ZANK&Co.
RESPECT, RESPONSIBLE, RESPONSIVE

Average Redemption	Stable Income	Secured Return	Diversified
1-3 Month	*Quarterly*	*1st/2nd Mortgage*	*Across Australia*

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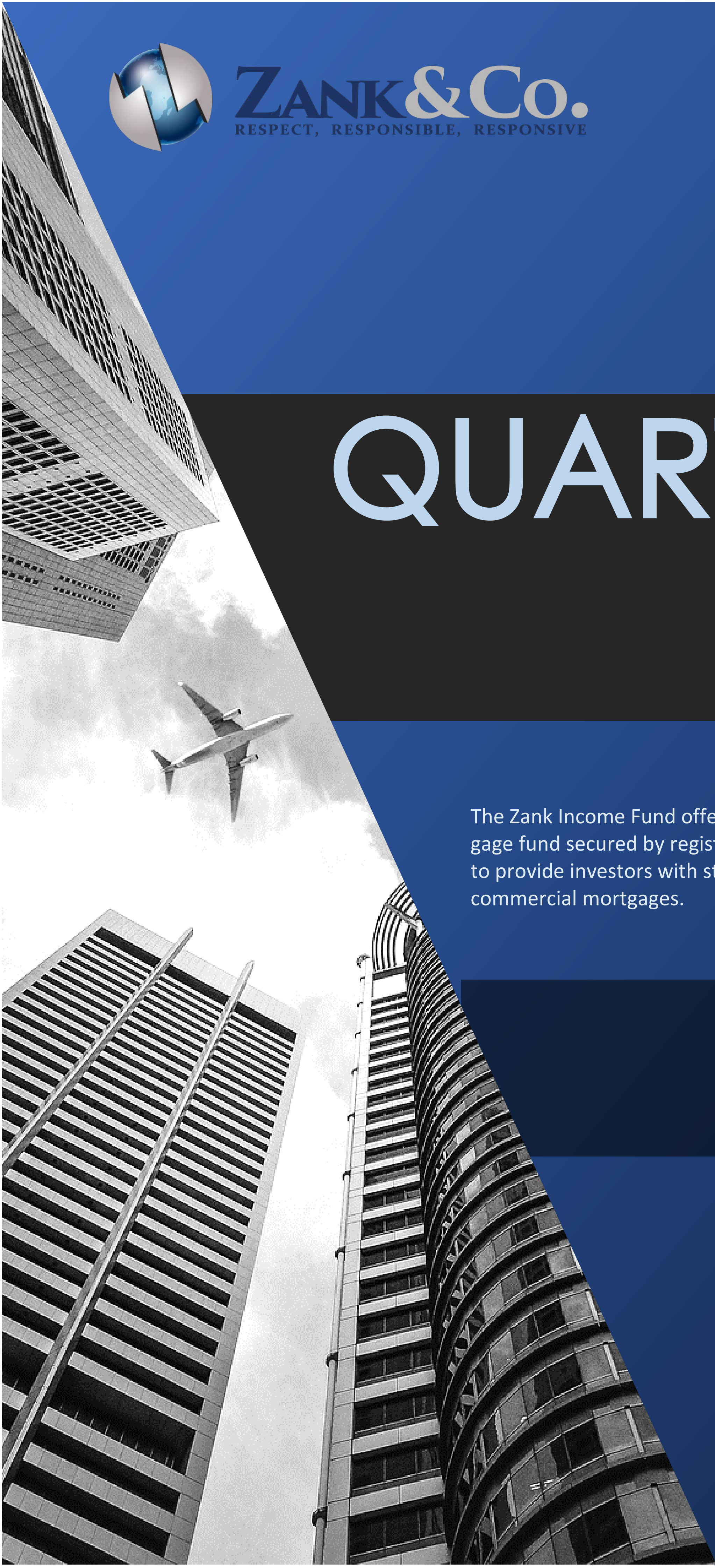


QUARTERLY
REPORT

The Zank Income Fund offers investors access to a pooled mortgage fund secured by registered mortgages. This fund is designed to provide investors with stable income by investing in Australian commercial mortgages.

8% P.A

for the Past 12 Months

2021
Q1

INVESTMENT OBJECTIVES

Key Benefits of the Fund

- ✓ Quarterly distributions
- ✓ No entry or exit fees
- ✓ Actively managed by an experienced team
- ✓ Diversified investments across Australia
- ✓ Exposure to a strong underlying asset class
- ✓ Portfolio diversification

8% P.A

FOR THE PAST 12 MONTHS

At A GLANCE

Type of fund	**Mortgage fund**
Investment timeframe	At least 12 months
Minimum investment amount	$100,000
Minimum additional amount	$10,000
Withdraws	Quarterly, at least 12 months
Distribution	Quarterly
Borrowing	Nil
Entry and Exit fees	Nil
Management costs	1.5% p.a.
Early redemption fee	1.0% of redemption amount
Adviser remuneration	0.5% p.a.
Trustee Fee	0.3% p.a.
Rate of return (after fees)	8.0% p.a.
Benchmark	RBA rate
Indicative Risk Level	Low-Medium
Number of non-performing loans	2

The primary objectives of the fund are to provide a stable return that outperform bank term deposits.

- ✓ Stable and predictable return
- ✓ Capital stability-- the Fund invests in development Loans
- ✓ High yield

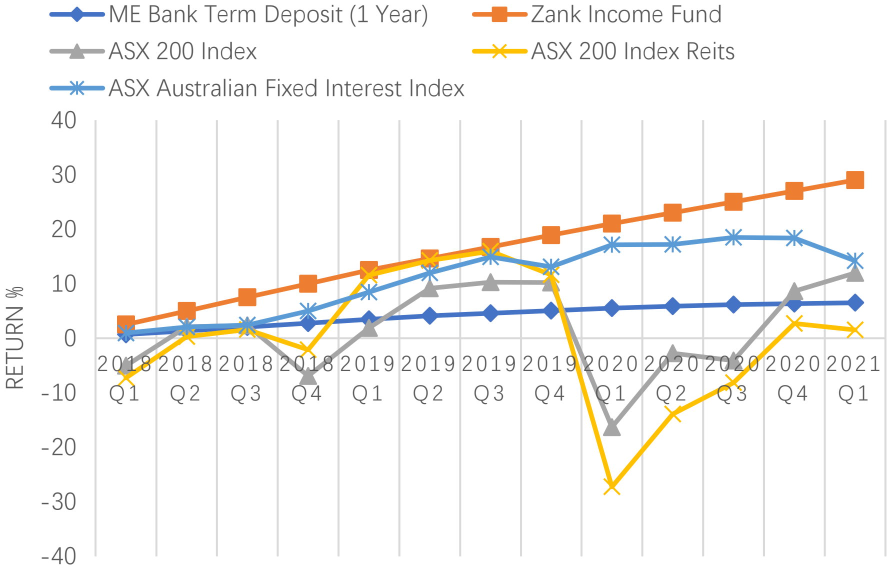
About the Fund Manager

Zank is a fast-growing asset manager with a mission to create a better financial future for its clients. Its goal is to increase investors' wealth by delivering regular income returns through well structured products.

Net rate paid to investors with Allocated Units calculated daily and paid quarterly in arrears for the quarter ended 31 March 2020.
Net rates are net of management fees and costs, including GST (less RITCs) and assuming no reinvestment of distributions.
Past performance is not a reliable indicator of future performance.

PERFORMANCE

QUARTERLY ACCUMULATION COMPARISON



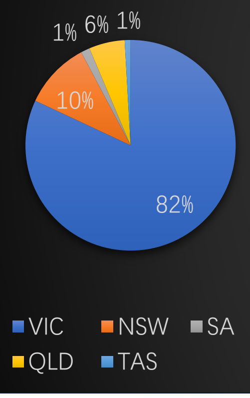
The objective of our Income Fund has long been to provide investors with a choice of capital stable and consistent income generating investments. Based on the accumulation comparison between other indicators' performance, we find that the return of ASX Australian Fixed Interest Index is noticeable increased annually in most of time and the performance of ME Bank term Deposit (1 Year) is maintain in a slight growth.

Whilst past performance is no guarantee of future performance, Zank Income Fund has outperformed most fixed income fund products as shown in the Quarterly Accumulation Comparison.

Although the mortgage fund is normally illiquid compare with stock market trading. It also brings less volatility to investors.

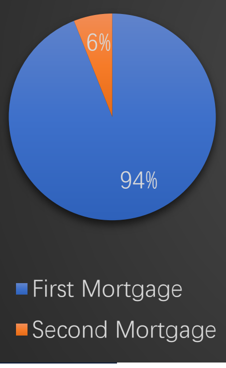
Geographic Allocation

(as at 31/03/2021)



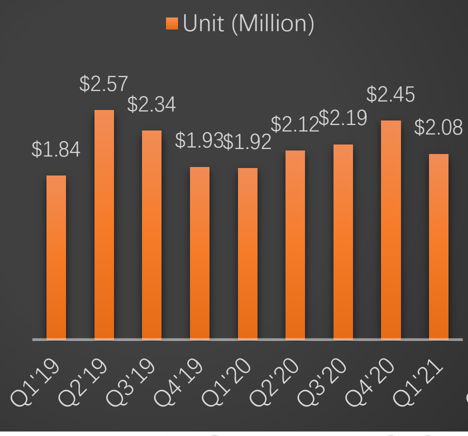
Sector Allocation

(as at 31/03/2021)



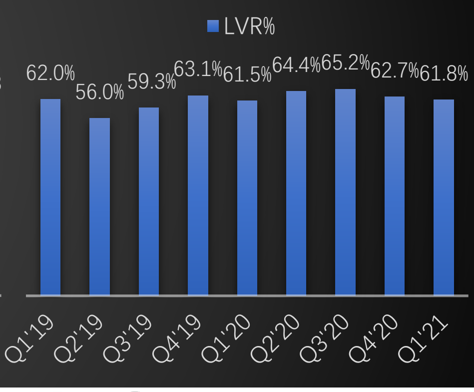
Average Loan Size

(as at 31/03/2021)



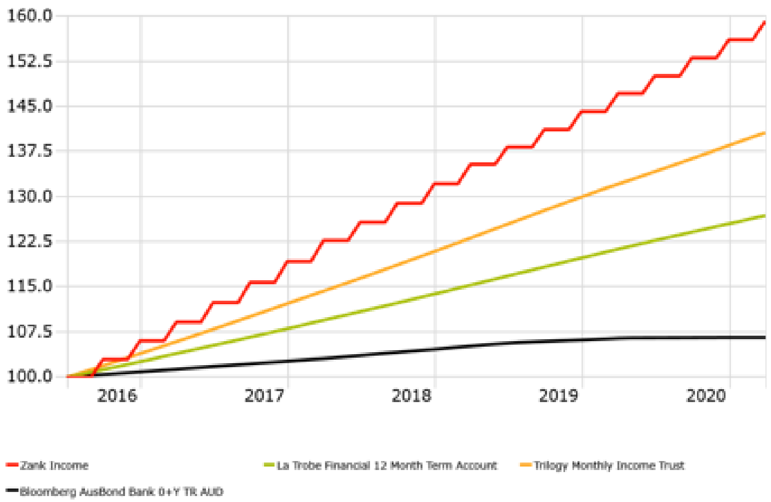
Loan to Valuation Ratio

(as at 31/03/2021)

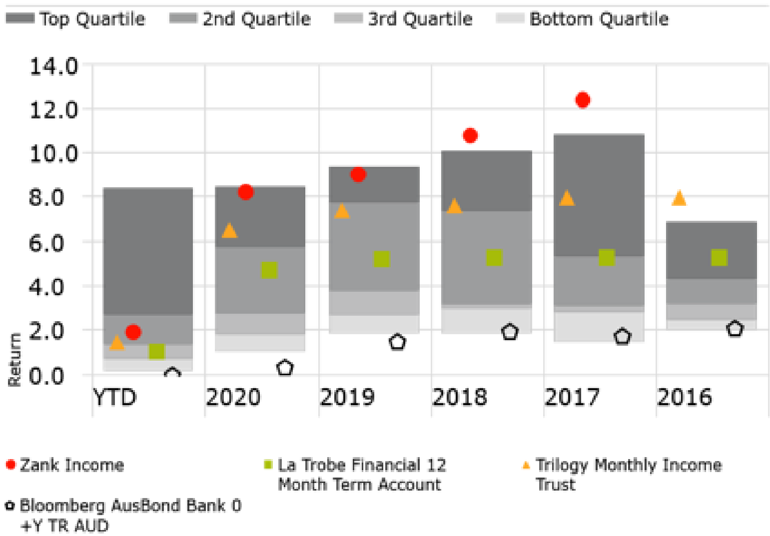


Investment Growth

Time Period: 2/07/2016 to 31/03/2021



Performance Relative to Peer Group



From the two graphs above, we can see the Investment Growth of these four parameters (Bloomberg AusBond Bank, La Trobe Financial 12 Month Term Account, Trilogy Monthly Income trust, and Zank Income Fund) increased to a varied extent since 2016. By the last day of the First quarter in 2021(31 March 2021), the Investment Growth of Zank Income Fund maintains this first, with an increased rate of around 160% from July 2016 to the end of the first quarter in 2021, 31 March 2021.

In the meantime, we can notice that compared with the other three peer groups, Zank Income Fund is in the top quartile state since its establishment.

	Zank Income - Snapshot	La Trobe Financial 12 Month Term	Trilogy Monthly Income Trust
Ticker	43813	14260	16726
Base Currency	Australian Dollar	Australian Dollar	Australian Dollar
Registration Company	Vasco Trustees Limited	La Trobe Financial Asset Management Limited	Trilogy Funds Management Limited
Management Company	Zank & Company Pty Ltd	La Trobe Financial Asset Management Limited	Trilogy Funds Management Limited
Morningstar Category	Australia Fund Mortgages	Australia Fund Mortgages Aggressive	Australia Fund Mortgages Aggressive
Inception Date	1/07/2016	1/10/2002	1/03/2007
Max Management Fee	1.50	1.57	0.96
Performance Fee	25.00	0.00	–
Dividend Distribution Frequency	Quarterly	Monthly	Monthly
Minimum Additional Purchase	100,000	0	1,000

Historical Performance

Time Period: 1/07/2017 to 31/03/2021

	Zank Income	La Trobe Financial 12 Month Term	Trilogy Monthly Income Trust
Morningstar Risk	1.24	1.02	1.04
Morningstar Return	9.11	4.18	6.37
Std Dev	0.76	0.16	0.30
Information Ratio (arith)	15.17	15.79	34.76
R2	99.78	99.97	99.99
Tracking Error	0.56	0.24	0.17
Sharpe Ratio	0.60	0.23	0.41
Sortino Ratio	1.03	0.36	0.67
Value at Risk	1.46	1.06	1.43

Trailing Returns

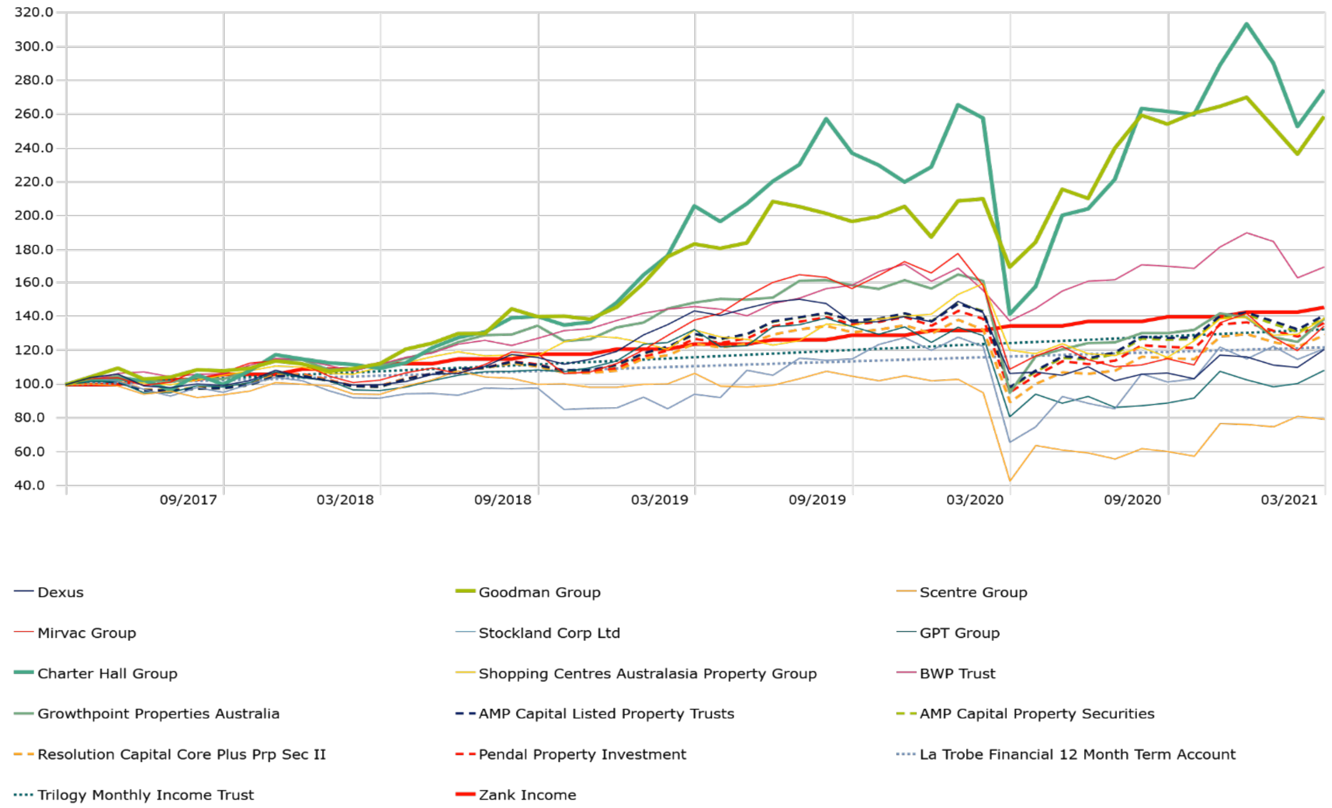
Calculation Benchmark: Bloomberg AusBond Bank 0+Y TR AUD

Return	Zank Income	La Trobe Financial 12 Month Term	Trilogy Monthly Income Trust
1 Year	8.13	4.59	6.45
2 Years	8.40	4.89	6.84
3 Years	9.02	5.03	7.13
4 Years	9.86	5.11	7.32
5 Years	—	5.15	7.46

Source: Morningstar Direct

Investment Growth

Time Period: 1/04/2017 to 31/03/2021



Source: Morningstar Direct

PERFORMANCE SUMMARY

As at 31 March 2021, the Fund has about $43 million of loans under management across 19 different borrowers as follows:

Authorized investments		
Cash	14.90%	$7,644,474.15
Land - vacant	61.80%	$31,702,744.61
Commercial	2.81%	$1,442,000.00
Construction & Development	20.48%	$10,505,892.84
Total	100.00%	$51,295,111.60
Mortgage Investment Portfolio Metrics		
Weighted Average LVR	63.17%	-
Largest Mortgage Investment	-	$8,250,000.00
Pre-paid & capitalized interest loans	-	$2,634,865.00

Mortgage Investments by State		
NSW	10.27%	$4,484,500.00
VIC	81.96%	$35,774,137.45
QLD	5.50%	$2,400,000.00
SA	1.37%	$600,000.00
WA	0.00%	$0.00
TAS	0.90%	$392,000
Mortgage Investments Interest rate profile		
<8.00%	0.00%	$0
8.00% - 9.99%	7.03%	$3,068,728
10.00% - 11.99%	57.23%	$24,982,045
12.00% - 13.99%	12.06%	$5,265,000
14.00% - 15.99%	23.68%	$10,334,865
> OR = 16.00%	0.00%	$0
Maturity Profile		
0 - 6 months	3.17%	$1,382,000
7 - 12 months	93.63%	$40,868,637
13 - 24 months	3.21%	$1,400,000
25+ months	0.00%	$0
LVR Profile [1]		
<50%	7.88%	$3,438,245
50%-59.99%	25.77%	$11,250,000
60%-69.99%	41.74%	$18,220,893
= 70%	24.61%	$10,741,500

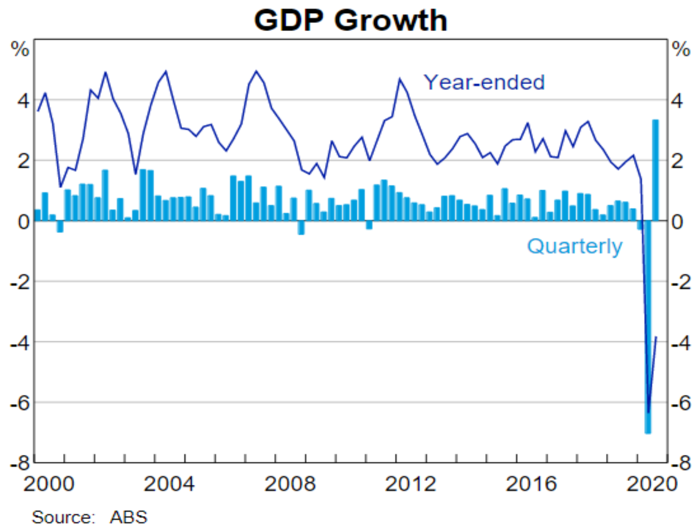
Security Location		
Metro	68.52%	$29,911,281.07
Regional	31.48%	$13,739,356.38
Rural	0.00%	$0.00
Total Performing Authorized Investment		
Cash	12.88%	$7,644,474.15
Term Deposit	0.00%	$0.00
Mortgage	73.57%	$43,650,637.45
Performing Mortgage past Due [2]		
1-30 days	8.22%	$4,875,000.00
31-60 days	0.00%	$0.00
61-90 days	0.00%	$0.00
>90 days	3.70%	$2,196,845.91
Total	11.92%	$7,071,845.91
Non-performing Loans [3]		
1-30 days	0.00%	$0.00
31-60 days	0.00%	$0.00
61-90 days	0.00%	$0.00
>90 days	1.62%	$964,052.52
12 months +	0.00%	$0.00
Total Non-performing		1.62%
Total Performing		98.38%

NOTES: All figures shown as percentages are based on dollar values and are reported on loan balances in the Fund. These may differ from figures provided in the statutory accounts which are based on the investment balances in the Fund. The Investment Accounts may invest in the same mortgage. Loan numbers refer to the number of loans only and do not reflect the number of individual securities. 1. Loan to Value Ratio (LVR) represents the value of the security property at the start of the loan compared to the approved loan amount, reflecting the LVR used in the Fund's lending criteria. 2. Performing but past due loans represent expired loans that continue to make required payments (Default). 3. Arrears for the Fund are calculated by dividing the total investment amount of loans in arrears by the total balance of outstanding investments (Arrears).

-Mortgage Funds may also be effected by other risks, while there are many factors that may impact on the performance of any investment, section 7 of the Product Disclosure Statement summarises some of the major risks that investors should be aware of when investing in the Fund. Before investing, prospective investors should consider whether the Fund is a suitable investment, having regard to their personal investment objectives, financial position, particular needs and circumstance. For more information please refer to Product Disclosure Statement.
- whilst the current net return is 8%, the target return is not guaranteed, it may vary along with the overall property market.
- The performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Responsible Entity, the Investment Manager, their directors or their associates. Loan investments, by their nature, carry a level of risk and no guarantee is or can be given that an investment in the Fund will not decrease in value and that Investors will not suffer losses. We strongly recommend that Investors obtain independent financial advice before investing in the Fund.

Economic activity rebounded over the second half of 2020 at a faster pace than expected

The Australian economy rebounded by 3 per cent in the September quarter, following a 7 per cent contraction in the June quarter. The main contributor to growth in the September quarter was household consumption, which increased by 8 per cent, supported by growth in household income, the lifting of restrictions and a reduction in precautionary behaviour. Public investment and dwelling investment increased but business investment declined in the quarter. Indicators of economic activity have, for the most part, picked up since September, and GDP growth is expected to have been solid in the December quarter, underpinned by the continued recovery in household consumption.



The recovery in domestic activity is well under way, but substantial spare capacity remains

The stronger-than-expected recovery in the second half of last year is primarily responsible for lifting the forecast level of GDP by around 1½ per cent across the forecast period. GDP is now expected to return to pre-pandemic levels by the middle of this year. The faster-than-expected removal of social distancing restrictions and recent policy measures are assessed to have pulled forward GDP growth from 2021 into the latter part of 2020, although GDP growth in 2022 is still broadly unchanged (at a higher level) relative to the November Statement.

The recovery in household spending and an increase in public demand led the initial rebound in activity and are expected to be the main contributors to GDP growth over coming quarters. A pick-up in business investment is anticipated to lag the recovery in other components of private demand. Many firms are expected to fully utilise their existing capacity before embarking on large scale investments during a period of unusually high uncertainty.

Output Growth and Inflation Baseline Forecasts(a)(b)
Per cent

	Dec 2020	June 2021	Year-ended Dec 2021	June 2022	Dec 2022	June 2023
GDP growth	−2	8	3½	3½	3½	3
(previous)	(−4½)	(6)	(4½)	(3½)	(3½)	(n/a)
Unemployment rate(c)	6.8	6½	6	5½	5½	5¼
(previous)	0.9	3	1½	1½	1½	1¾
CPI inflation	−0.3	½	2¼	1	1¼	1½
(previous)	(½)	(2¼)	1	(1¼)	(1½)	(n/a)
Trimmed mean inflation	1.2	1¼	1¼	1½	1½	1¾
(previous)	(1)	(1¼)	(1)	(1¼)	(1½)	(n/a)
			Year-average			
	2020	2020/21	2021	2021/22	2022	2022/23
GDP growth	−2½	0	4	4	3½	3
(previous)	(−3½)	(−2)	(3)	(4½)	(3½)	(n/a)

(a) Forecasts finalised on 3 February. Forecast assumptions (November Statement in parenthesis): TWI at 63 (60), A$ at US$0.76 (US$0.70), Brent crude oil price at US$56/bbl (US$42/bbl); the cash rate remains around its current level and other elements of the Bank's monetary stimulus package are in line with the announcements made following the February 2021 Board meeting.
(b) Rounding varies: GDP growth to the nearest half point; unemployment rate and inflation rate to the nearest quarter point. Shaded regions are published historical data and are shown to one decimal place. Figures in parentheses show the corresponding baseline scenario forecasts in the November 2020 Statement.
(c) Average rate in the quarter.

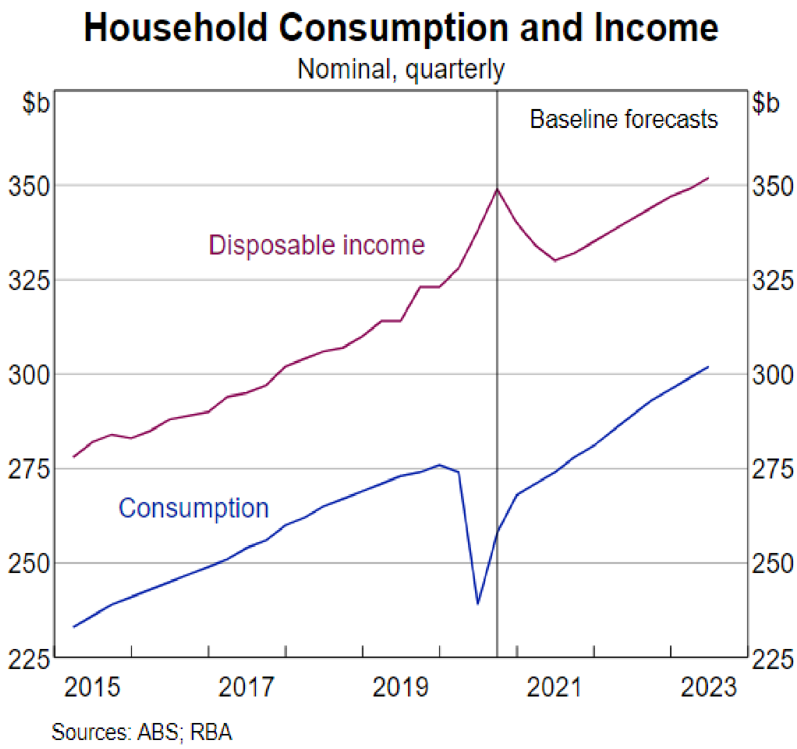
Sources: ABS; RBA

Dwelling investment
Dwelling investment is forecast to return to its pre-pandemic level by mid 2021. Building approvals for detached houses and alterations & additions increased sharply in the second half of 2020, indicating that a strong pick-up in lower-density residential construction is underway. A large share of the dwelling investment expected to occur over the coming year is assumed to be activity pulled forward by the HomeBuilder scheme (and to a lesser extent, some state-based support measures). Investment in higher-density residential construction is expected to remain weak, consistent with low levels of building approvals.

Business investment
Non-mining business investment is forecast to increase gradually off a very low base over the first half of 2021 and return to pre-pandemic levels by the end of 2022. Investment in machinery & equipment is expected to lead the moderate recovery over the forecast period, after declining by less than previously anticipated over 2020. The rebound in domestic activity, expanded tax incentives for investment announced in the Australian Government Budget in October and increased business profits over recent quarters should all help to support investment, particularly in goods-related industries where business conditions are well above average.

By contrast, non-residential construction is still expected to fall sharply in the near term as the pipeline of existing projects is worked through and recent weakness in building approvals suggests that few new projects will commence. Non-residential construction activity is not expected to pick up until late 2021, in part because of the long lags in the approval and planning of projects. More broadly, these projections occur against a backdrop where non-mining business investment in a number of advanced economies, including Australia, was subdued for a long period prior to the pandemic, in part reflecting uncertainty about future demand conditions. Firms are likely to be faced with high uncertainty for some time.

Mining investment is now expected to be little changed in the near term compared with expectations of modest growth at the time of the November Statement. Recent survey data suggest some firms have scaled back their investment intentions, despite increases in some commodities prices towards the end of 2020. Further out, maintenance and sustaining projects are expected to support mining investment at around its current level. As yet, there have been no indications by major miners of plans to expand investment in response to recent high iron ore prices. Iron ore projects take a number of years to deliver and market participants expect prices to ease as Brazilian supply recovers.



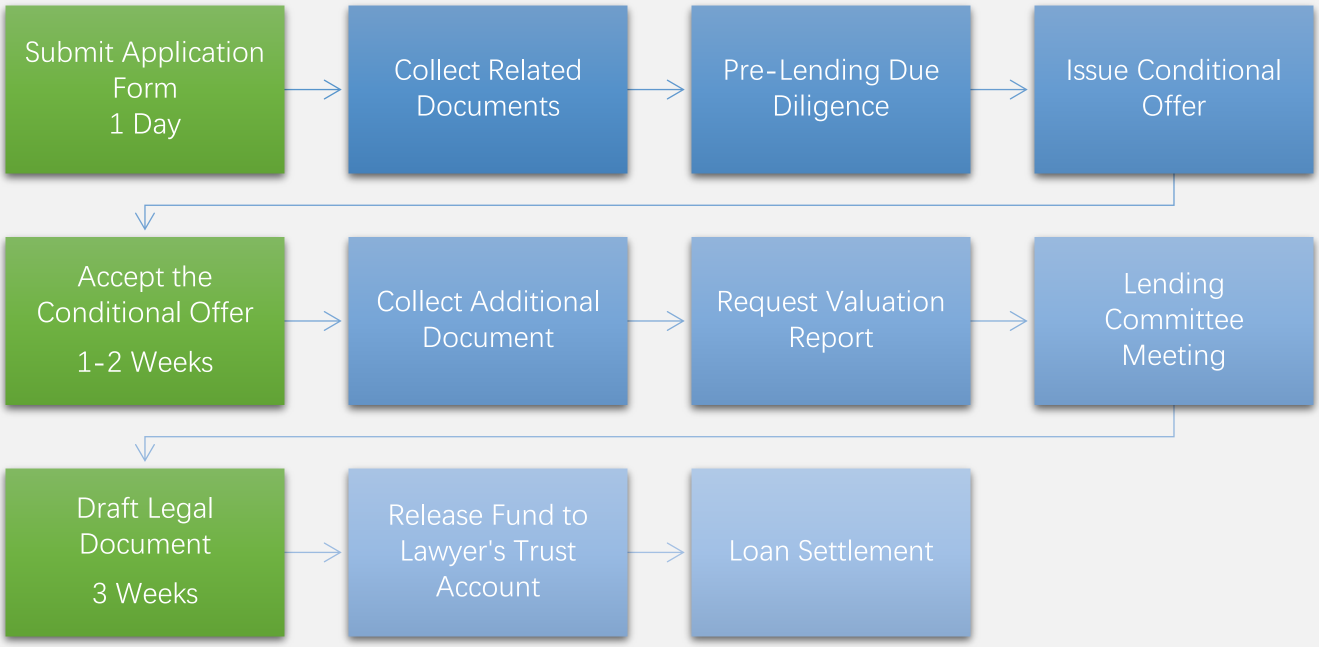
Household consumption, income and saving
Consumption is expected to recover to pre-pandemic levels around the end of 2021. The ongoing recovery in consumption is expected to be underpinned by the recovery in labour income, net household wealth and a gradual decline in uncertainty related to health and economic outcomes. Over recent months, the recovery in household spending was a little faster than expected at the time of the previous Statement, led by households in Victoria. The improvement in labour market conditions has supported household income and partly offset an expected decline in non-labour income as tighter eligibility requirements for income support measures have come into effect. Households who were affected by the tightening of containment measures over the summer are expected to have reduced their spending only modestly and for a short period.

The household saving rate is expected to decline from around 20 per cent in the September quarter 2020 to 5 per cent by the end of the forecast period, broadly in line with pre-pandemic levels. Household disposable income is expected to decline through the first half of 2021 as social assistance payments decline and the JobKeeper program is phased out, before income resumes a steady uptrend in line with the expected economic recovery. Consumption possibilities are expected to continue to broaden as restrictions ease further, which should be conducive to households spending a larger share of income received.

(Source RBA)

LOAN PROCESS

ZANK normally takes 3 weeks to finalize a commercial loan case. After submission of the application form, you will get a response within 2 days on whether we can or cannot fund this project. Pre-lending Due Diligence work may take 1-2 weeks depends on the complexity of the case. And another week to settle the loan. In some urgent cases, we can push the entire process time to 2 weeks.



How to Invest

Download: [Zank Income Fund Application Form]

Risks

The Zank Income Fund is a Mortgage Fund that makes loans predominantly to borrowers for the purpose of financing the development of a property. The chief risks to which investors are exposed to:

- Default Risk: This is the risk that a borrower may not be able to meet its financial obligations under a loan. Where a borrower defaults on their financial obligations, investors may receive income distributions less than the Target Rate or no income distributions.
- Security Risk: This is the risk that the value of the underlying secured property is insufficient to cover the amount outstanding on a loan.
- Valuation Risk: Valuation risk is the risk that the valuation of the secured property obtained by the Fund is not reflective of current market property values. Incorrect valuation may affect the amount the Fund can recover at the time of loan default.
- Construction and Development Risk: Funds advanced under loans may be used for property construction projects. There are specific risks associated with this type of loan. These risks include:
    - construction or development costs can exceed budgeted costs, and the borrower may be unable to complete the construction project unless the borrower can obtain further funds, and
    - a change in market conditions could result in the project's value on completion being worth less than anticipated, or in lower sale rates and prices than expected.

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This document is not an Information Memorandum for the purposes of the Act. Accordingly, it does not purport to contain all information that potential investors may need to make an informed assessment as to whether or not to invest in the Fund. Some numerical figures in this publication have been subject to rounding adjustments.