

ASSET FINANCE LIMITED

KEY FEATURES OF SECURED DEPOSITS – AS AT 31ST MARCH 2021

RANKING AND SECURITY

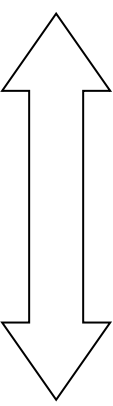
The Secured Deposits are secured by a security interest which Asset Finance has granted under the terms of the trust deed over all of Asset Finance's assets to Covenant Trustee Services Limited as supervisor ("**Debenture Trust Deed**"). Except for prior security interests totalling no more than 2% of total tangible assets, the Debenture Trust Deed prohibits us from granting any security interests that rank ahead of, or equally with, the first interest given to Covenant Trustee Services Limited for the benefit of investors under the trust deed in relation to Secured Deposits.

As at the date of this PDS, there were no outstanding prior security interests that had been granted by us. The only interests that rank ahead of the first interest given to Covenant Trustee Services Limited are those given preference by law such as PAYE and RWT.

The secured debenture stock deposits totalling \$38,658,904 as at 31 March 2021 are secured by security interest in favour of Covenant Trustee Services Limited over all of Asset Finance's present and after acquired personal property, and rank ahead of the other secured liabilities (other than permitted prior security interests and claims given preference by law, such as outstanding taxes and payments to employees). The total value of Asset Finance's assets that are subject to the security interest in favour of Covenant Trustee Services Limited is \$46,218,981 as at 31 March 2021.

Asset Finance is permitted under the Debenture Trust Deed to create security interests over its assets which rank in priority to the security interests granted in favour of Covenant Trustee Services Limited under the Debenture Trust Deed to secure any borrowing or money owed in purchasing or acquiring assets, provided that the amount secured by all prior ranking security interests does not exceed 2% of Asset Finance's total tangible assets.

The diagram below illustrates the ranking of the Secured Deposits on Asset Finance's liquidation and is based on \$38,658,904 of Secured Deposits being in issue, being the number of Secured Deposits issued by Asset Finance as at 31 March 2021.

	Ranking on liquidation of Asset Finance	Examples	Indicative amount as at 31 March 2021
<p style="text-align: center;">Higher ranking/earlier priority</p>  <p style="text-align: center;">Lower ranking/later priority</p>	Liabilities that rank in priority to the Secured Deposits	Creditors preferred by law and any permitted prior ranking security interests	\$209,802
	Liabilities that rank equally with the Secured Deposits	Secured Deposits, including the accrued interest	\$38,658,904
	Liabilities that rank below the Secured Deposits	Lesser ranking secured creditors and unsecured creditors	\$378,591
	Equity	Distribution of surplus assets	\$7,181,486