

20 October 2020
ASX Announcement

September 2020 Quarter in Review – Appendix 4C

Key Points

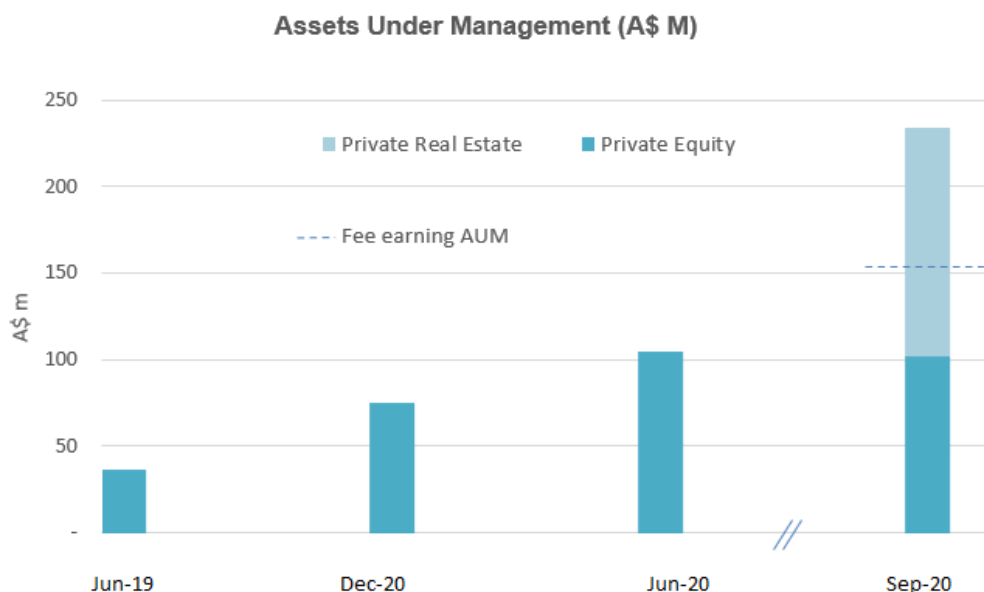
- **Assets Under Management (“AUM”) up 121% over the quarter to A\$233M**
- **Fee earning AUM up 45% over the quarter to A\$153M**
- **Cash on hand at the end of the quarter of A\$5.1M**
- **New US Student Housing Fund launched and gaining traction**

Auctus Investment Group Limited (‘AVC’, ‘Auctus’ or ‘the Company’) is pleased to provide the following update in relation to activities for the September quarter of 2020.

Auctus Asset Management Pty Ltd (Auctus AM)

Auctus Asset Management (‘Auctus AM’) increased Assets Under Management (AUM) from A\$105M at the end of June 2020 to A\$233M at the end of September 2020, a 121% improvement. Fee earning AUM over the period increased to A\$153M an uplift of 45%.

This improvement was predominantly driven by the appointment as fund manager of a US\$95M portfolio of US student housing assets, managed in conjunction with our JV partner, Student Quarters, LLC (‘SQ’). This appointment was formalised and announced to the ASX on 6 October 2020.



Cash Flow from Operations and Cash Position

Auctus AM generated A\$212k in cash receipts from customers for the quarter. The lower cash receipts in the September quarter were due to a focus on launching the SQ Property Opportunities Fund and securing the appointment as investment manager described above. The operating payments for the September 2020 quarter were in line with previous quarters, resulting in a net operating cash outflow of A\$498k.

The company's placement in August 2020 and subsequent Share Purchase Plan (**SPP**) in September 2020 resulted in a total capital raising of \$4.65M. The Company ended the quarter with \$5.12M in cash.

Unaudited net assets at the end of September 2020 were A\$11.75M.

All payments noted in Section 6 of the accompanying Appendix 4C for related party payments during the quarter relate to settlement of directors' fees and salaries, including payment of invoices and amounts due from prior periods.

Fund Update

Student Quarters

As announced on 13 July 2020, Auctus has signed a joint venture with US-based specialist student housing asset manager, Student Quarters, LLC ("SQ"). Auctus has launched a multi-asset Fund to invest in value add and opportunistic deals, with the intention to build the portfolio to ~US\$250m over the next 3 years. The Fund will aim to deliver a total asset backed net IRR of 15% per annum including an anticipated average yield to investors of 5% per annum payable quarterly.

The Fund has received significant interest in the weeks since opening. It is expected that the first assets will be settled in the December quarter.

- Ends

This announcement has been authorised for release by the Board of AVC.

For all shareholder enquiries please contact:

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Managing Director

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AUCTUS INVESTMENT GROUP LIMITED (ASX: AVC)

Appendix 4C**Quarterly cash flow report for entities
subject to Listing Rule 4.7B****Name of entity****AUCTUS INVESTMENT GROUP LIMITED (ASX: AVC)****ABN****76 149 278 759****Quarter ended ("current quarter")****30 September 2020**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	212	212
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(117)	(117)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(464)	(464)
(f) administration and corporate costs	(227)	(227)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	98	98
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(498)	(498)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	(86)	(86)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(725)	(725)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(811)	(811)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,657	4,657
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(8)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,649	4,649

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,818	1,818
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(498)	(498)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(811)	(811)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,649	4,649
4.5	Effect of movement in exchange rates on cash held	(38)	(38)
4.6	Cash and cash equivalents at end of period	5,120	5,120

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,120	1,818
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,120	1,818

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	212
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(498)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,120
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,120
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.28
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 20 October 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.