



Benchmarks and Disclosure Principles Report

For ASIC Regulatory Guide 45

As at 31st August 2025

Sydney Wyde Mortgage Fund
ARSN 108 342 123

Sydney Wyde Mortgage Management Limited
ABN 19 090 567 150 | AFSL 245506

Sydney Wyde Mortgage Fund

ARSN 108 342 123

Benchmarks and Disclosure Principles Report for ASIC Regulatory Guide 45 – as at 31 August 2025

The following report describes each of the benchmarks and disclosure principles set by ASIC RG 45 – *Mortgage schemes – improving disclosure for retail investors* against which Sydney Wyde Mortgage Management Limited as the Manager of the *Sydney Wyde Mortgage Fund* must report on a regular basis. The table refers to each benchmark and explains how and to what extent the Manager satisfies it, as well as its disclosures against the disclosure principles. This report must be read in conjunction with the information in the product disclosure statement for the Fund dated 27 March 2025 (PDS). This disclosure is given as at 31 August 2025.

IMPORTANT NOTE: In preparing the information contained in this Benchmarks and Disclosure Principles Report, the Manager has not taken into account your particular investment objectives, financial situation or needs. You should consider the PDS and the Syndicate SPDS for a particular mortgage investment and consider obtaining advice as to whether investing in the Fund and a mortgage investment is appropriate for you in light of your particular objectives, situation and needs before making a decision. Investment in the Fund and a mortgage investment are subject to investment risk as noted in the PDS.

Benchmarks

The table below sets out briefly:

- the risk that each benchmark that applies to the Fund addresses;
- the benchmark; and
- how and to what extent the Manager complies with the benchmark and if not, why not.

Benchmark 1: Liquidity

This benchmark does not apply to the Fund.

Benchmark 2: Scheme borrowing		
Description of the Risk	Details of the Benchmark	Meeting the Benchmark
Some schemes borrow against the assets of the scheme to fund distributions, redemption requests or scheme operations generally.	The Manager does not have current borrowings and does not intend to borrow on behalf of the Fund.	<i>The Manager meets this benchmark.</i>

The Manager confirms that it has no borrowings and no borrowings are intended for the Fund.

Benchmark 3: Loan portfolio and diversification
This benchmark does not apply to the Fund.

While this benchmark does not apply to the Fund, information as to the nature of the Mortgage Investments made through the Fund is provided below at pages 11 to 15.

Benchmark 4: Related party transactions		
Description of the Risk	Details of the Benchmark	Meeting the Benchmark
Some schemes lend to, invest scheme funds in, and transact with, associated companies or businesses.	The Manager does not lend to related parties of the Manager or to the Fund's investment manager.	<i>The Manager does not meet this benchmark</i>

As indicated in the PDS, loans may not be made by the Fund to parties associated with the Manager unless an exception applies and the loan is made on an arm's length commercial basis.

The Responsible Entity has not appointed an investment manager but if it were do so, the Responsible Entity would not make a loan to that person.

For further information, see Disclosure principle 4: *Related party transactions* below.

Benchmark 5: Valuation policy		
Description of the Risk	Details of the Benchmark	Meeting the Benchmark
Robust and objective valuations are needed to ensure that a scheme's financial position is correctly stated. It is important for investor confidence that suitably qualified independent experts perform the valuations, and that the process is transparent. The valuations that schemes rely on are carried out on a variety of bases, with differing assumptions and instructions. These valuations are fundamental to determining how much the scheme may lend.	In relation to valuations for the Fund's Mortgage Investments and their security property, the board of the Manager requires: (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located; (b) a valuer to be independent; (c) procedures to be followed for dealing with any conflict of interest; (d) the rotation and diversity of valuers; (e) in relation to the security property for a loan, an independent valuation to be obtained: (i) before the issue of a loan and on renewal: (A) for development property, both on an 'as is' and 'as if complete' basis; and (B) for all other property, on an 'as is' basis; and (ii) within two months after the directors form the view that there is a likelihood that a decrease in the value of the security property may have caused a material breach of the loan covenant.	<i>The Manager meets this benchmark</i>

All valuations of properties are prepared on an 'as is' basis by a member of the panel of valuers. If the Manager were to make development or construction loans, then it would obtain valuations on an 'as is' basis, as well as on an 'as if complete' basis.

The loan documents used by the Manager do not contain a covenant to the effect that a material breach of the mortgage will occur if there is a decrease in the value of the security property.

Further details of the Manager's Valuation Policy are provided below at Disclosure principle 5: *Valuation Policy*.

Benchmark 6: Lending principles – loan to valuation ratios		
Description of the Risk	Details of the Benchmark	Meeting the Benchmark
Higher loan to valuation ratios is one indicator of how conservative or aggressive a fund's lending practices are. Higher ratios make a fund more vulnerable to risk in that a downturn in market conditions may mean the fund is unable to fully recover the loan. Funding for development activities should only be provided where the development shows satisfactory progress.	As the Fund directly holds mortgage assets: (a) where the loan relates to property development – funds are provided to the borrower in stages based on independent evidence of the progress of the development; (b) where the loan relates to property development – the Fund does not lend more than 70% of the latest 'as if complete' valuation of property over which security is provided; and (c) in all other cases – the Fund does not lend more than 80% of the latest market valuation of property over which security is provided.	<i>The Manager meets this benchmark</i>

As at the date of this update the Manager has 9 active property development or construction loans. This has been disclosed in the relevant Syndicate SPDS and in its periodic updating of this information.

The lending policies of the Manager provide that:

- for all loans secured by a first mortgage, the loan to valuation ratio (**LVR**) must not exceed 66.66% of the valuation of the security property as at the date of the valuation report; and
- for all loans secured by a second mortgage, the amount of the loan, when aggregated with other prior or equal ranking mortgages, must not exceed 80.0% of the valuation of the security property as at the date of the valuation report.

Advances are not necessarily made to the maximum ratio of 66.66% (or 80.00%) of valuation.

For further details see Disclosure principle 6: *Lending principles – Loan to valuation ratios* below.

Benchmark 7: Distribution practices		
Description of the Risk	Details of the Benchmark	Meeting the Benchmark
Where distributions are not sourced solely from scheme income, there is a risk that these distribution practices may not be sustainable over the long term. This risk may be heightened where a scheme promotes a fixed return on investments.	The Manager will not pay current distributions from scheme borrowings.	<i>The Manager meets this benchmark</i>

As indicated above, the Manager and the Fund have no borrowings. The income distributions to members of the Syndicate holding the relevant Mortgage Investment are made from the interest payments made by the borrower. See the further information in Disclosure principle 7: *Distribution practices* below.

Benchmark 8: Withdrawal arrangements
This benchmark does not apply to the Fund.

The Fund is not a liquid scheme. Investors in a Syndicate Mortgage Investment have no right to withdraw from the Mortgage Investment until the loan to which that investment applies has been repaid. For further details as to withdrawals from the Fund see Disclosure principle 8: *Withdrawal arrangements* below.

Disclosure Principles

The disclosures below against the disclosure principles are in summary form only and are to be read in conjunction with the further material in the PDS and in the relevant Syndicate SPDS.

Disclosure Principle 1: Liquidity

This disclosure principle does not apply to the Fund.

Disclosure Principle 2: Scheme borrowing

If the Fund has borrowings, the Manager should disclose a number of matters including those relating to:

- the total debts due, their maturity profile, undrawn credit facility and whether refinancing or sale of assets is likely during various periods;
- why the Manager has borrowed the money, including whether the borrowed funds will be used to fund distributions or withdrawal requests;
- any material loan covenant breaches;
- the fact that the amounts owing to lenders and other creditors rank before an investor's interests in the Fund; and
- the risks associated with the Fund's borrowings and credit maturity profile.

The Manager confirms that it has no borrowings and no borrowings are intended by it or for the Fund.

Disclosure Principle 3: Loan portfolio and diversification

This disclosure principle does not apply to the Fund.

While disclosure as to the various Mortgage Investments made by the Fund is not required by this principle, the Manager has provided, below on pages 11 to 15, certain updated information as to the Mortgage Investments made through the Fund as at 31 August 2025.

Disclosure Principle 4: Related party transactions

If the Manager enters into related party transactions, the Manager should disclose details of those transactions including:

- the value of the financial benefit;
- the nature of the relationship (i.e. the identity of the related party and the nature of the arrangements between the parties, in addition to how the parties are related for the purposes of the *Corporations Act 2001*—for group structures, the nature of these relationships should be disclosed for all group entities);
- whether the arrangement is on arm's length terms, is reasonable remuneration, some other CH 2E exception applies, or ASIC has granted relief;
- whether member approval for the transaction has been sought and, if so, when;
- the risks associated with the related party arrangement; and
- the policies and procedures that the Manager has in place for entering into related party transactions, including how compliance with these policies and procedures is monitored.

The Fund has one related party loan. The loan is for \$10,750,000 and is secured by a first ranking mortgage over a retirement village at Cooranbong in NSW. The loan had been in default for more than 9 months and the property had failed to sell with offers received being substantially less than the full amount of the loan. The Manager then took possession of the security and foreclosed on the property. In an arm's length transaction the Manager transferred ownership of the property along with an assignment of the first mortgage debt owed to the Fund to a new entity in which a director of the Manager has a minority financial interest. The term of the loan now expires on 30 June 2026, paying monthly interest at 9.75% per annum. The Manager is not charging a fee on this loan. The security property is being completed and is on track to be repaid by the 30 June 2026.

The Manager obtained scheme member approval from the syndicate members for this loan.

The risks associated with this loan are not considered by the Manager to be any more than any other of the risks as described in the PDS.

As disclosed in the PDS, the Manager has engaged Sydney Wyde Mortgage Corporation Pty Limited ABN 46 000 895 885 (**Service Provider**) to provide miscellaneous services to the Fund, including all staffing, premises, facilities, and IT. These services are used in the operation of the Fund as well as the management of the Mortgage Investments.

The Service Provider is an associate of the Manager and the appointment under the Miscellaneous Services Agreement, entered into on 20 February 2004, is a related party transaction.

Under the agreement, the Manager is to pay to the Service Provider a fee for the services provided. While there is no set fee stated in the agreement, the total amount of the fees charged by the Service Provider will at no time exceed the total amount of the fees paid to the Manager from the Fund. The fee is payable by the Manager from its own fees, and is not payable by the Fund or by any Member of the Fund or Syndicate Members. The financial benefit paid to the Administrator by the Manager varies from month to month. The average monthly amount over the past calendar year has been \$494,853.

The agreement was entered into on arm's length terms. No approval was sought from members of the Fund (and no such approval was required) before it was entered into.

The risks associated with related party transactions in the nature of such an arrangement with the Service Provider include the quality of the services provided and the monitoring and review of those services. These are covered by the terms of the agreement and the provision of the services is reviewed on an annual basis in accordance with the Outsourcing Policy adopted by the Manager. Further, the engagement of a related party to provide services may be more difficult to enforce than where those services are provided by external parties.

The policy of the Manager as to how it manages any potential conflict of interest that may arise in relation to any related party investment in a Mortgage Syndicate or any other related party transaction is described in the PDS, as is its monitoring processes.

Disclosure Principle 5: Valuation policy

The Manager must disclose:

- where investors may access the Fund's valuation policy
- the processes that the directors employ to form a view on the value of the security property
- the frequency of valuations
- any material inconsistencies between any current valuations over security property and the Fund's valuation policy.

Valuation Policy

A copy of the *Valuation Policy* adopted by the Manager for the Fund is available, free of charge on request from the Manager. It is also on the website www.sydneywyde.au.

Valuation Processes

The processes that the board employs to form a view on the value of the security property is described in the Valuation Policy. The matter is first considered by the Lending Committee in the course of recommending to the board whether a particular loan is to be made. Central to the processes is the obtaining of a formal valuation from a panel valuer who is a member of an appropriate professional body in the State in which the security property is situated and otherwise meets the criteria adopted in the policy. This includes the requirement that the valuer must have current professional indemnity insurance that extends to providing a valuation for the purpose of the loan made through the Fund.

Diversity and rotation of valuers

The Manager maintains a panel of valuers. It has a policy that it will use reasonable endeavours to ensure that no one valuer may give more than 3 consecutive valuations of the one security property or provide more than 50% of the current valuations relied upon by the Fund by number or value. The policy recognises that it may not be possible at any particular time to achieve the preferred position as to diversity and rotation of valuers in light of the overriding requirements that the valuation meets the competency, independence, and professional indemnity insurance criteria adopted by the Manager as well as the ability of the Manager to rely on the valuation as having been provided for the purpose of the loan.

Frequency of valuations

The valuation of a security property in respect of any loan must not be more than 3 months old. A further valuation of the property must be obtained by the Manager before the term of the loan is extended or the loan is rolled over. A further independent valuation must be obtained within 2 months after the Board forms the view that there is a likelihood that a decrease in the value of the security property may have caused a material breach of a loan covenant.

Material inconsistencies

As at 31 August 2025 there were no material inconsistencies between any current valuation and the Manager's valuation policy.

Disclosure Principle 6: Lending principles – loan to valuation ratios

As the Fund directly holds mortgage assets the Manager must disclose:

- (a) the maximum and weighted average loan to valuation ratios for the Fund as at the date of reporting
- (b) where funds are lent for property development:
 - the criteria against which the funds are drawn down
 - the percentage (by value) of the completion of any property that is under development as at the date of reporting
 - the loan to valuation ratio of each property development loan as at the date of reporting.

It is the policy of the Manager that the amount of the loan for a first Mortgage Investment will not exceed 66.66% of the valuation of the security property. In the case of a second mortgage, the amount of the loan must not, when aggregated with the amount secured under a prior or equal ranking mortgage, exceed 80.0% of the valuation. The Syndicate SPDS will disclose the LVR applicable to the relevant Mortgage Investment.

Information as to the average LVR for Mortgage Investments made through the Fund, as at 31 August 2025 is provided on pages 12 and 14 below.

Disclosure Principle 7: Distribution practices

The Manager makes distributions to members from the Fund. The Manager should therefore disclose:

- the source of the current and forecast distributions (e.g. from income earned in the relevant distribution period, operating cash flow, financing facility, capital, application money)
- if the distribution is not solely sourced from income received in the relevant distribution period, the reasons for making those distributions and the risks associated with such distributions
- if the distribution is sourced other than from income, whether this is sustainable over the next 12 months
- when the Manager will pay distributions and the frequency of payment of distributions.

All distributions of monthly returns to the members of a Mortgage Syndicate are made solely from the income received from borrowers from the Fund in respect of that Mortgage Investment. The Manager does not anticipate that this will change in the future.

The amount of the return to the members of the Mortgage Syndicate, from the payments made by the borrower, is as disclosed in the relevant Syndicate SPDS.

If the income received from the borrowers from a particular Mortgage Investment is insufficient in any monthly period to enable a distribution to be made in full or in part, then a distribution is made to members of the relevant Mortgage Syndicate only to the extent that the income has been actually received.

The Manager has no present intention to borrow or otherwise obtain funds from which it will make income distributions to Investors.

Disclosure Principle 8: Withdrawal arrangements

The Manager should disclose:

- the Fund's withdrawal policy and any rights that the Manager has to change the policy;
- the ability of investors to withdraw from the Fund when it is liquid;
- the ability of investors to withdraw from the Fund when it is non-liquid;
- any significant risk factors or limitations that may affect the ability of investors to withdraw from the Fund;
- how investors can exercise their withdrawal rights, including any conditions on exercising these rights;
- the approach to rollovers and renewals, including whether the 'default' is that investments in the Fund are automatically rolled over or renewed;
- if the withdrawals from the Fund are to be funded from an external liquidity facility, the material terms of this facility, including any rights the provider has to suspend or cancel the facility;
- the maximum withdrawal period that applies to the payment of withdrawal requests when the Fund is liquid;
- any rights the Manager has to refuse or suspend withdrawal requests; and
- the policy of the Fund on balancing the maturity of its assets with the maturity of its liabilities and the ability of its members to withdraw (e.g. if the Fund has a policy of ensuring that sufficient assets are held in readily realisable investments to meet future withdrawal requests, the Manager entity should state this in its PDS, provide details of the source of the realisable investment and report against this in its ongoing disclosure).

If the Fund promotes a fixed redemption unit price for investments (e.g. \$1 per unit), the Manager must clearly disclose details of the circumstances in which a lower amount may be payable, details of how that amount will be determined and the impact of a default under the Fund's mortgage assets on investors (e.g. on investor distributions and the unit price).

Members of the Fund have no ability to withdraw from the Fund.

As stated in the PDS:

- when application monies are invested into a Mortgage Investment, members may not withdraw from that investment
- if the term of a loan is to be extended, or rolled over, this must be agreed to by the Syndicate Members.

The PDS also describes how and when members of the Fund receive back investment monies.

The following additional information is provided as noted above and in relation to Section 6: *Mortgage Investments* of the PDS:

MORTGAGE INVESTMENTS

The information below provides an overview of the 78 Mortgage Investments made through the Fund as at 31 August 2025.

- ***ranking of mortgages***

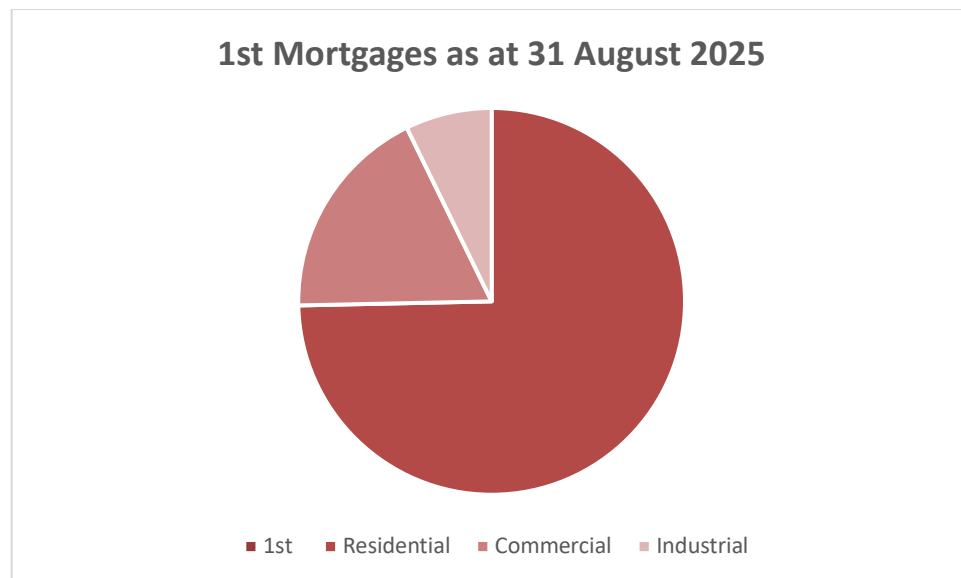
In terms of the ranking of security, the position as at 31 August 2025 was as follows:

Mortgage Ranking	Number	% of total number	Value (\$)	% of total value
First	66	84.62	527,665,000	99.64
Second	12	15.38	1,887,000	0.36
Total	78	100.00	529,552,000	100.00

First ranking mortgages:

- ***loans by class of activity***

Loan Type	Number	% of total number	Value (\$)	% of total value
Residential	54	81.82	393,980,000	74.66
Commercial	5	7.58	95,520,000	18.10
Industrial	7	10.60	38,165,000	7.24
Rural	0	0	0	0
Total	66	100.00	527,665,000	100.00



- **loans by location**

Location	Number	% of total number	Value (\$)	% of total value
Greater Sydney Area	60	90.91	509,000,000	96.46
Regional NSW	6	9.09	18,665,000	3.54
Total	66	100.00	527,665,000	100.00

- **maturity profile of loans**

Term of mortgage	Number	% of total number	Value (\$)	% of total value
Less than 12 months	54	78.69	393,950,000	77.60
More than 12 less than 24 months	12	21.31	133,715,000	22.40
More than 24 months	0	0	0	0
Total	66	100.00	527,665,000	100.00

- **LVR ranges**

Range of LVR	Number	% of total number	Value (\$)	% of total value
Less than 50%	8	12.12	93,300,000	17.68
50% - 59%	7	10.61	64,200,000	12.17
60% - 66.66%	51	77.27	370,165,000	70.15
Total	66	100.00	527,665,000	100.00

- **Distribution rate ranges**

Interest rate* (p.a.)	Number	% of total number	Value (\$)	% of total value
Less than 7.99%	0	0.00	Nil	0.00
8.00% - 8.99%	6	9.10	81,112,000	15.37
9.00% - 9.99%	46	69.70	321,858,000	61.00
10.00% or more	14	21.20	124,695,000	23.63
Total	66	100.00	527,665,000	100.00

* This is the rate net of management fees and taxes. Past performance is not indicative of future performance. The above figures exclude additional higher interest that may apply from time to time by reason of default of the borrower and are based on the lower rate in the mortgage contract and the relevant Syndicate SPDS.

- **other characteristics of first mortgages**

The average Mortgage Investment held on first mortgage security at 31 August 2025 was \$7,994,924 and the average LVR was approximately 60.61% (calculated on the basis of the total of the LVRs divided by the total number of loans). The total amount of the loans as a percentage of the total security value was approximately 54.38%. The largest separate loan represented about 11.18% of the total loans secured by first mortgages and the highest aggregate loan to any borrower was \$157,105,000. The median loan size was \$3,750,000.

- **default rates of first mortgages**

The default rates (more than 14 days in arrears) as at 31 August 2025 were as follows:

Days in arrears	No of Loans in default	% Default Rate by No of loans	Value of loans in default (\$)	% Default Rate by Value
14-30	0	0	0	0
30-60	0	0	0	0
60-90	2	3.03	13,050,000	2.47
90+	2	3.03	5,030,000	0.96
Total	4	6.06	18,080,000	3.43

The default rates on these 1st mortgages have been impacted by the length of time it has taken to enforce defaulting loans, the state of the property market and an inability of some borrowers to obtain refinance. The levels of default will continue to be impacted by these factors.

The Manager is communicating with Syndicate Members affected by the defaults. Default recovery proceedings have been commenced in respect of 2 loans greater than 90 days. The loan interest outstanding on the other 2 loans is being paid but the loan terms have matured. The Manager anticipates the full repayment of principal and interest entitlements to the Syndicate Members in due course. However, it does not give any assurance that this will be achieved. If the Manager considers that principal and interest may not be recovered the members of the relevant Syndicate will be notified and updated as to the progress of the enforcement.

All applicants must be aware that any loss that may occur by reason of a default under the Mortgage Investment is borne by the Members of that Syndicate only and not by other Members. Past performance is not indicative of nor a guarantee of future performance.

Second ranking mortgages:

- ***loans by class of activity***

Loan Type	Number	% of total number	Value (\$)	% of total value
Residential	12	100.00	1,887,000	100.00
Rural	0	0	0	0
Commercial	0	0	0	0
Industrial	0	0	0	0
Total	12	100.00	1,887,000	100.00

- ***loans by location***

Location	Number	% of total number	Value (\$)	% of total value
Greater Sydney Area	12	100.00	1,887,000	100.00
Regional NSW	0	0	0	0
Total	12	100.00	1,887,000	100.00

- ***maturity profile of loans***

Term of mortgage	Number	% of total number	Value (\$)	% of total value
Less than 6 months	1	8.33	1,727,000	91.52
More than 6 less than 12 months	11	91.67	160,000	8.48
More than 12 less than 24 months	0	0	0	0
Total	12	100.00	1,887,000	100.00

- ***LVR ranges***

Range of LVR	Number	% of total number	Value (\$)	% of Value
Less than 66.66%	1	8.33	135,000	7.15
66.66% - 70%	9	75.00	1,555,000	82.41
More than 70% less than 75%	2	16.67	197,000	10.44
Total	12	100.00	1,887,000	100.00

- ***Distribution rate ranges***

Interest rate*	Number	% of total number	Value (\$)	% of Value
Less than 15%	1	8.33	135,000	7.15
15% - 18%	11	91.67	1,752,000	92.85
More than 18%	0	0	0	0
Total	12	100.00	1,887,000	100.00

* This is the rate net of management fees and taxes. Past performance is not indicative of future performance. The above figures exclude additional higher interest that may apply from time to time by reason of default of the borrower and are based on the lower rate in the mortgage contract and the relevant Syndicate SPDS.

- ***other characteristics of second mortgages***

The average Mortgage Investment held on second mortgage security at 31 August 2025 was \$157,250 and the average LVR was approximately 64.87% (calculated on the basis of the total of the LVRs divided by the total number of loans). The total amount of the loans as a percentage of the total security value was approximately 64.87%. The largest separate loan represented about 45.24% of the total loans secured by second mortgages and the highest aggregate loan to any borrower was \$1,555,000. The median loan size was \$172,700.

- ***default rates of second mortgages***

The default rates (more than 14 days in arrears) as at 31 August 2025 were as follows:

Days in arrears	No of Loans in default	% Default Rate by No of loans	Value of loans in default (\$)	% Default Rate by Value
14-30	0	0	0	0
30-60	0	0	0	0
60+	1	8.33	160,000	8.48
Total	1	8.33	160,000	8.48

All applicants must be aware that any loss that may occur by reason of a default under the Mortgage Investment is borne by the Members of that Syndicate only and not by other Members. Past performance is not indicative of nor a guarantee of future performance.

Past performance is not indicative of future performance.

All applicants must be aware that any loss that may occur by reason of a default under the Mortgage Investment is borne by the Members of that Syndicate only and not by other Members.

Sydney Wyde Mortgage Management Limited
8 September 2025