

Benchmark Disclosure Report TPT Fixed Term Fund

As at 30 September 2024



TPT Wealth 

TPT Fixed Term Fund

Ongoing Benchmark Disclosures as at 30 September 2024

The Australian Securities and Investments Commission (ASIC) has developed a range of benchmarks for unlisted mortgage schemes (such as the TPT Fixed Term Fund) to enable investors to understand the risks and assess the suitability of the investments. The following table summarises how TPT Wealth Limited manages each benchmark. Further information can also be found within the Fund's Product Disclosure Statement (PDS). Please see tptwealth.com.au for updated benchmark disclosure on a six monthly basis as the benchmark disclosure is subject to change.

BENCHMARK	STATEMENT	EXPLANATION 'IF NOT, WHY NOT'	REFERENCE
<p>Benchmark 1: Liquidity</p> <p>For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that:</p> <ul style="list-style-type: none"> (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	Not applicable	For additional disclosure on this benchmark, refer to the section 'Liquidity Management' on page 10 of the TPT Income Funds PDS.
<p>Benchmark 2: Scheme Borrowing</p> <p>The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.</p>	The benchmark is met	Not applicable	For additional disclosure on this benchmark, refer to the section 'Borrowing' on page 12 of the TPT Income Funds PDS.
<p>Benchmark 3: Loan Portfolio and Diversification</p> <p>For a pooled mortgage scheme:</p> <ul style="list-style-type: none"> (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 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 not met	<p>While the Fund invests in a diversified portfolio of assets no single loan will usually account for more than 5% of the value of the assets of that Fund. As at the date of this document, the majority of loans are made in Tasmania and there is a single loan in the TPT Fixed Term Fund that exceeds 5% of that scheme's assets.</p> <p>Furthermore the aggregate holdings in units or interests in an External Managed Investment Scheme may at any time be up to 20% of the total Fund assets at the time of investment, and may, at times, exceed 20% due to a change in the size of the Fund. It should also be noted that External Managed Investment Schemes may have mortgages that are diversified differently across sectors, loan sizes and interest rates compared to the Income Funds.</p> <p>In addition, the TPT Fixed Term Fund may invest a small portion of its assets (up to 5%) in loans that are not secured by first mortgages over real property. TPT Wealth will undertake appropriate analysis as Responsible Entity and investment manager of the Fund to satisfy itself as to the security of any loan.</p>	For additional disclosure on this benchmark, refer to the Additional Information section of this document.

BENCHMARK	STATEMENT	EXPLANATION 'IF NOT, WHY NOT'	REFERENCE
<p>Benchmark 4: Related party transactions</p> <p>The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.</p>	The benchmark is not met	The responsible entity has not lent to related parties in this Fund. The responsible entity does however make investments in instruments issued by related parties, including MyState Limited and MyState Bank. These investments are made on an arm's length basis, at standard market based terms, and are subject to rigorous analysis.	For additional disclosure on this benchmark, refer to the Additional Information section of this document.
<p>Benchmark 5: Valuation Policy</p> <p>In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:</p> <p>(a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</p> <p>(b) a valuer to be independent;</p> <p>(c) procedures to be followed for dealing with any conflict of interest;</p> <p>(d) the rotation and diversity of valuers;</p> <p>(e) in relation to security property for a loan, an independent valuation to be obtained:</p> <p>(i) before the issue of a loan and on renewal:</p> <p>(A) for development property, on both an 'as is' and 'as if complete' basis; and</p> <p>(B) for all other property, on an 'as is' basis; and</p> <p>(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 a loan covenant.</p>	Parts a), b), c) and d) are met. Part e) is not met.	<p>Considering the nature of the security and usage, the Responsible Entity may use source documents (e.g. sales contracts and government valuations) as an acceptable form of valuation for both new loans and loan renewals. The Responsible Entity assesses the appropriateness of these alternate valuation methods on a case by case basis, having regard for considerations such as the loan to value ratio (LVR), the strength of the clients' servicing capacity and/or market evidence. Generally, these alternate valuation methods are accepted only for loans with low LVR.</p> <p>Again considering the nature of the security and usage, the Responsible Entity may also decide not to update valuations on loan renewal where there exists market evidence supporting the view that there has not been a material adverse decline in market prices since the last valuation.</p> <p>In addition, in the event we become aware of a material decline in a property's value, our procedures do not currently have a specific requirement to obtain a valuation within two months.</p>	For additional disclosure on this benchmark, refer to the section 'Valuation Policy' on page 14 of the TPT Income Funds PDS.
<p>Benchmark 6: Lending Principles – Loan-to-Valuation Ratios</p> <p>If the scheme directly holds mortgage assets:</p> <p>(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;</p> <p>(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</p> <p>(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.</p>	The benchmark is met	Not applicable	For additional disclosure on this benchmark, refer to the TPT Income Funds PDS and page 12 for the Lending Policy and page 13 for information on Development loans.

BENCHMARK	STATEMENT	EXPLANATION 'IF NOT, WHY NOT'	REFERENCE
<p>Benchmark 7: Distribution Practices</p> <p>The responsible entity will not pay current distributions from scheme borrowings.</p>	The benchmark is met	Not applicable	For additional disclosure on this benchmark, refer to the section 'Distributions' on page 12 of the TPT Income Funds PDS.
<p>Benchmark 8: Withdrawal Arrangements</p> <p>For liquid schemes:</p> <p>(a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less;</p> <p>(b) the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and</p> <p>(c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is:</p> <p>(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</p> <p>(ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.</p>	The benchmark is not met	<p>TPT Wealth generally expects to pay redemption requests on the expiry of the 90 days' notice term.</p> <p>However, the fund's constitution provides for up to 180 days for the Responsible Entity to meet redemption requests.</p> <p>This means that requests may be delayed for the above timeframe.</p>	For additional disclosure on this benchmark, refer to the TPT Income Funds PDS and the section 'Liquidity Management' on page 10, the section 'Investment term' on page 15, the section 'Redemption arrangements' on page 15, the section 'Redemption waiting periods' on page 29 and the section 'Fund liquidity' on page 29.

Additional Information on ASIC Benchmark and Disclosure Principles

Benchmark 3: Loan Portfolio and Diversification

Further information regarding the Fund's loan portfolio and other investments can be found in the Fund's Investment Report which can be accessed via TPT Wealth Limited website: tptwealth.com.au/reports-disclosures

Benchmark 4: Related party transactions

TPT Wealth Limited, as responsible entity of the Fund, does not lend to related parties. It does however make investments in instruments issued by related parties, namely Term Deposits and Residential Mortgage Backed Securities issued by related parties, including MyState Limited and MyState Bank.

These investments are made on an arm's length basis, at standard market based terms, and are subject to rigorous analysis and regular review.

Where the Fund invests in other TPT Wealth Limited operated Managed Investment Schemes; TPT Wealth Limited rebates in full its management fee charged on the second fund, such that investors only pay a single management fee.

The following table outlines the related party investments of the TPT Fixed Term Fund as at 30 September 2024:

RELATED PARTY NAME	INVESTMENT TYPE	INVESTMENT AMOUNT
MyState Bank Ltd	Cash & Cash Equivalents including term deposits	\$250,000
MyState Bank Ltd	Negotiated Certificate of Deposit	\$10,000,000
Conquest (MyState Bank's RMBS Programme)	Residential Mortgage Backed Securities	\$592,506
Supported Affordable Accommodation Pty Ltd (ACN 620224384) ATF Supported Affordable Accommodation Trust (ABN 16 123 903 836)	Mortgage	\$3,798,908

TPT Income Funds Product Disclosure Statement

The TPT Income Funds Product Disclosure Statement (PDS) is available online at tptwealth.com.au. The PDS can also be mailed on request. Contact us on 1300 138 044.

For further product information and ongoing disclosures visit our website tptwealth.com.au or contact us on 1300 138 044.

TPT Fixed Term Fund Investment Report

Regular information regarding the Fund and its underlying investments is provided via Investment Reports made available at tptwealth.com.au.



1300 138 044

tptwealth.com.au

TPT Wealth Limited

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A wholly owned subsidiary of MyState Limited
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Responsible Entity and Investment Manager