Page 4 for the half-year ended 31 December 2020.

Signed in accordance with a resolution of the Directors of Assured Management Limited, as Responsible Entity for Assured Mortgage Fund, at Mermaid Beach this 5th day of March 2021:



Stephen John Davoren
Director



Michael Joseph Coman
Director



AUDITOR’S INDEPENDENCE DECLARATION


As lead auditor for the review of the financial report of Assured Mortgage Fund for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Dated at Robina this 5th day of March 2021.

**THOMAS NOBLE & RUSSELL
 CHARTERED ACCOUNTANTS**

Per:



.....
 K R FRANEY (Partner)
 Registered Company Auditor

ASSURED MORTGAGE FUND
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CONDENSED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December	31 December
	2020	2019
	\$	\$
Revenue		
Application Fees	723,824	886,853
Interest Revenue - Cash and Cash Equivalents	19,739	22,294
Interest Revenue - Loans Receivable	4,902,431	5,646,423
Release Fees	90,915	53,515
Default Interest	142,450	273,195
Credit Impairment Charge (Unit Holders Funds)	(605,941)	146,221
Credit Impairment Charge (Responsible Entity)	(385,687)	-
Fees Paid to the Responsible Entity Forgiven	249,685	-
	<u>5,137,415</u>	<u>7,028,501</u>
Expenses		
Fees Paid to the Responsible Entity:		
Application Fees	678,463	824,878
Assured Interest Program Facility Fee	120,416	146,164
Management Fees	977,796	1,100,719
Release Fees	84,716	49,866
Default Interest	142,450	273,195
Application Fees, Interest and Default Interest Written-Off	252,373	-
Credit Impairment Charge (Loans Receivable)	(605,941)	146,221
Credit Impairment Charge (Interest and Other Receivables)	(385,687)	-
	<u>1,264,586</u>	<u>2,541,043</u>
Profit for the Period	<u>3,872,829</u>	<u>4,487,458</u>
Distributions to Unitholders	(3,872,829)	(4,487,458)
Other Comprehensive Income	<u>-</u>	<u>-</u>
Change in Net Assets Attributable to Unitholders	<u><u>-</u></u>	<u><u>-</u></u>

These financial statements should be read in conjunction with the accompanying notes.

ASSURED MORTGAGE FUND
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CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Cash and Cash Equivalents		21,624,399	10,316,417
Interest and Other Receivables		1,540,558	2,016,369
Loans Receivable	3(a)	65,848,553	75,045,670
Other Assets		1,045,895	1,104,420
Total Assets		90,059,403	88,482,876
Liabilities			
Trade and Other Payables		1,549,676	2,225,665
Other Liabilities		1,045,895	1,104,420
Total Liabilities (Excluding Net Assets Attributable to Unitholders)		2,595,571	3,330,085
Net Assets Attributable to Unitholders	5	87,463,833	85,152,791

These financial statements should be read in conjunction with the accompanying notes.

ASSURED MORTGAGE FUND
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**CONDENSED STATEMENT OF CHANGES IN
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Total Units on Issue	Net Assets Attributable to Unitholders (Calculated in accordance with redemption requirements)	Net Assets Attributable to Unitholders (Calculated in accordance with AASB)
	#	\$	\$
Balance as at 1 July 2019	99,788,831	99,788,831	99,788,831
Issue of Redeemable Units	3,462,747	3,462,747	3,462,747
Redemption of Redeemable Units	(6,581,000)	(6,581,000)	(6,581,000)
Allowance for Impairment	146,221	146,221	146,221
Balance as at 31 December 2019	<u>96,816,799</u>	<u>96,816,799</u>	<u>96,816,799</u>
Balance as at 1 July 2020	86,744,408	86,744,408	86,744,408
Issue of Redeemable Units	7,436,425	7,436,425	7,436,425
Redemption of Redeemable Units	(5,731,325)	(5,731,325)	(5,731,325)
Allowance for Impairment	(985,675)	(985,675)	(985,675)
Balance as at 31 December 2020	<u>87,463,833</u>	<u>87,463,833</u>	<u>87,463,833</u>

These financial statements should be read in conjunction with the accompanying notes.

ASSURED MORTGAGE FUND
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CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020	31 December 2019
	\$	\$
	Inflows / (Outflows)	Inflows / (Outflows)
Cash Flows from Operating Activities		
Interest Received	5,006,737	5,838,643
Other Revenue Received	1,075,569	1,084,599
GST Received	326,950	68,163
Payments for Operating Expenses	<u>(2,714,109)</u>	<u>(2,343,529)</u>
Net Cash Provided by / (Used in) Operating Activities	<u>3,695,147</u>	<u>4,647,875</u>
Cash Flows from Investing Activities		
Loans Advanced to Borrowers	(32,027,668)	(21,801,806)
Loans Repaid by Borrowers	<u>41,830,726</u>	<u>27,513,188</u>
Net Cash Provided by / (Used in) Investing Activities	<u>9,803,058</u>	<u>5,711,382</u>
Cash Flows from Financing Activities		
Unitholders Funds Received from Investors	7,436,425	3,462,747
Unitholders Funds Repaid to Investors	(5,731,325)	(6,581,000)
Distributions Paid to Investors	<u>(3,895,323)</u>	<u>(4,567,101)</u>
Net Cash Flows Provided by / (Used In) Financing Activities	<u>(2,190,223)</u>	<u>(7,685,354)</u>
Net Increase / (Decrease) in Cash Held	11,307,982	2,673,903
Cash and Cash Equivalents at the Beginning of the Financial Year	<u>10,316,417</u>	<u>12,108,578</u>
Cash and Cash Equivalents at 31 December	<u><u>21,624,399</u></u>	<u><u>14,782,481</u></u>

These financial statements should be read in conjunction with the accompanying notes.

ASSURED MORTGAGE FUND
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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1 - CORPORATE INFORMATION

The interim financial statements of Assured Mortgage Fund for the half-year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Responsible Entity, Assured Management Limited, on 5 March 2021.

The Fund is an unlisted managed investment scheme registered under the *Corporations Act 2001*, established and domiciled in Australia.

Assured Management Limited, a public company incorporated and operating in Australia, is the Responsible Entity of the Fund. The registered office of the Responsible Entity is Suite 1, Surfers Hawaiian, 2890 Gold Coast Highway, Surfers Paradise, Queensland, 4217.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements for the year-ended 31 December 2020 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 30 June 2020.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or Amended Accounting Standards and Interpretations Adopted

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There has been no impact on the financial performance and position of the Fund from the adoption of these Accounting Standards.

Revenue Recognition

The Fund recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the Fund is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Fund: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Interest and Other Receivables

Interest and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Interest and other receivables are generally due for settlement within 30 days.

As interest and other receivables are linked to loans receivable, the Fund has applied the same approach to measuring expected credit losses as loans receivable.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Loans Receivable

Loans receivable are non-derivative financial assets with fixed payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Impairment of Loans Receivables

The Fund applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets that are not measured at fair value through profit or loss - i.e. loans receivable.

Loans receivable migrate through the following three stages based on the change in credit risk since initial recognition:

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Loans Receivable (Cont'd)

Stage 1: 12-Months ECL

The Fund collectively assesses ECLs on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Fund recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Fund does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – Not Credit Impaired

The Fund collectively assesses ECLs on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Fund recognises as a collective provision a lifetime ECL (i.e. reflecting the remaining lifetime of the loan receivable). Similar to Stage 1, the Fund does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – Credit Impaired

The Fund identifies individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a specific provision, and interest revenue (if any) is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the Stage for Impairment

At each reporting date, the Fund assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Fund considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, where appropriate, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these loans receivable is based on a 12-months ECL.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Loans Receivable (Cont'd)

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

For loans that the credit risk has not increased significantly since initial recognition (i.e. where the Responsible Entity has not commenced payments of monthly interest to the respective Investors on behalf of the Borrower), the Fund will measure the loss allowance for the loan at an amount equal to 12-month expected credit losses.

Loans that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

Credit Quality of Loans Receivable

The Fund has an internally developed credit rating scale derived from historical default data to assess the potential default risk in lending. The Fund has pre-defined counterparty probabilities of default across loans receivable.

Inputs, Assumptions and Techniques Used for Estimating Impairment

In assessing the impairment of loans receivable under the expected credit loss model, the Fund defines default generally when the Responsible Entity (Assured Management Ltd) has commenced payments of monthly interest to the respective Investors on behalf of the Borrower (i.e. the 'Assured Interest Program'), or when it is considered unlikely that the credit obligation to the Fund will be paid in full without recourse to actions, such as realisation of security.

Assessment of Significant Increase in Credit Risk

When determining whether the risk of default has increased significantly since initial recognition, the Fund considers both quantitative and qualitative information and analysis based on the Fund's historical experience and expert credit risk assessment, including forward-looking information. Credit risk is deemed to have increased significantly when the Responsible Entity (Assured Management Ltd) has commenced payments of monthly interest to the respective Investors on behalf of the Borrower (i.e. the 'Assured Interest Program').

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Fund for the annual reporting period ended 30 June 2021. The Fund has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 3 - LOANS RECEIVABLE

	31 December 2020	30 June 2020
	\$	\$
(a) Amount Due Comprises		
Loans Receivable	72,983,241	83,295,382
Less: Borrowers Funds Held in Trust	(6,149,013)	(6,658,096)
Less: Allowance for Impairment (Note 4)	(985,675)	(1,591,616)
	<u>65,848,553</u>	<u>75,045,670</u>

(b) Financial Commitments

The Fund has the following undrawn Loans Receivable commitments:

Approved Loans Receivable	102,735,784	112,262,460
Less: Loans Receivable Drawn Down	(72,983,241)	(83,295,382)
	<u>29,752,543</u>	<u>28,967,078</u>

(c) Credit Quality - Security Held Against Term Loans

All loans receivable noted at Note 3(a) are secured by registered first mortgages and are disclosed by type as follows:

	31 December 2020		30 June 2020	
	#	\$	#	\$
Construction - Residential	14	40,401,640	18	39,561,633
Property - Residential	1	1,541,276	1	1,608,750
Property - Residential Other	1	577,500	1	550,000
Property - Commercial	-	-	1	1,612,513
Subdivision - Residential	10	29,757,825	11	38,457,986
Vacant Land - Residential	1	705,000	2	1,504,500
	<u>27</u>	<u>72,983,241</u>	<u>34</u>	<u>83,295,382</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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NOTE 3 - LOANS RECEIVABLE (CONT'D)

	31 December		30 June	
	2020		2020	
	#	\$	#	\$
(c) Credit Quality - Security Held Against Term Loans (Cont'd)				
A breakdown of the quality of the above registered first mortgages held as security is below:				
Loan to Valuation Ratio 61-70%	18	52,508,411	27	69,674,448
Loan to Valuation Ratio 51-60%	8	18,657,972	6	13,275,934
Loan to Valuation Ratio > 51%	1	1,816,858	1	345,000
	<u>27</u>	<u>72,983,241</u>	<u>34</u>	<u>83,295,382</u>
Totals	<u>27</u>	<u>72,983,241</u>	<u>34</u>	<u>83,295,382</u>

(d) Concentrations of Credit Risk

Concentration of Geographic Location:

Sunshine Coast, QLD	2	7,485,753	3	9,212,644
Brisbane, QLD	15	42,231,605	20	51,017,397
Ipswich, QLD	2	5,339,000	3	7,358,144
Other, QLD	1	2,834,730	1	4,846,512
Gold Coast, QLD	5	8,440,845	5	6,758,824
Northern, NSW	2	6,651,308	2	4,101,861
	<u>27</u>	<u>72,983,241</u>	<u>34</u>	<u>83,295,382</u>
Totals	<u>27</u>	<u>72,983,241</u>	<u>34</u>	<u>83,295,382</u>

Concentration of Borrowers:

Loans Receivable to individual Borrowers exceeding 10% of Unitholders Funds	4	21,826,560	-	-
	<u>4</u>	<u>21,826,560</u>	<u>-</u>	<u>-</u>

2020	2019
\$	\$

NOTE 4 - ALLOWANCE FOR IMPAIRMENT

(a) Credit Impairment Charge

New and increased provisions (net of releases)	6,588	(146,221)
Write-backs of specific provisions	(998,216)	-
	<u>(991,628)</u>	<u>(146,221)</u>
Total Charge to Profit of Loss	<u>(991,628)</u>	<u>(146,221)</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 4 - ALLOWANCE FOR IMPAIRMENT

The following table shows the movement in expected credit losses that has been recognised for the respective financial assets:

	Collective Provisions					Total
	Stage 1 - 12-Month ECL		Stage 2 - Lifetime ECL		Stage 3 - Specific Provision	
	Trade & Other Receivables	Loans Receivable	Trade & Other Receivables	Loans Receivable	Trade & Other Receivables	
	\$	\$	\$	\$	\$	\$
Balance at 1 Jul 2020	5,517	1,392,202	19,183	199,414	390,762	2,007,078
New/increased allowances	-	-	6,588	-	-	6,588
Transfers during the year to/(from):						
Stage 1	1,346	33,639	-	-	-	34,985
Stage 2	-	-	(1,346)	(33,639)	-	(34,985)
Write-back of allowances no longer required	(1,513)	(501,405)	-	(104,536)	(390,762)	(998,216)
Balance at 31 Dec 2020	5,350	924,436	24,425	61,239	-	1,015,450

Although collective provisions are recognised by the Fund, the Fund is a contributory fund and as such, any actual credit losses for loans are borne by the Unitholders that funded the particular loans only.

31 December	30 June
2020	2020
\$	\$

NOTE 5 - UNITHOLDERS FUNDS

Funds Received and Invested in a Mortgage	72,983,241	83,295,382
Funds Received but not yet Invested in a Mortgage	15,466,267	3,449,024
Less: Allowance for Impairment	<u>(985,675)</u>	<u>(1,591,616)</u>
Total Unitholders Funds	<u>87,463,833</u>	<u>85,152,790</u>

NOTE 6 - EVENTS AFTER BALANCE DATE

Apart from the below events, there have been no other matters or circumstances not otherwise dealt with in the interim financial report that have significantly affected or may significantly affect the Fund:

Loan 297

Loan went into 'technical default' on 28 February 2021, as it had passed its maturity date. Settlements are currently taking place and the loan is expected to pay out in full in the coming weeks. Interest has at all times been paid in full by the Borrower.

**ASSURED MORTGAGE FUND
ARSN 089 809 067**

**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

In the opinion of the Directors of Assured Management Limited, as Responsible Entity for Assured Mortgage Fund:

- (a) The interim financial statements and notes of the Fund are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Assured Management Limited, as Responsible Entity for Assured Mortgage Fund, at Mermaid Beach this 5th day of March 2021:



Stephen John Davoren
Director



Michael Joseph Coman
Director

Independent Auditor's Review Report to the Unitholders of Assured Mortgage Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Assured Mortgage Fund ("the Fund"), which comprises the condensed statement of financial position as at 31 December 2020, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in net assets attributable to unitholders and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Assured Mortgage Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the responsible entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:


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K R FRANEY (Partner)

Dated at Robina this 5th day of March 2021