

**Motoring Club Finance Limited**

ABN 56 167 246 899 Australian Credit Licence No. 452610

Carrying on business as RAA Finance

101 Richmond Road, Mile End, South Australia 5031

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ISSUER QUARTERLY REPORTING**Issuer:** Motoring Club Finance Limited**ACN/ABN:** 56 167 246 899**Note:** Secured Notes ("Notes")**Trustee:** Equity Trustees Limited**Trust Deed:** 16 October 2015**Period of Report:** 31 March 2016**Date of Report:** 14 April 2016

No.	Item	Confirmed? Y/N	Comments
Corporations Act 2001 – Chapter 2L			
1.	The Issuer and any guarantor has complied at all times with the terms of the Notes, the Trust Deed and Chapter 2L of the Corporations Act 2001 during the Period.	☒ Yes (complied) ☐ No (please provide details)	
2.	No circumstances arose during the Period that has caused, or could cause, one or more of the following: (i) any amount deposited or lent under the Notes to become immediately payable; (ii) the Notes to become immediately enforceable; (iii) any other right or remedy under the terms of the Notes or provisions of the Trust Deed to become immediately enforceable.	☒ No circumstances arose ☐ Circumstances arose (please provide details)	

No.	Item	Confirmed? Y/N	Comments
3.	No circumstances arose during the Period that materially prejudice: (i) the Issuer, any of its subsidiaries, or any of the guarantors; or (ii) any security or charge included in or created by the Notes or the Trust Deed.	☒ No circumstances arose ☐ Circumstances arose (please provide details)	
4.	There has been no substantial change in the nature of the business of the Issuer, any of its subsidiaries, or any of the guarantors that has occurred during the Period.	☒ No substantial change ☐ Change(s) occurred (please provide details)	
5.	None of the following events happened during the Period: (i) the appointment of a guarantor; (ii) the cessation of liability of a guarantor body for the payment of the whole or part of the money for which it was liable under the guarantee; or (iii) a change of name of a guarantor (if this happens, the Issuer's quarterly report must also disclose the guarantor's new name).	☒ No event ☐ Event(s) occurred (please provide details)	
6.	The net amount outstanding on any advances at the end of the Period if the Issuer has created a charge where: (i) the total amount to be advanced on the security of the charge is indeterminate; and (ii) the advances are merged in a current account with bankers, trade creditors or anyone else.	☒ N/A ☐ If applies, equals: \$	
7.	The Issuer is not aware of any other matters that may materially prejudice any security or the interests of the Note holders.	☒ Issuer is not aware ☐ Other matters (please provide details)	

No.	Item	Confirmed? Y/N	Comments
8.	[283BF(5)] If the borrower has deposited any money with, or lent money to, a related body corporate during the quarter, the report must also include details of: (i) the totals of money deposited with, or lent to, a related body corporate during the quarter; and (ii) the total amount of money owing to the borrower at the end of the quarter in relation to those loans	☒ N/A ☐ If applies: \$ \$	
9.	[283BF(6)] If the body corporate has assumed a liability of a related body corporate during the quarter, the report must include details of the liability assumed during the quarter and the extent of the liability as at the end of the quarter.	☒ N/A ☐ Yes. Details of liability.	
10.	For the purposes of 283BF (5) & (6) above, the report: (i) must distinguish between deposits, loans and assumptions of liability that are secured and those that are unsecured; and (ii) may exclude any deposit, loan or assumption of liability on behalf of the related body corporate if it has: – guaranteed the repayment of the debenture of the borrower; and – secured the guarantee by a charge over all of its property in favour of the trustee.	☒ N/A ☐ If applicable, please provide details	
Corporations Act 2001 – Financial Reports and Audit			
11.	The Issuer has complied in all respects with its obligations under Chapter 2M (dealing with financial reports and audit) of the Corporations Act 2001.	☒ Yes ☐ No (please provide details)	

No.	Item	Confirmed? Y/N	Comments
12.	The Issuer has complied with all requirements and any recommendations in the Auditors benchmark report for RG 69 (PF223)	☐ Yes ☐ No (please provide details)	N/A – not due until 30 June 2016 audited accounts
Corporations Act 2001 – Disclosure			
13.	The Issuer has complied at all times with the requirements of Chapter 6CA (dealing with continuous disclosure) of the Corporations Act 2001 and no circumstances arose during the Period that required the Issuer to issue a supplementary prospectus, replacement prospectus or issue a continuous disclosure notice. If so, advise what steps have been taken.	☒ Yes (complied and no circumstances arose) ☐ No (please provide details of non-compliance)	
Regulatory Guide 69			
14.	The Issuer has made all necessary disclosures against the benchmarks in its disclosure documents and all disclosures remain true and correct.	☒ Yes ☐ No (please provide details) ☐ N/A (if debenture listed)	
15.	The Issuer continues to meet all benchmarks that the Issuer has stated in disclosure that it meets.	☒ Yes ☐ No (please provide details) ☐ N/A (if debenture listed)	
16.	Where the Issuer has disclosed that it does not meet the benchmarks on an "if not, why not" basis, the disclosure the Issuer has made continues to be correct and accurate in all material respects and is not misleading.	☐ Yes ☐ No (please provide details) ☒ N/A (if debenture listed)	Meeting all applicable benchmarks, ie. 1-5 inclusive. Benchmarks 6, 7 and 8 are not applicable as stated in Prospectus.

No.	Item	Confirmed? Y/N	Comments
17.	The Issuer has provided full details to the Trustee in respect to related party dealings in compliance with RG69.102	☒ Yes ☐ No (please provide details)	Included in prospectus and half year audited accounts
18.	The Issuer <i>attaches</i> a schedule of the promises it has made in disclosure documents it has issued and confirms that it has complied with each of the promises it has made in its current prospectus.	http://www.raa.com.au/documents/finance-prospectus Confirmed	
Trust Deed			
19.	The Issuer has provided the Trustee with copies of all material notifications to ASIC or investors during the Quarter including regarding changes in its officers and charges.	☒ Yes ☐ No (please provide details)	
20.	Compliance/reporting requirements – RG69 – Section 283BF of the <i>Corporations Act 2001</i> (Chapter 2L) – The Equity Ratio is greater than 8% as determined in accordance with the Company's half yearly audit reviewed financial reports and yearly audited financial reports	☒ Yes ☐ No (please provide details)	Meeting all requirements
21.	The Issuer covenants or reports that: the amount stated of issued Notes as at the last date of the Period. ■ borrowing limitations as set out under the Trust Deed have not been exceeded: <u>Total Equity</u> Total Equity + Total Liabilities (>8%)	\$1,761,765 ☒ Not exceeded ☐ Exceeded (please provide details)	\$6,014,836 \$6,014,836 + \$8,928,822 = 40.25%

No.	Item	Confirmed? Y/N	Comments
	- no other matters exist which may materially prejudice any security or the interest of the Note holders - no changes have occurred in relation to accounting or valuation methods and policies and that no circumstances have occurred which would lead to existing methods of valuation to be misleading or inappropriate. - assets held for resale in the relevant accounts appear at realisable value in the ordinary course of business - that Directors are not aware of any material change in the laws of any place which might affect the enforceability of guarantees and charges given to or in favour of the Trustee.	☒ No matters ☐ Matters exist (please provide details) ☒ None ☐ Changes occurred (please provide details) ☐ Yes ☒ N/A ☐ No (please provide details) ☒ Yes (not aware) ☐ Changes (please provide details)	
Anti-Money Laundering			
22.	The Issuer has complied in all respects with its obligations under the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)</i>	☒ Yes (complied) ☐ No (please provide details)	

On the basis of the above, the undersigned certify that they are of the view that the financial position and performance of the Issuer is such that the property of the Issuer (and of each guarantor, if relevant) will be sufficient to repay the amount of each Note when it becomes due and payable.


 Signature of Director

Name GEORGE MATHER

Dated 18/4/2016


 Signature of Director

Name JOHAN SMALBERGER

Dated 18/4/2016

Motoring Club Finance Limited
ASIC Benchmark Update as at 31 March 2016

Annexure A

ASIC Benchmarks	Prospectus No. 1 (7 Dec 15) / Supplementary Prospectus (21 Dec 15) Content Addressing the Benchmark	Update as at 31 Mar 16																		
1 Equity Ratio <i>An issuer should maintain a minimum equity ratio of 8% where only a minor part of its activities is property development or lending funds directly or indirectly for property development. The equity ratio is calculated as: total equity / (total liabilities + total equity)</i> <i>MCFL does not lend to developers for property development purposes and is not involved in property mortgage financing.</i>	Motoring Club Finance Limited (MCFL) satisfies benchmark 1 and discloses the following: As at 30 June 2015, MCFL's equity ratio was 55.61% and is defined as follows: <table border="1" data-bbox="443 1055 539 1704"> <tr> <td>Total Equity</td><td>\$6.412m</td><td>= 55.61%</td></tr> <tr> <td colspan="3">Total Liabilities \$5.118m + Total Equity \$6.412m</td></tr> </table> As at 31 October 2015 (supplementary prospectus): <table border="1" data-bbox="667 1055 762 1704"> <tr> <td>Total Equity</td><td>\$6.269m</td><td>= 55.27%</td></tr> <tr> <td colspan="3">Total Liabilities \$5.074m + Total Equity \$6.269m</td></tr> </table>	Total Equity	\$6.412m	= 55.61%	Total Liabilities \$5.118m + Total Equity \$6.412m			Total Equity	\$6.269m	= 55.27%	Total Liabilities \$5.074m + Total Equity \$6.269m			The equity ratio as at the date of this report is 40.25% As at 31 March 2016: <table border="1" data-bbox="411 241 507 896"> <tr> <td>Total Equity</td><td>\$6.015m</td><td>= 40.25%</td></tr> <tr> <td colspan="3">Total Liabilities \$8.929m + Total Equity \$6.015m</td></tr> </table>	Total Equity	\$6.015m	= 40.25%	Total Liabilities \$8.929m + Total Equity \$6.015m		
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2 Liquidity <i>An issuer should:</i> <i>(a) have cash flow estimates for the next three months;</i> <i>and</i> <i>(b) ensure that at all times it has cash or cash equivalents sufficient to meet its projected cash needs over the next three months.</i>	Benchmark 2 is satisfied. MCFL ensures that at all times it holds cash or cash equivalents sufficient to meet its projected cash needs over the next three months. MCFL projects its cash flow for the next three months at each month end as part of its ongoing compliance management processes. The material assumptions underlying these projections include analysis of recent actual investment and loan movements, likely investment rollovers (but assuming no new investment funds), investment repayments including interest payments and loan transactions including contractual loan repayments. MCFL does not have a policy of directly matching investment and loan maturities. MCFL considers that its maturity profile is reasonably matched. The majority of the investment funds are invested for a term of one year or less. Whilst the majority of the loans have been for terms of one to five years.	No material change																		

Motoring Club Finance Limited
ASIC Benchmark Update as at 31 March 2016

Annexure A

ASIC Benchmarks		Prospectus No. 1 (7 Dec 15) / Supplementary Prospectus (21 Dec 15) Content Addressing the Benchmark	Update as at 31 March 2016																								
3	Rollovers/Maturities (including overdue maturities) <i>An issuer should clearly disclose its approach to rollovers, including</i> <i>(a) what process is followed at the end of the investment term; and</i> <i>(b) how it informs those rolling over or making further investments of any current prospectus and continuous disclosure announcements.</i>	Benchmark 3 is satisfied by MCFL disclosing its policy in relation to rollovers/re-investments. MCFL issues a notice of approaching maturity at least one week before the maturity date. At maturity, an investor can re-invest, add funds or redeem all or part of the maturity value. On the maturity date, if no other instruction has been received, MCFL will automatically reinvest the maturing principal for the same term and interest payment option as the maturing investment, at the interest rate applicable at the date of maturity. If an investor advises after the maturity date that they do not wish to reinvest, then no interest is payable for that interim period after maturity.	No change																								
4	Debt Maturity <i>An issuer should disclose:</i> <i>(a) an analysis of the maturity profile of interest-bearing liabilities (including notes on issue) by term and value; and</i> <i>(b) the interest rates, or average interest rates, applicable to its debts.</i>	Benchmark 4 is satisfied by MCFL disclosing the following analysis of its debt maturity profile as at 30 June 2015: <table><tr><th>Term</th><th>Amount</th></tr><tr><td>Within 3 months</td><td>\$ 0.000m</td></tr><tr><td>Between 3 months and 1 year</td><td>\$ 0.000m</td></tr><tr><td>Between 1 year and 5 years *</td><td>\$ 5.000m</td></tr><tr><td>Total</td><td>\$ 5.000m</td></tr><tr><td>Weighted average effective interest rate **</td><td>1.90% pa</td></tr></table> * This represents shareholders loans ** Represents the interest paid on shareholder loans for the period ending 30 Jun 15	Term	Amount	Within 3 months	\$ 0.000m	Between 3 months and 1 year	\$ 0.000m	Between 1 year and 5 years *	\$ 5.000m	Total	\$ 5.000m	Weighted average effective interest rate **	1.90% pa	Analysis of debt maturity profile as at 31 Mar 2016: <table><tr><th>Term</th><th>Amount</th></tr><tr><td>Within 3 months</td><td>\$ 0.000m</td></tr><tr><td>Between 3 months and 1 year</td><td>\$ 1.501m</td></tr><tr><td>Between 1 year and 5 years *</td><td>\$ 7.261m</td></tr><tr><td>Total</td><td>\$ 8.762m</td></tr><tr><td>Weighted average effective interest rate **</td><td>3.12% pa</td></tr></table> * This represents shareholders loans ** Includes the interest rate on shareholder loans for the period ending 31 Mar 16	Term	Amount	Within 3 months	\$ 0.000m	Between 3 months and 1 year	\$ 1.501m	Between 1 year and 5 years *	\$ 7.261m	Total	\$ 8.762m	Weighted average effective interest rate **	3.12% pa
Term	Amount																										
Within 3 months	\$ 0.000m																										
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ASIC Benchmarks		Prospectus No. 1 (7 Dec 15) / Supplementary Prospectus (21 Dec 15) Content Addressing the Benchmark					Update as at 31 March 2016		
5	Loan Portfolio <i>An issuer who directly on-lends funds, or indirectly on-lends funds through a related party, should disclose certain specified details of the current nature of its (or the related party's) loan portfolio.</i>	MCFL satisfies Benchmark 5 and discloses the following:					No material change to the current nature of the loan portfolio and the overall approach to lending.		
		Loan Profile	Number @ 30/6/15	Value @ 30/6/15	Number @ 31/10/15	Value @ 31/10/15	Loan Profile	Number @ 31/3/16	Value @ 31/3/16
		SA	100	\$1.649m	298	\$5.611m	SA	527	\$10.236m
		Broken Hill	0	\$0.000m	0	\$0.000m	Broken Hill	5	\$0.113m
		Secured loans	93	\$1.558m	278	\$5.397m	Secured loans	501	\$10.028m
		Unsecured loans	7	\$0.091m	20	\$0.214m	Unsecured loans	31	\$0.321m
		Total loans	100	\$1.649m	298	\$5.611m	Total loans	532	\$10.349m
		Largest borrower	1	\$0.039m	1	\$0.050m	Largest borrower	1	\$0.069m
		10 largest borrowers	10	\$0.311m	10	\$0.436m	10 largest borrowers	10	\$0.530m
		In default/ arrears (30 days & greater)	0	0	1	\$0.002m	In default/ arrears (30 days & greater)	3	\$0.017m
		Renegotiated with past 6 mths that were great than 30 days in default/ arrears	0	0	0	0	Renegotiated with past 6 mths that were great than 30 days in default/ arrears	3	\$0.074m
		Subject to legal proceedings	0	0	0	0	Subject to legal proceedings	0	0

Motoring Club Finance Limited
ASIC Benchmark Update as at 31 March 2016

ASIC Benchmarks		Prospectus No. 1 (7 Dec 15) / Supplementary Prospectus (21 Dec 15) Content Addressing the Benchmark		Update as at 31 March 2016																			
		Where a loan is to be used to purchase property, a motor vehicle or other significant assets, these loans will predominantly be secured by way of a registered encumbrance, mortgage or charge. All lending is currently in South Australia and Broken Hill. MCFL has a robust credit risk management framework which is regularly reviewed. MCFL considers a loan to be in default/arrears when a payment is 30 days overdue. This does not mean that MCFL takes no action prior to this point. Loans in arrears are managed on an individual basis. There is a legal requirement to give the debtor 30 days' prior notice of enforcement. Impaired loans are suspended and provisioned where there is doubt of full recovery. MCFL also discloses the following analysis of its loan maturity profile as at 30 June and 31 October 2015:																					
		<table><tr><th>Term</th><th>Amount 30/6/15</th><th>Amount 31/10/15</th></tr><tr><td>Within 3 months</td><td>\$ 0.150m</td><td>\$0.203m</td></tr><tr><td>Between 3 months and 1 year</td><td>\$ 0.514m</td><td>\$0.677m</td></tr><tr><td>Between 1 year and 5 years</td><td>\$ 0.985m</td><td>\$4.731m</td></tr><tr><td>Total</td><td>\$ 1.649m</td><td>\$5.611m</td></tr><tr><td>Weighted average effective interest rate</td><td>8.79% pa</td><td>7.83% pa</td></tr></table>				Term	Amount 30/6/15	Amount 31/10/15	Within 3 months	\$ 0.150m	\$0.203m	Between 3 months and 1 year	\$ 0.514m	\$0.677m	Between 1 year and 5 years	\$ 0.985m	\$4.731m	Total	\$ 1.649m	\$5.611m	Weighted average effective interest rate	8.79% pa	7.83% pa
		Term	Amount 30/6/15	Amount 31/10/15																			
		Within 3 months	\$ 0.150m	\$0.203m																			
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Total	\$ 1.649m	\$5.611m																					
Weighted average effective interest rate	8.79% pa	7.83% pa																					
Analysis of loan maturity profile as at 31 March 2016:																							
<table><tr><th>Term</th><th>Amount 31/3/16</th></tr><tr><td>Within 3 months</td><td>\$ 0.401m</td></tr><tr><td>Between 3 months and 1 year</td><td>\$ 1.311m</td></tr><tr><td>Between 1 year and 5 years</td><td>\$ 8.637m</td></tr><tr><td>Total</td><td>\$ 10.349m</td></tr><tr><td>Weighted average effective interest rate</td><td>7.57% pa</td></tr></table>				Term	Amount 31/3/16	Within 3 months	\$ 0.401m	Between 3 months and 1 year	\$ 1.311m	Between 1 year and 5 years	\$ 8.637m	Total	\$ 10.349m	Weighted average effective interest rate	7.57% pa								
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ASIC Benchmarks	Prospectus No. 1 (7 Dec 15) / Supplementary Prospectus (21 Dec 15) Content Addressing the Benchmark	Update as at 31 March 2016
6 Related Party Transactions An issuer who on-lends funds should disclose its approach to related party transactions, including: (a) how many loans it has made to related parties; (b) the value of those loans; (c) the value of those loans as a percentage of total assets; and (d) the assessment and approval process it follows with related party loans when loans are advanced, varied or extended.	Benchmark 6 is not applicable for MCFL. MCFL does not on lend funds to any related party and as at 31 March 2016 no such loan exists.	N/A
7 Valuations Where the issuer is involved in or (directly or indirectly) lends money for property-related activities, it should take a specified approach to obtaining and relying on valuations.	Benchmark 7 is not applicable for MCFL. MCFL does not lend to developers for property development purposes and is not involved in property mortgage financing.	N/A

Motoring Club Finance Limited
ASIC Benchmark Update as at 31 March 2016

ASIC Benchmarks	Prospectus No. 1 (7 Dec 15) / Supplementary Prospectus (21 Dec 15) Content Addressing the Benchmark	Update as at 31 March 2016
8 Lending principles – Loan to Valuation Ratios <i>Where an issuer (directly or indirectly) on-lends money in relation to property-related activities, it should maintain the following loan-to-valuation ratios:</i> (a) where the loan relates to property development – 70% on the basis of the latest complying valuation; and (b) in all other cases – 80% on the basis of the latest complying valuation.	Benchmark 8 is not applicable for MCFL. MCFL does not lend to developers for property development purposes and is not involved in property mortgage financing.	N/A

Signature of Director

Name

CHART MATHIAS

Dated

18/4/2016

Signature of Director

Name

JOHAN SMALBERGER

Dated

18/4/2016