Trilogy Monthly Income Trust

Regulatory Guide 45 Report
as at 30 June 2025

Issuer: Trilogy Funds Management Limited

ABN 59 080 383 679
AFSL 261425

Trilogy Funds

This document is the Trilogy Monthly Income Trust – RG 45 Report as referred to in the Product Disclosure Statement dated 3 May 2024 ("PDS") issued by Trilogy Funds Management Limited ABN 59 080 383 679, AFSL 261425 ("Trilogy Funds") as the responsible entity of the Trilogy Monthly Income Trust ARSN 121 846 722 ("Trust"). This RG 45 Report is taken to be included in the PDS. A copy of this report may be obtained from Trilogy Funds on request, at no charge.

Please note that all financial data is current as of 30 June 2025 (unless stated otherwise).

The following report describes each of the benchmarks and disclosure principles set by ASIC RG 45 – Mortgage schemes – improving disclosure for retail investors ("RG 45") against which Trilogy Funds as the responsible entity of the Trust must report on a regular basis. The table refers to each benchmark and explains how and to what extent Trilogy Funds satisfies it (and if not, why not), as well as its disclosures against the disclosure principles.

Words used in this report that are defined in the PDS have the same meaning as in the PDS unless a different meaning is indicated.

IMPORTANT NOTE

In preparing the information contained in this RG 45 Report, Trilogy Funds has not taken into account your particular investment objectives, financial situation or needs. You should consider the PDS and consider obtaining advice as to whether investing in the Trust is appropriate for you in light of your particular objectives, situation and needs before making a decision. Investment in the Trust is subject to investment risk as noted in the PDS. Past performance is not a guarantee of future performance.

The following section of this report is Trilogy Funds' disclosure against the benchmarks in ASIC's RG 45. In this section we have stated the RG 45 requirement and responded as to what extent Trilogy Funds complies with the benchmark for the Trust. If the benchmark is not met then there is a statement as to why not.

Benchmark 1: Liquidity

45.34

The responsible entity has cash flow estimates for the scheme that:

a. demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;
b. are updated at least every three months and reflect any material changes; and
c. are approved by the directors of the responsible entity at least every three months.

The benchmark is met

45.34

Trilogy Funds maintains and complies with its Liquidity Policy which requires the tabling of a report to the Treasury Committee on a regular basis and is presented to the Board (monthly) as to cash flow estimates that meet the benchmark requirements. The assumptions used to monitor liquidity are stress tested on a regular basis via sensitivity analysis that is provided to the Treasury Committee. The Board formally approves the cash flow estimates at least every three months.

a. The Trust has the capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months.
b. The cash flow estimates are updated at least every three months and reflect any material changes.
c. The Treasury Committee, a committee nominated by the Board, approves cash flow estimates at least every three months. The Board formally approves the cash flow estimates at least every three months.

Benchmark 2: Scheme Borrowing

45.42

The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.

The benchmark is not met

45.42

The Trust does not have any current borrowings. However, Trilogy Funds does not meet the benchmark as Trilogy Funds may, in the future, borrow up to 15% of the total value of the Trust's assets to assist in managing the liquidity of the Fund if required.

In addition, Trilogy Funds may, from time to time, be approached by borrowers requesting that the Trust seek a bank guarantee to pay an infrastructure bond to an urban utility. In turn, the bank will generally require the Trust to deposit an amount equivalent to the guarantee with it and then borrow that amount back as security for the guarantee. For further information, see Disclosure Principle 2.

Benchmark 3: Loan Portfolio and Diversification

45.44

For a pooled mortgage scheme:

a. the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;
b. the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;
c. the scheme has no single borrower who exceeds 5% of the total scheme assets; and
d. all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).

The benchmark is met

45.44

a. The Trust holds a portfolio of assets diversified by size, borrower, class of borrower and geographic locations across Australia.
b. There is no mortgage asset (by drawn balance) in the scheme portfolio that exceeds 5% of total scheme assets.
c. There is no borrower whose drawn mortgage loan balance represents an amount greater than 5% of total scheme assets.
d. All loans made by the Trust are secured by first mortgages over real property.

Benchmark 4: Related Party Transactions

45.47

The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.

The benchmark is met

45.47

Trilogy Funds does not lend to related parties of Trilogy Funds and does not engage an investment manager.

Benchmark 5: Valuation Policy

45.50

In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity 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 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, on both 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 a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of loan covenant.

The benchmark is not met

45.50

The Trust's Valuation Policy meets each aspect of this benchmark other than, as explained in Section 5.7 of the PDS and below, Trilogy Funds does not typically obtain a new valuation on a renewal or extension of a loan.

Trilogy Funds does not typically obtain a new valuation on the renewal or extension of a loan because the terms of the renewal or extension may not warrant the cost of the valuation, if, for instance, the term is merely increased by a number of months and there is no reason to believe that the loan will not be repaid in full. In determining whether a new valuation should be obtained in any particular case, the Lending Committee will take into account a number of factors, including those referred to at 45.81(c) below. Further details of the Trust's Valuation Policy are provided below at Disclosure Principle 5: Valuation Policy and in Section 5.7 of the PDS.

Benchmark 6: Lending Principles – Loan-to-valuation ratios

45.56

If the scheme 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 scheme does not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and
c. in all other cases—the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.

The benchmark is not met

45.56

a. Where the loan relates to a property development, funds are provided to the borrower in stages based on reliable evidence regarding the progress of the development that is independent of the borrower, such as a report from a licensed quantity surveyor.
b. For a property development loan, Trilogy Funds will not generally lend more than 70% of the 'as-if complete' valuation of the property. In some circumstances, such as where the loan is in default, it is possible that 70% of the 'as-if complete' valuation of the property may be exceeded.
c. For a non-property development loan, Trilogy Funds will generally not lend more than 80% of the 'as-is' valuation. However, Trilogy Funds may lend more than 80% of the 'as-is' valuation when relying upon the 'project related site value'. In these cases, Trilogy Funds would be lending on the 'project related site value' such that further funds can be advanced from the Trust.

   While the Trust does not meet the benchmark, Trilogy Funds believes that, in some circumstances, the 'project related site value' may be a better measure of value of the proposed site if the developer, for example, has received development approval to build or construct on the land and has procured an agreement to lease with a tenant. In this circumstance, the 'project related site value' may be considerably higher than the 'as is' value. Trilogy Funds' Lending Committee will assess the risk of using this form of valuation when approving a potential loan's LVR covenants. For further information on the 'project related site value', please refer to the PDS, including Sections 5.6 and 5.7.

Benchmark 7: Distribution Practices

45.61

The responsible entity will not pay current distributions from scheme borrowings.

The benchmark is met

45.61

All distributions are from sources as disclosed in the PDS in Section 4.4 of the PDS and below under Disclosure Principle 7: Distribution Practices. The Trust does not have current borrowings, but should it do so, the borrowings will not be used to make distributions.

Benchmark 8: Withdrawal Arrangements

45.64

For liquid schemes:

a. the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less;
b. the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and
c. the responsible entity only permits members to withdraw at any time on request
    i. money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or
    ii. assets that the responsible entity can reasonably expect to realise for market value within 10 business days.

45.65

For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.

The benchmark is not met

45.64

a. The maximum period allowed for in the Constitution for the payment of withdrawals is 15 months. This is longer than the benchmark maximum period and is therefore the reason that this benchmark is not met.
b. Trilogy Funds believes that the approach to withdrawals, including the Trust's structure in the Constitution and the current practice of seeking a four month withdrawal notice from investors, is an acceptable approach for a pooled mortgage trust of this size in light of several factors, including the track record of management of liquidity, the current diversity and characteristics of the loan portfolio and subsequent cash flows, and the fact that, historically, all withdrawals have been paid within a shorter time frame than is allowed under the Constitution.
c. Trilogy Funds will pay all redemption requests within the period provided in the Constitution.
d. Trilogy Funds permits members to withdraw at times other than those stated in the benchmark. Certain assets of the Trust provide liquidity as set out in the benchmark. However, the majority of the assets of the Trust are first mortgage loans which are not assets that Trilogy Funds can reasonably expect to realise for their market value within 10 business days. Nevertheless, Trilogy Funds only permits members to withdraw when the Trust is 'liquid' within the meaning of the *Corporations Act 2001* (Cth). See Section 4.5 of the PDS for an explanation as to when a scheme is 'liquid'.

45.65

The Trust is not a non-liquid scheme. However, if it were to become a non-liquid scheme, Trilogy Funds intends to make withdrawal offers to investors at least quarterly.

The following section of this report sets out the disclosure principles from ASIC's RG 45 and the relevant disclosures of Trilogy Funds

Disclosure Principle 1: Liquidity

45.72

Disclose information about:

a. the current and future prospects of liquidity of the scheme;
b. any significant risk factors that may affect the liquidity of the scheme; and
c. the policy of the scheme on balancing the maturity of its assets with the maturity of its liabilities.

Trilogy Funds' disclosure

a. Trilogy Funds maintains and complies with its Liquidity Policy which requires the tabling of a report to the Treasury Committee on a regular basis and to the Board monthly. The report uses the following assumptions to monitor liquidity (which assumptions may change from time-to-time as reviewed) and balance the maturity of assets and the maturity of liabilities:
   i. forecast investor redemptions are based on the larger of:
      A. known pending redemptions from withdrawals received; or
      B. an amount equal to a certain percentage of forecast monthly investor inflows. This percentage may vary from time to time as the portion of the Trust's non-mortgage assets vary; and
   ii. forecast drawdowns are based on the latest individual loan forecasts from Trilogy Funds' Lending Department noting all scheduled inflows and outflows for individual mortgages

   The assumptions used to monitor liquidity are stress tested on a regular basis via sensitivity analysis that is available to the Treasury Committee. Trilogy Funds does not anticipate any material changes to the Trust's expenses, liabilities, or cash flow needs that would adversely affect liquidity. Should a significant volume of withdrawal requests or unexpected drawdowns occur, Trilogy Funds will assess and manage liquidity through its established monitoring and contingency protocols.
b. Some significant risks that may affect the liquidity of the Trust could be:
   i. a large number of redemptions of an amount more than the available liquidity of the Trust;
   ii. delays in settlements from Borrowers to repay the loan; and/or
   iii. borrower defaults.
c. The policy of the Trust is to balance the maturity of assets and the maturity of liabilities. This is done as part of the process of producing a rolling 12-month cash flow and is managed and monitored by the Treasury Committee.

Disclosure Principle 2: Scheme Borrowing

45.75

Disclose:

a. for borrowings due in less than two years – the total debts due and their maturity profile, undrawn credit facility and whether refinancing or sale of assets is likely during this period;
b. for borrowings due in between two and five years – the total debts due and their maturity profile for each 12 month period and undrawn credit facility;
c. for borrowings due after five years – the total debts due;
d. why the responsible entity has borrowed the money, including whether the borrowed funds will be used to fund distributions or withdrawal requests;
e. any material loan covenant breaches;
f. the fact that amounts owing to lenders and other creditors of the scheme rank before an investor's interests in the scheme; and
g. the risks associated with the scheme's borrowing and credit facility maturity profile.

45.76

Disclose:

a. the existence and details of any current interest rate and foreign exchange hedging policies of the responsible entity;
b. whether the scheme's variable interest rate and / or foreign exchange exposure conforms with these policies.

Trilogy Funds' disclosure

45.75

The Trust does not have any current borrowings. However, Trilogy Funds may, in the future, borrow up to 15% of the total value of the Trust's assets to assist in managing the liquidity of the Fund if required.

The Trust may, from time to time, be approached by borrowers requesting that the Trust seek a bank guarantee to pay an infrastructure bond to an urban utility. While such payments have historically been made via infrastructure bonds, some of these authorities now require a bank guarantee instead. Trilogy Funds believes it is in the Trust's best interests to have control of these amounts (rather than the borrower) and therefore will approach its bank to provide that guarantee on behalf of the Trust to the authority, as required. In turn, the bank will generally require the Trust to deposit an amount equivalent to the guarantee with it and then borrow that amount back as security for the guarantee.

45.76

There is no interest rate or foreign exchange hedging.

Disclosure Principle 3: Loan Portfolio and Diversification

45.80

For pooled mortgage schemes, disclose:

a. by number and value:

   i. loans by class of activity (e.g. development or construction projects, industrial, commercial, retail, residential, specialised property and reverse mortgages);
   ii. loans by geographic region;
   iii. the proportion of loans that are in default or arrears for more than 30 days, by number and value;
   iv. the nature of the security for loans (e.g. first or second ranking);
   v. loans that have been approved but have funds that have yet to be advanced and the funding arrangements in place for any of these undrawn loan commitments;
   vi. the maturity profile of all loans in increments of not more than 12 months;
   vii. loan-to-valuation ratios (LVR) for loans, in percentage ranges;
   viii. interest rates on loans, in percentage ranges; and
   ix. loans where interest has been capitalized;

b. the proportion of the total loan money that has been lent to the largest borrower and the 10 largest borrowers;
c. the percentage of loans (by value) that are secured by second-ranking mortgages;
d. the use of derivatives (if any);
e. a clear description of the non-mortgage assets of the scheme, including the value of such assets; and
f. the scheme's diversification policy and how the assets correlate with that policy.

45.81

The responsible entity should disclose its policy on the above matters and on how the scheme will lend funds generally. For example, such disclosure should cover:

a. the maximum loan amount for any one borrower;
b. the method of assessing borrowers' capacity to service loans;
c. the responsible entity's policy on revaluing security properties when a loan is rolled over or renewed; and
d. the responsible entity's approach to taking security on lending by the scheme (e.g. the types of security it takes and in what circumstances, and whether the security must be income producing).

45.82

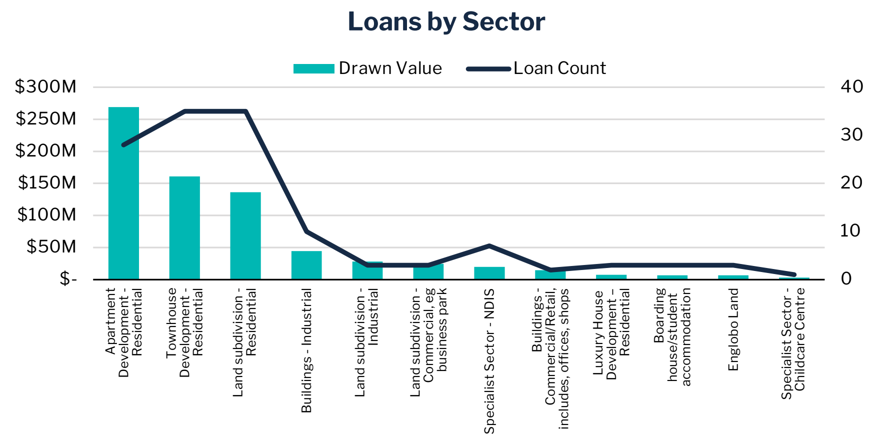
If an unlisted pooled mortgage scheme invests in, or may invest in, other unlisted mortgage schemes (whether registered or unregistered), the responsible entity must disclose its policy on investing in those schemes, including the extent to which the responsible entity requires those schemes to meet the benchmarks and apply the disclosure principles in RG 45.

Trilogy Funds' disclosure

45.80

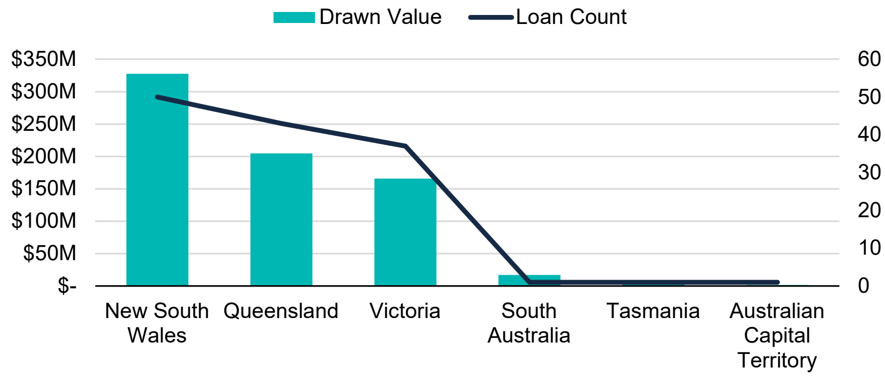
The total value of the loan portfolio presented in this Disclosure Principle, unless otherwise stated, is based on the drawn down pooled mortgage loans held by the Trust ($722,324,149).

a. i. A graph showing loans by sector is set out below.



ii. A graph showing loans by geographic region is set out below.

Loans by State



iii. There are four loans in default with a drawn balance of $27,392,304 (which represents approximately 3.84% of the total drawn assets and 3.01% of the total loans).

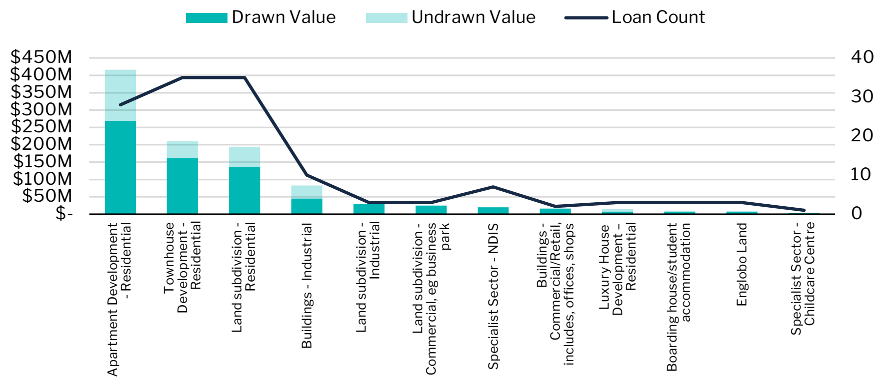
A loan is in default when the Lending Committee determines that a breach of a loan constitutes a default. Such breaches may include, amongst other things, a failure to pay any monies on the due date or as required and a breach of, or failure to meet, any of the loan conditions and undertakings.

For the purpose of distributing income from the Trust, interest for loans in default is set at nil but is charged upon realisation of all securities held for each loan.

iv. The nature of security for loans is in all cases, a first ranking mortgage. Certain loans are cross-collaterialised in order to reduce the Trust's exposure to credit risk.

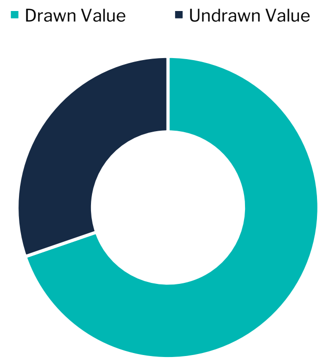
v. Details about loans that have been approved but have funds yet to be advanced are set out below. It is intended that the undrawn loan commitments will be funded through a combination of borrower loan repayments (in full or in part) and from cash available from other sources (e.g. new investor money received).

Drawn & Undrawn by Sector

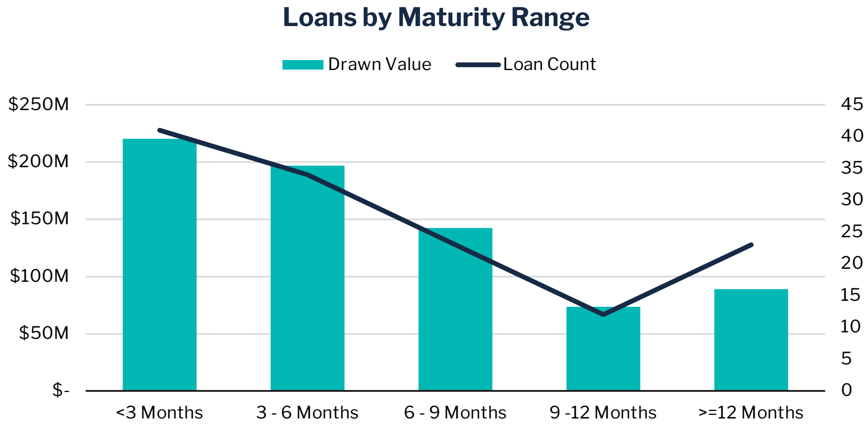


From the total approved limit of all loans ($1,035,835,727), a further graph showing the balance of loans drawn ($722,324,149) versus loans undrawn ($313,511,577) is set out below:

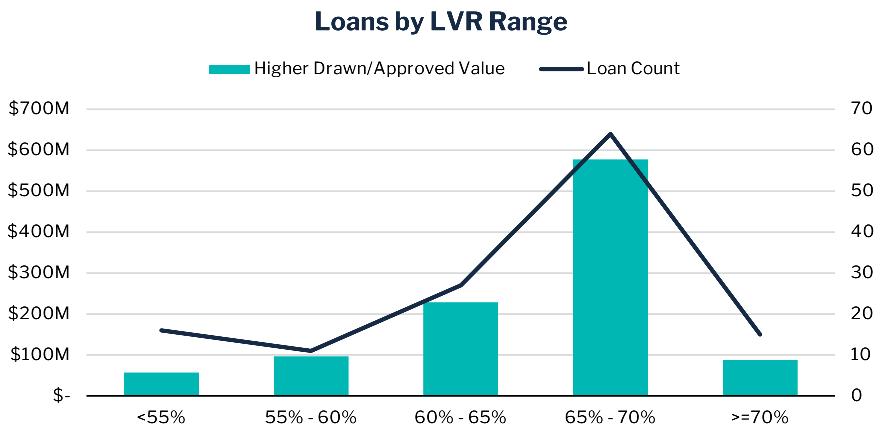
Drawn vs Undrawn Value



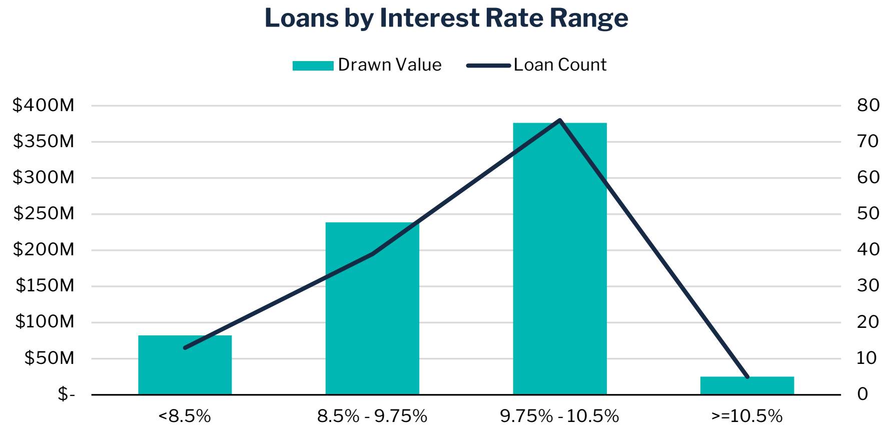
vi. A graph showing the maturity profile of all loans in increments of not more than 12 months is set out below:



vii. A graph showing loan-to-valuation ratios (LVR) for loans, in percentage ranges, is set out below:

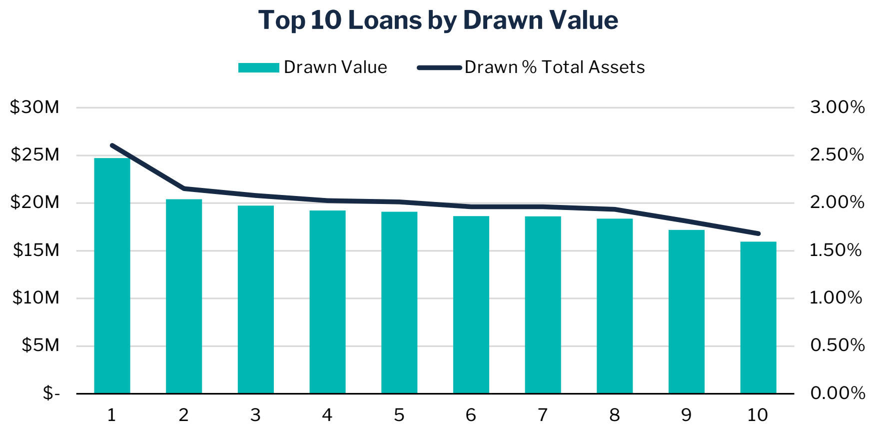


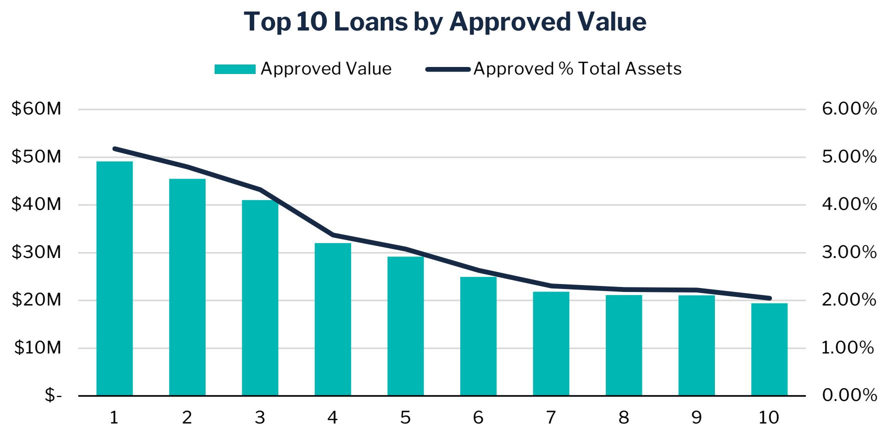
viii. A graph showing the current interest rates on loans in percentages is set out below.



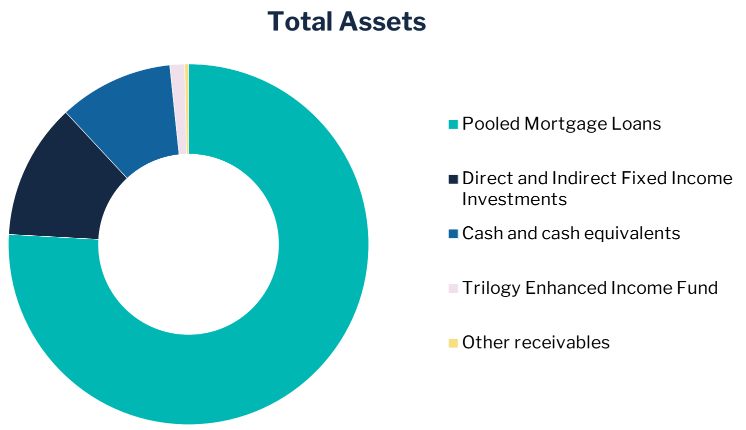
ix. Of the total 133 loans in the portfolio which have been advanced, there are 106 loans in which interest has been capitalised (draw down value of $589,503,955) and 27 loans in which interest is not capitalised (draw down value of $132,820,194.81).

b. Graphs showing the proportion of the total loan money that has been lent to the largest borrower and the 10 largest borrowers are set out below:





c. There are no loans secured by second-ranking mortgages. All loans are secured by first-ranking mortgages.
d. There are no derivatives used in the Trust.
e. As at 30 June 2025, total scheme assets were ($939,671,407), comprised of 75.88% pooled mortgage loans ($712,996,590), 10.26% cash and cash equivalents ($96,456,039.37), 1.33% invested in the Trilogy Enhanced Income Fund ($12,500,000), 12.19% invested in direct and indirect fixed income investments ($114,565,924.48), and 0.34% in other receivables ($3,152,853.26).



f. The Trust's diversification policy includes guidelines around the liquidity of the portfolio, and the lending guidelines which are designed to achieve spread by geography and sector of loans and exposure through other asset classes including related funds.

Liquidity

The Trust's liquidity level is monitored continuously and reviewed regularly by the Treasury Committee and the Board.

Geographic Spread

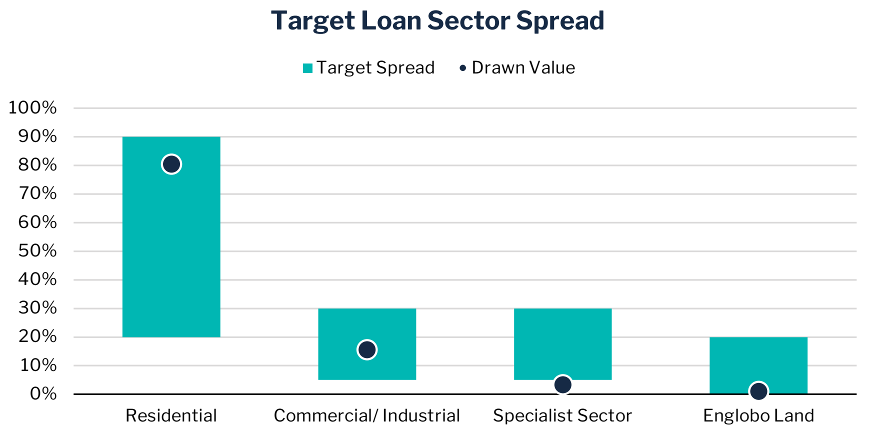
Trilogy Funds' policy is that the proposed security taken by Trilogy Funds is located in the states and territories in Australia.

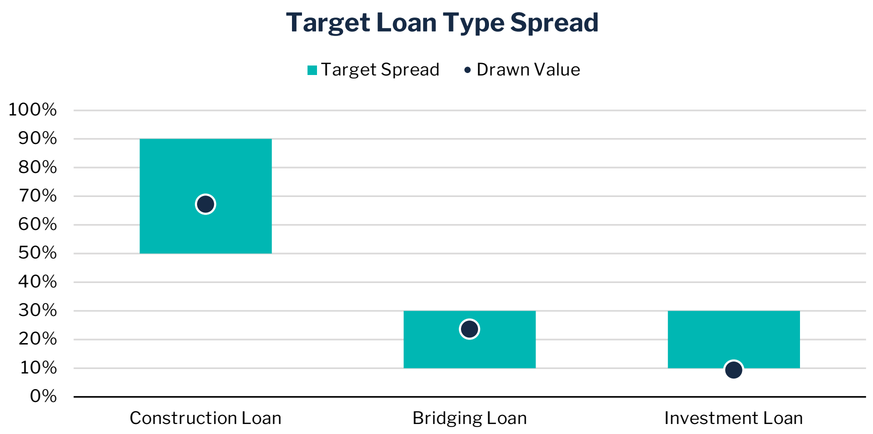
There are 133 loans in the Trust's loan portfolio as at 30 June 2025. The indicative spread percentages noted in 45.80a. are a guide only. The geographical spread is reviewed by the Lending Committee on an ongoing basis.

Sectoral Spread

The following are Trilogy Funds' guidelines for the class of activity sector spread of the portfolio. The guidelines reflect Trilogy Funds' experience and accumulated skills in lending on construction projects predominantly in the residential sector, as well as commercial and industrial sectors.

Additionally, Trilogy Funds has experience in lending on land development projects and consequently it is acknowledged that construction and development projects will be featured in the sector spread. These percentages are a guide only and the sector spread will be reviewed by the Lending Committee on an ongoing basis.





45.81

a. The maximum loan amount for any one borrower is $50,000,000.00.

b. Trilogy Funds evaluates each loan proposal that is submitted by applicant borrowers and monitors any loan that is subsequently made. This process is documented in Trilogy Funds' Lending Policy.

   Where interest is capitalised in respect of a development or construction loan, Trilogy Funds will assess the feasibility of the project and seek external input when required. It will also consider an appropriate amount to be reserved for capitalised interest before determining the loan advance and ultimate LVR.

c. Trilogy Funds has procedures in relation to loan renewals. The Lending Committee will make a determination if a new valuation is required prior to a renewal. The Lending Committee bases its determination on a number of factors including the borrower's loan history, the amount of the loan outstanding and the duration of the extension and other information such as recent sales and settlements, local agents and valuers.

d. The primary security for each loan made by the Trust is a registered first mortgage over real estate situated within the states and territories in Australia. Additional types of security may be taken including company charges and personal guarantees to support the first mortgage security. The security does not need to be income producing.

45.82

As part of the Trust's portfolio diversification, the Trust may also invest in other unlisted managed investment schemes which invest directly or indirectly in mortgage loans secured by a registered mortgage. Before investing in other unlisted mortgage schemes, Trilogy Funds assesses the investment metrics such as the liquidity, loan-to-valuation ratio and security of the scheme. While regard may be had to the whether the unlisted mortgage scheme meets and applies the benchmarks and disclosures principles in RG45, Trilogy Funds does not have a policy that requires the unlisted mortgage scheme to do so. As at 30 June 2025, the Trust invests in one unlisted mortgage scheme ($1,899,862).

Disclosure Principle 4: Related Party Transactions

45.88

Disclose details of any related party transactions including:

a. the value of the financial benefit;

b. 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 – for group structures, the nature of these relationships should be disclosed for all group entities);

c. whether the arrangement is on arm's length terms and is reasonable remuneration;

d. whether member approval for the transaction has been sought and, if so, when;

e. the risks associated with the related party arrangements; and

f. the policies and procedures that the responsible entity has in place for entering into related party transactions, including how compliance with these policies and procedures is monitored.

Trilogy Funds' disclosure

45.88

Trilogy Funds has a strict policy of no related party lending in respect of the Trust and has never lent to a related party.

However, directors of Trilogy Funds (or entities associated with them) may co-lend to a borrower and provide mezzanine funding on conditions that ensure that their interests are not preferred over those of the Trust in any way.

Also, Trilogy Funds enters into certain transactions with its related parties in respect of the Trust on normal or better than normal commercial terms, such as the provision of certain services. These related party transactions include the following:

- Trilogy Funds director, Mr Rohan Butcher, is the director of a project management company and a licensed quantity surveyor which is engaged on an ongoing basis to consult to the Trust in respect of certain projects for which the Trust makes loans.
- Related companies of Trilogy Funds carry out services and provide resources, such as human resources, registry services and the provision of proprietary software. Trilogy Funds pays for these services from its fees and these are not additional costs which are charged to the Trust. See Section 9.7 of the PDS for further details.

In addition to the above, directors and employees of Trilogy Funds and other related parties may hold units in the Trust from time to time. These units will be acquired and held on the same terms as any other Investor in the Trust.

Trilogy Funds discloses against the RG 45 disclosure requirements as follows:

a. The value of the financial benefit varies with the items scoped out for work for each project.
b. See description above.
c. The arrangements between Trilogy Funds and its related parties are only conducted on arm's length commercial terms (or if not on arm's length terms, then on terms that Trilogy Funds believes are more favourable to the Trust).
d. No unit holder approval has been sought.
e. The risks associated with any related party arrangements are referred to in Section 7.4 of the PDS. With related party transactions there is a risk a conflict of interest may arise where there is the potential for the interests of the Responsible Entity (and its related entities) and the interests of unit-holders to conflict
f. Trilogy Funds has policies and procedures in place for entering into related party transactions and compliance is monitored in respect of these by quarterly reporting to the Board and the Compliance Committee. Please refer to Section 9.6 of the PDS for further details.

Disclosure Principle 5: Valuation Policy

45.91

Disclose:

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

Trilogy Funds' disclosure

45.91

a. The Valuation Policy is available on the Trilogy Funds website at www.trilogyfunds.com.au. Please also refer to Section 5.7 of the PDS.
b. Trilogy Funds' directors rely on independent valuations from qualified and experienced valuers to form a view on the value of the security property.
c. All security must be valued prior to the initial loan drawdown subject to the valuation supporting the loan amount and at the discretion of the Lending Committee when the following occurs:
   i. a material change in the terms of the loan, including as to the amount, duration, or interest rate on renewal;
   ii. delay in any construction or development proposal;
   iii. information that leads Trilogy Funds to believe that there may be a variation in the security value;
   iv. a material change in the nature of the building / property;
   v. a request to vary directorship or ownership of a company; and
   vi. the valuation undertaken for funding is in excess of four months old as at the time of approval of the new loan.

   Valuations must also be obtained:
   - at least every four years; and
   - within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of loan covenant.
d. No material inconsistencies exist as at 30 June 2025.

Disclosure Principle 6: Lending Principles – Loan-to-Valuation Ratios

45.94

Disclose:

a. the maximum and weighted average loan-to-valuation ratios for the scheme as at the date of reporting; and

b. where funds are lent for property development:

   i. the criteria against which the funds are drawn down;

   ii. the percentage (by value) of the completion of any property that is under development as at the date of reporting; and

   iii. the loan-to-cost ratio of each property development loan as at the date of reporting.

45.95

Disclose:

a. the percentage of the scheme's assets (including cash assets) that are property development loans;

b. if property development loans exceed 20% of the scheme's assets, the responsible entity should identify the scheme as one that invests a significant component of funds in property development loans;

c. if the loan-to-cost ratio of any property development loan exceeds 75%; and

d. if (c) above exceeds 75%, disclose how and when funds are provided to developers.

Trilogy Funds' disclosure

45.94

a. The maximum LVR for performing loans is 70.00%. The weighted average LVR for all loans (by approved value) is currently 64.21% on an 'as is if complete' basis. For loans in default, the maximum LVR is currently 144.82% (by drawn value).

b. i. All funds drawn down for a property development are based on certification by a licensed quantity surveyor (QS). After the QS report is received, funds are advanced to the builder/contractor. The QS report includes a 'cost to complete' the project. It is a condition of all development loans that sufficient undrawn funds are to be retained to enable the project to be completed.

   ii. There are 86 property development loans (of the total 133 loans) at various stages of development, with percentages of completion ranging from 0.00% to 100.00% (by value).

   iii. The loan to cost ratios of the 87 property development loans range from 32.92% to 100%.

45.95

a. The percentage of the scheme's total assets that are property development loans is 51.60% (by drawn value).

b. Trilogy Funds acknowledges that the Trust has invested a significant component of funds in property development loans, however Trilogy Funds has chosen not to identify this in the naming convention for the Trust. Trilogy Funds believes that the PDS includes adequate disclosure.

c. There are 64 property development loans that exceed the loan-to-cost ratio of 75%.

d. Funds are only provided to developers (usually in stages) upon certification of works and progress by a licensed quantity surveyor.

Disclosure Principle 7: Distribution Practices

45.99

Disclose:

a. 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);

b. 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;

c. if the distribution is sourced other than from income, whether this is sustainable over the next 12 months; and

d. when the responsible entity will pay distributions and the frequency of payment of distributions.

45.100

If the scheme promotes a particular return on investments, disclose details of the circumstances in which a lower return may be payable, together with details of how that lower return will be determined.

45.101

a. Include a table identifying up to five main factors that would have the most material impact on forecast distributions, the risks of changes to those factors on distributions and a sensitivity analysis based on changes to those factors.

b. Also explain how any excess returns actually earned by the scheme will be applied.

Trilogy Funds' disclosure

45.99

a. Distributions for all units in the Trust will be calculated as a proportion of all funds available for distribution, based on the income from all assets of the Trust and any other sources as disclosed from time to time. Please see Section 4.4 of the PDS for further details. The cash for current distributions will only be sourced from cash:
   i. where interest is capitalised, cash is advanced to the borrower to enable the borrower to make the interest payments due under and in accordance with the relevant loan agreement;
   ii. where interest is not capitalised, interest is paid by borrowers;
   iii. which constitutes repayments of loans by borrowers;
   iv. which includes all or part of fees and costs paid by the borrower relating to lending arrangements which are included in the Trust's revenue;
   v. which constitutes interest received from the deposits of cash; or
   vi. which constitutes the income from other investments.

b. Where the distribution is not sourced solely from income received in the relevant distribution period, Trilogy Funds must disclose the reasons for making those distributions and the risks associated. As the interest on loans made by the Trust is typically capitalised, the current distribution is sourced from sources other than the receipt of interest payments from borrowers, as noted above. It is Trilogy Funds' practice to pay monthly distributions based on the income earned in the relevant period but potentially not yet received from the borrower.

   In calculating distributions, Trilogy Funds may, in its discretion, include in income any amount of management fees to which it is entitled but wishes to waive or defer for the period, in order to achieve a particular rate of return. Generally, Trilogy Funds will do this to smooth returns to investors, based on the expectation generated by historical returns, and only after Trilogy Funds analyses the Trust's position, including the current market conditions, anticipated investment income, the interest rate paid by borrowers, the mix of loans in the Trust, the Trust's liquidity needs and the total fees and costs received and/or capitalised for the relevant period.

c. Although distributions for units are not solely sourced from income received in the relevant distribution period, Trilogy Funds considers that distributions on the above basis are sustainable over the next 12 months.

d. Distributions are generally paid by the 8th business day following the end of each month.

45.100

No particular rate of return is promoted in the PDS, via the website or in any promotional material.

45.101

a. Trilogy Funds does not forecast distributions.

b. Not applicable.

Disclosure Principle 8: Withdrawal Arrangements

45.104

Disclose:

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

45.105

If the responsible entity makes representations to investors that they can withdraw from the scheme, disclose:

a. the grounds (which must be verifiable) for the statement;
b. the supporting assumptions (which must not be hypothetical only) for the statement;
c. the basis for the statement (which must not be based only on an opinion of the directors of the responsible entity if there are no objective grounds to support that opinion); and
d. any specific risk factors that mean that withdrawal requests might not be satisfied within the expected period.

45.106

If the PDS contains a statement to the effect that, historically, withdrawal requests have been satisfied within a particular period, this may suggest a link between historical withdrawal periods and withdrawal periods that are likely to apply in the future, the responsible entity should ensure the statement clarifies that investors should not conclude that there is such a link between the historical availability of withdrawals and their future availability.

45.107

If the scheme promotes a fixed redemption unit price for investments (e.g. $1 per unit), the responsible entity 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 scheme's mortgage assets on investors (e.g. on investor distributions and the unit price).

Trilogy Funds' disclosure

45.104

a. The following is the Withdrawal Policy for the Trust, which is subject to the liquidity position of the Trust and the discretion of Trilogy Funds:

Ordinary Units

i. applications for withdrawal will not be accepted within the first two months of initially investing in the Trust;
ii. four months' notice is required to withdraw from the Trust;
iii. the minimum balance in the Trust remaining after the withdrawal must be at least $1,000; and
iv. Trilogy Funds may, at its discretion, waive any of the above depending on the liquidity of the Trust at that point in time.

Platform Units (Platform Operators Only)

i. there is no minimum holding period for Platform Units;
ii. withdrawal requests must be submitted by the Platform Unit Investor by the 7th business day prior to the last calendar day of each month (Withdrawal Request Date) for the effective withdrawal date to be first calendar day of the next month (Effective Withdrawal Date). Withdrawal payments, subject to the limitations below, will be made to the Platform Unit Investor within 20 calendar days after the Effective Withdrawal Date, or if the 20th calendar day is not a business day, then by the next business day;
iii. withdrawal requests are subject to the limitations stated in Section 4.12 of the PDS; and
iv. the minimum balance in the Trust remaining after the withdrawal must be at least $1,000 (subject to Trilogy Funds' discretion).

b. Withdrawals are allowed from the Trust when it is a liquid scheme. Refer to Benchmark 8: Withdrawal arrangements and Section 4.5 of the PDS.
c. If the Trust were to become an illiquid scheme, no redemptions would be permitted under the liquid scheme arrangements provided by section 610KA of the *Corporations Act 2001* (Cth) (and the Constitution of the Trust) on which withdrawals as described in (a) are based. All redemptions would be on the basis provided in section 601KB of the *Corporations Act 2001* (Cth). Under this, Trilogy Funds may (but is not obliged to) offer all Investors to withdraw, wholly or partly, their units from the Trust to the extent that particular Trust assets are available to be able to be converted by Trilogy Funds in time to satisfy the withdrawal requests made by the Investors in response to the offer.

   If the amount made available is insufficient to meet all requests, then the requests will be satisfied on a pro rata basis. The Trust would be an illiquid scheme if less than 80% of the assets of the Trust were not able to be realised within the period specified in the Constitution for satisfying withdrawal requests. That period is stated to be 15 months.
d. The ability for an investor to redeem their units from the Trust is dependent upon its liquidity. The Trust's liquidity is influenced by additional investments into the Trust, redemptions and draw-downs required on approved loans.
e. Redemption requests submitted by investors must be in writing and signed by the investor. For further detail, refer to paragraph (a).
f. Not applicable.
g. Not applicable as there is no external funding facility.
h. Pursuant to the Constitution, Trilogy Funds has a maximum period of 15 months to meet redemptions if the Trust is a liquid scheme.
i. Trilogy Funds must suspend redemptions if the Trust ceases to be a liquid scheme. Further, Trilogy Funds may suspend redemptions if Trilogy Funds determines that the unit price (Unit Value) is less than Redemption Price and it is required to make a 'Compulsory Redemption of Units' under clause 28 of the Constitution. After this 'Compulsory Redemption of Units' takes place, the processing of redemptions may then recommence.
j. Liquidity in the Trust is managed by the Treasury Committee as described in paragraph 45.34 of this document. Refer to Section 4.5 of the PDS for details on withdrawals.

45.105

a. Liquidity in the Trust is managed by the Treasury Committee as described in 45.34 of this report. Refer to Section 4.5 of the PDS for details on withdrawals.
b. See paragraph (a).
c. See paragraph (a).
d. Specific risk factors are referred to in Sections 7.4 of the PDS.

45.106

Not applicable as there is no such statement in the PDS.

45.107

The Trust's Constitution has a mechanism for Compulsory Redemption of Units. Where Trilogy Funds finds that the Unit Value is less than the Redemption Price, Trilogy Funds will redeem sufficient units to bring the Unit Value back to equal the Redemption Price.

This is achieved by redeeming an amount of capital from the Trust equal to the number of whole dollars of the amount by which the Unit Value is less than the Redemption Price of the units.

Following a Compulsory Redemption of Units, Investors are provided with an exit statement detailing the number and value of the reduction in their unit holding. The annual periodic statement from the Trust will provide details of the balances on the number of units held in the Trust, including those redeemed. Both the exit statement and periodic statement can be used by Investors to determine any capital gain (or loss) that may arise on redemption of units made during the period. The Trust does not issue a separate capital gains statement if the Investor disposes or redeems units in the Trust. However, if units are compulsorily redeemed, Trilogy Funds will create a separate capital loss statement for investors which will disclose the value of their investment which has been redeemed at nil value per unit.

Tax liabilities are the responsibility of each individual investor and professional advice should be obtained from a tax adviser.

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Find out more.

Start a conversation with us today.

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