

# Woodbridge Secured Income Fund

First Mortgage (Senior Secured) Australian and New Zealand Real Estate Loans

## Fact Sheet

<b>APIR Code</b>	ETL1291AU
<b>Target Return</b>	RBA Cash Rate + 5% to 7% p.a. <sup>1</sup>
<b>Distribution</b>	Monthly
<b>Withdrawals</b>	Monthly
<b>Minimum Investment</b>	\$10,000
<b>Investment Manager Fee</b>	0.76% p.a. (incl. GST, less RITC) <sup>2</sup>
<b>Performance Fee</b>	Nil
<b>Entry Fee / Exit Fee</b>	Nil
<b>Leverage</b>	Nil
<b>Research Ratings</b>	SQM Research
<b>Responsible Entity</b>	Equity Trustees Limited

## About the Fund

The Woodbridge Secured Income Fund provides investors with indirect exposure to first mortgage (senior secured) Australian and New Zealand real estate loans – with an ESG integrated investment process and philosophy.

The Fund invests in the Woodbridge Private Credit Fund (Underlying-Fund) managed by Woodbridge Capital.

All investments in the portfolio have a valuation prepared by an independent, qualified and registered valuer.

The Fund does not provide exposure to high-risk loans such as preferred equity loans, mezzanine finance, second mortgage loans or corporate loans.

## Benefits of Investing in the Fund



**Attractive Risk-adjusted Return**



**Stable Monthly Income**



**Low Volatility**



**First Mortgage Loans Only**



**Experienced Team**



**Low Management Fee**

### Capital Preservation

Seeking capital preservation is a core focus and the team identifies and actively monitors risks inherent in each investment and ensures the portfolio is not overexposed to any sub-class, sector, risk factor, strategy, style or counterparty.

### Active Loan Management

The opaque nature of private markets means that an in-depth understanding of the investment universe, deal structure, counterparty risk and local regulations is essential to delivering sustainable performance.

### Access Private Market Premium

Private market investments provide superior risk-adjusted returns by taking advantage of the illiquidity and complexity.

### What is Private Credit ?

Private credit is the provision of loans to borrowers by private lenders rather than loans provided by retail banks. It has 5 different names (private credit, private debt, non-bank lending, private lending and alternative lending).

### What is a 'Blended' Private Credit Fund ?

A blended fund has a mix of loan types (e.g. first mortgage, second mortgage, preferred equity and corporate loans) and/or has a mix of loan security types (e.g. asset backed and balance sheet backed).

### What is a 'Non-Blended' Private Credit Fund ?

A non-blended fund has a single loan type (e.g. first mortgage) and a single loan security type (e.g. asset backed).

**The Woodbridge Secured Income Fund is a pure first mortgage (senior secured) non-blended fund.**

<sup>1</sup> The Fund aims to provide investors with a return of the RBA cash rate plus 5%-7% per annum net of fees and expenses but before taxes over the medium to long term. The Fund provides investors with indirect exposure to 1st mortgage (senior secured) Australian and New Zealand real estate loans. Please note that the investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term on the assumption that property markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed. <sup>2</sup> The Investment Manager fee is estimated and includes GST and is net of any applicable Reduced Input Tax Credits (RITC). The Investment Manager has agreed that the 0.53% management fees (including GST and net of any applicable RITC) that would otherwise be payable on the Fund's investment in the Underlying-Fund are and will be rebated for as long as the Investment Manager remains the Investment Manager of the Fund. The effect of such rebates is that the Fund's investment in the Underlying-Fund will be free of management fees at the Underlying-Fund level. The Expense Recovery fee is estimated to be 0.27% and includes GST and is net of any applicable Reduced Input Tax Credits (RITC) and is in addition to the Investment Manager fee. Expense Recovery and other costs include responsible entity, custody and administration fees, other expenses. This also includes indirect costs of the Underlying-Fund.

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### About Woodbridge Capital

Woodbridge Capital Pty Ltd (ABN 82 656 985 572) is an authorised representative (No. 1296363) of Woodbridge Funds Management Pty Limited (ABN 13 668 239 343, AFSL No. 550122). Woodbridge Capital is the investment manager of both the Fund and Underlying-Fund.

Woodbridge Capital is an established investment manager with experienced funds management professionals and is wholly owned by its directors.

The team has a track record spanning over 30-years in property finance, real estate investment, development and construction and has deployed and managed over \$5 billion of loans in the past 10 years with zero loan impairments.

Woodbridge Capital is responsible for sourcing all new loans through a strong network of developers, brokers and asset owners, undertaking extensive due diligence in conjunction with external valuers and consultants, preparation of loan documents with external lawyers, ongoing active management of the loan and drawdowns, detailed monthly reporting to investors, portfolio management and loan repayment.

### Investment Strategy

Market dynamics and regulatory changes have seen Australian and New Zealand banks materially reduce their exposure to real estate financing, creating an opportunity in the lending market. This opportunity stems from a lack of competition, resulting in increased returns for the provision of first mortgage (senior secured) loans while risk remains manageable due to the strong structural demand for property and moderate loan leverage.

In America and Europe, this trend has largely played out with the banks' share of the lending market reduced to 40–50%. It is Woodbridge's view that this trend will continue to play out in Australia and New Zealand, expanding the market for existing and new participants. This has left a void in the market – a dislocation – and represents a unique opportunity for investors to participate in private credit.

The Fund's investment strategy is to take advantage of this dislocation and provide investors with indirect exposure to first mortgage (senior secured) Australian and New Zealand real estate loans – with an ESG integrated investment process and philosophy.

### Investment Process

Woodbridge follows a 10-strand investment process to build and manage its investment portfolios - partnered with an emphasis on risk management.

Woodbridge has a robust framework for loan origination, filtering, negative screen, due diligence, ESG integration and portfolio management which is driven by the collective insight and experience of its investment team.



### Get in Touch

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Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Woodbridge Secured Income Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

This Fact Sheet has been prepared by Woodbridge Capital Pty Ltd to provide you with general information only. In preparing this Fact Sheet, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Woodbridge Capital Pty Ltd, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

The Woodbridge Secured Income Fund's Target Market Determination is available at [www.woodbridgecapital.com.au/wsif](http://www.woodbridgecapital.com.au/wsif). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.