ASIC Benchmark and Disclosure Principles: Cromwell Riverpark Trust 30 October 2024

Information Provided Pursuant to ASIC Regulatory Guide 46 (RG46)

Important Notice and Disclaimer

As responsible entity of the Cromwell Riverpark Trust ARSN 135 002 336 ("CRT" or "the Trust"), Cromwell Funds Management Limited ABN 63 114 782 777, AFSL 333214 ("CFM") is the issuer of this ASIC Benchmark and Disclosure Principles guide ("Guide") which should be read in conjunction with the Product Disclosure Statement for the Trust dated 25 February 2009 ("PDS") and the Supplementary Product Disclosure Statement for the Trust dated 30 June 2009 ("SPDS"). As at the date of this Guide, the Trust is closed to new investments. All disclosures in this Guide are correct as at 30 October 2024 and reflect the Trust's latest Annual Financial Report as at 30 June 2024. **Any** further information and any updates on the Trust will be made available on the Trust's website at www.cromwell.com.au/crt.

The information in this Guide is general information only and does not take into account your objectives, financial situation or needs. Therefore, before deciding whether to acquire or continue to hold an investment you should consider the PDS and SPDS and updates to them carefully and assess, with or without your financial or taxation advisor, whether the Trust fits your objectives, financial situation or needs.

Scope of this Guide

The Australian Securities & Investments Commission (ASIC) issued RG 46 in September 2008 and updated in March 2012. RG 46 sets out particular benchmarks and disclosure principles designed to provide improved disclosure to retail investors to help them compare risks and returns across investments in the unlisted property sector.

Set out below are tables which list each disclosure principle and benchmark and where the relevant information is included in this Guide and, if applicable, the attached PDS and SPDS.

	Disclosure Principles	Guide Reference	PDS Reference
1	Gearing Ratio	Section 4.3	Section 1.7 (3, 6 and 11 are also relevant)
2	Interest Cover Ratio	Section 4.4	Section 1.7 (3 and 10.10 are also relevant)
3	Scheme Borrowing	Section 4	Section 1.7 (3 and 10.10 are also relevant)
4	Portfolio Diversification	Section 1	Section 1.1 (2 and 3 are also relevant)
5	Related Party Transactions	Section 7	Section 1.8 (4 is also relevant)
6	Distribution Practices	Section 5	Section 1.5 (3 and 6.3 are also relevant)
7	Withdrawal Arrangements	Section 6	Section 8.4 (3 is also relevant)
8	Net Tangible Assets	Section 2	Section 6 (11 is also relevant)

	Benchmarks	Guide Reference	PDS Reference
1	Gearing Policy – The Trust meets the benchmark. The Trust maintains and complies with a written policy that governs the level of gearing for the Trust.	Section 4.1	Section 1.7
2	Interest Cover Policy – The Trust meets the benchmark. The Trust maintains and complies with a written policy that governs the level of interest cover for the Trust.	Section 4.1	Section 1.7
3	Interest Capitalisation – The Trust meets this benchmark. The interest expense of the Trust is not capitalised.	Section 4.1	N/A
4	Valuation Policy – The Trust meets the benchmark. The Trust maintains and complies with a written valuation policy.	Section 3	Section 1.6 Section 11 is also relevant
5	Related Party Transactions – The Trust meets the benchmark. The Trust maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.	Section 7	Section 1.8 Section 4 is also relevant
6	Distribution Practices – The Trust meets the benchmark. Refer to Section 5 of this Guide for further details on the Trust's performance against the benchmark during the period from 1 July 2023 to 30 June 2024, and distribution forecasts after that date. The Trust will generally only pay distributions from cash available from its operations (excluding any borrowings).	Section 5	Section 1.5 Sections 3 and 6.3 are also relevant

All statistics and amounts in this Guide are as at 30 June 2024, and based on the contents of the Trust's latest Annual Financial Report, unless stated otherwise.

CFM may update this Guide from time to time and it is recommended unitholders refer to our website at www.cromwell.com.au/crt for these updates. A paper copy of this Guide or any updated information will be given to you on request and without charge.

From time to time, CFM may become aware of information that is material to unitholders but not covered by a disclosure principle. Any such material information will be provided to unitholders in continuous disclosure notices on our website www.cromwell.com.au/crt.

1. Portfolio Diversification

1.1 Trust Investments

The Trust owns a single property situated at 33 Breakfast Creek Road, Newstead, QLD ("the Property"). The Property is in the commercial sector of the property market.

The Trust is not expected to acquire any other properties during its investment term. As a result, the Trust is not currently, and is not expected to be, diversified by investment class, geographic location or property sector.

Currently the only significant non-direct property assets of the Trust are cash and derivative financial instruments. As at 30 June 2024, the Trust held cash of $3,264,000 and the market valuation of its interest rate collar was $364,000.

1.2 Property Valuation

The most recent valuation of the Property[1] is summarised in the following table.

Property	Valuation	Sector	Valuation Date	Market Cap Rate[2]	Occupancy[3]	Valuer
33 Breakfast Creek Road, Newstead QLD	$270,000,000	Commercial	30 June 2024	6.75%	100%	Independent

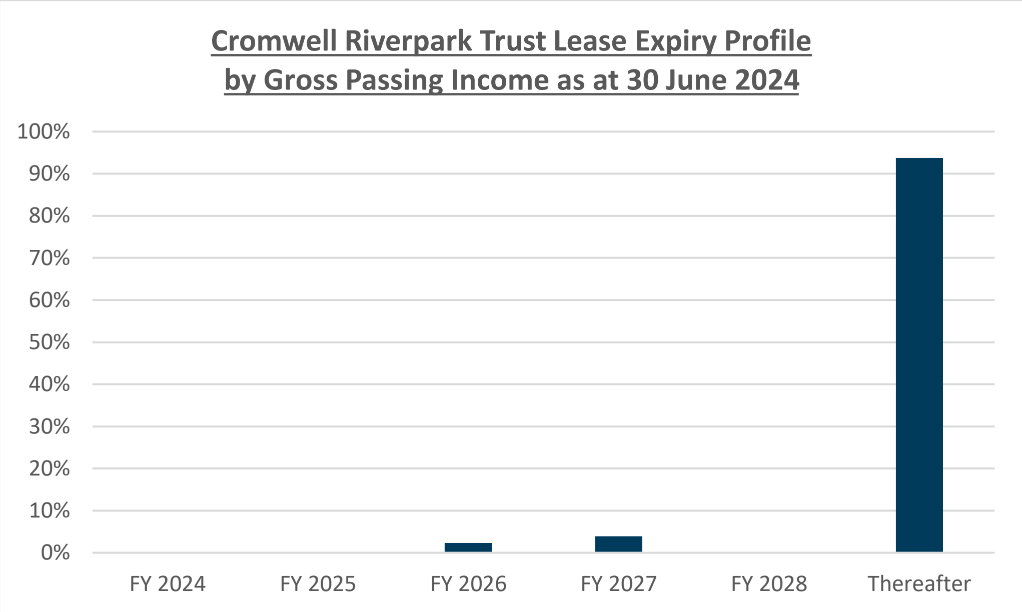
In the Trust's latest Annual Financial Report as at 30 June 2024, the carrying value of the Property was $270,000,000, in line with the most recent independent valuation dated 30 June 2024.

At 30 June 2024, the Trust had total assets of $273,748,000, with the Property representing 98.6% of the Trust's total assets.

1.3 Lease Expiry Profile

The following chart shows the lease expiry profile for the Property in yearly periods calculated on the basis of the Trust's gross passing income.

[1] The investment property valuation is a net valuation.
[2] The market capitalisation rate (cap rate) is the capitalisation rate used to value a property, assuming it is fully leased at reasonable and current market rent rates.
[3] Calculated by vacant space over total net lettable area.



The main lease, to Energy Queensland Limited, which provides 93.2% of the gross passing income of the Property, expires in 2030.

1.4 Vacancy Rate

The Property is fully let as at 30 June 2024.

1.5 Tenants

The Trust's Top 5 tenants at the Property (by percentage of gross passing income) are:

Top 5 Tenants by Gross Passing Income	
Tenant	**% of Gross Passing Income**
Energy Queensland Limited	93.2%
LMM Holdings Pty Ltd	2.5%
First Light Active Pty Ltd	1.8%
Oliver Hume Real Estate Group	1.0%
Domino's Pizza Enterprises Limited	0.3%

The Trust's Weighted Average Lease Expiry ("WALE") by gross passing income, as calculated in the Trust's Annual Financial Report as at 30 June 2024, is 5.9 years.

The Trust's WALE is calculated as follows:

$$\text{WALE} = \frac{\text{Remaining gross passing income}}{\text{Gross passing income}}$$

WALE is used to measure the overall tenancy risk of a particular property to assess the likelihood of a property being vacated. WALE of a property is measured across all tenants' remaining lease term (in years) and is weighted with the tenants' income against total combined income.

2. Net Tangible Assets

The net tangible assets ("NTA") of the Trust can be calculated on a per unit basis. This amount can be used as an approximate measure of what a unitholder could expect to receive per unit held if the assets of the Trust were sold at that particular point in time. However, it does not make any allowance for the cost of selling the Property and winding up the Trust. Therefore, to the extent that the NTA at any time is less than the price paid for a unit, it is also an approximate measure of the risk of a capital loss.

NTA is calculated using information from the Trust's Annual Financial Report as at 30 June 2024 in accordance with the following formula:

$$\text{NTA} = \frac{\text{Net assets}^{5} - \text{intangible assets +/- other adjustments}}{\text{Number of units on issue}}$$

As at 30 June 2024, the Trust had NTA per unit of $1.57 (before tax) including interest rate swaps and $1.56 excluding interest rate swaps. This is a decrease of 13.7% from the December 2023 NTA of $1.82.

3. Valuation Policy

CFM has, and complies with, a valuation policy for the Trust. Amongst other things, the policy provides that:

a) the Property will be independently valued each year. Should the Property not be sold beforehand, the next independent valuation is expected to occur on or before 30 June 2025;
b) all valuations are to be carried out by appropriately qualified valuers, independent of CFM, who are registered in Queensland and have a minimum of five years' relevant experience;
c) valuers are to be instructed to undertake their valuation in accordance with industry standards and to outline their valuation methodology within the valuation report; and
d) the same valuer will not be appointed for a term of more than 3 years.

CFM believes that using independent valuers (with valuers being required to confirm their independence as part of their valuation report) and ensuring that the valuers used in relation to any one property are rotated in accordance with the valuation policy will best address any potential conflicts of interest that might arise. However, relevant staff are also aware of CFM's conflict of interest arrangements and are required to report any actual or potential conflicts of interest of which they become aware so that the conflicts can be appropriately managed and/or monitored.

Unitholders can obtain a copy of the valuation policy by calling Cromwell's Investor Services Team on 1300 268 078.

[5] No acquisition costs are embedded in the calculation of net assets. CFM writes off acquisition costs immediately upon the acquisition.

4. Trust Borrowing

4.1 Borrowing Policy

CFM has, and complies with, a written policy that governs the level and nature of the Trust's borrowings and, in particular, the level and nature of the Trust's gearing and the level and nature of its interest cover.

The policy provides that CFM will not draw on borrowing facilities when such a drawing would result in the Trust's gearing exceeding 50%, with gearing being calculated as the Trust's total borrowings divided by total assets.

Further, CFM will not undertake any borrowing for the Trust which would cause the interest cover ratio of the Trust to fall below two times.

No interest is capitalised on debt facilities.

There are risks involved in investing in a geared Trust as gearing magnifies profits, losses, capital gains and capital losses. See "Borrowing Risk" in Section 3.2 of the PDS for further information.

4.2 Borrowing Facilities

Most property funds use a combination of borrowings and unitholders' funds to acquire properties. Borrowings enhance distributions when the cost of the borrowings is less than the return from the property and increase the potential for capital gain when property values are rising. However, they can also lead to reduced distributions when the cost of borrowing is greater than the return from the property or a larger capital loss when property values are falling.

The Trust has a single loan facility ("Bank Loan"). The Bank Loan is for a total amount of $130,250,000 and has been provided by one of Australia's major banks.

- In August 2021 the Bank Loan was increased and extended to June 2024.
- In June 2023 a further extension was provided, with the maturity date now 30 June 2026. There are no break fees applicable should the Property be sold and the Bank Loan repaid and terminated early.
- As at 30 June 2024 the drawn balance was $127,039,000.

In 2021, the lease to the major tenant, Energy Queensland Limited, was extended for a further 5 years, from August 2025 to August 2030 (with two further option periods of five years and three years respectively). Under the lease extension, the Trust provided the tenant with a lease incentive of $42.77million which the tenant elected to take in the form of a rent-free period from November 2021 to January 2024. The incentive was fully funded by a combination of a $27.789million drawdown from the Trust's loan facility under the Bank Loan and the balance from cash reserves of the Trust. The obligations under the lease incentive were completed in January 2024, and the tenant's obligation to pay rent re-commenced.

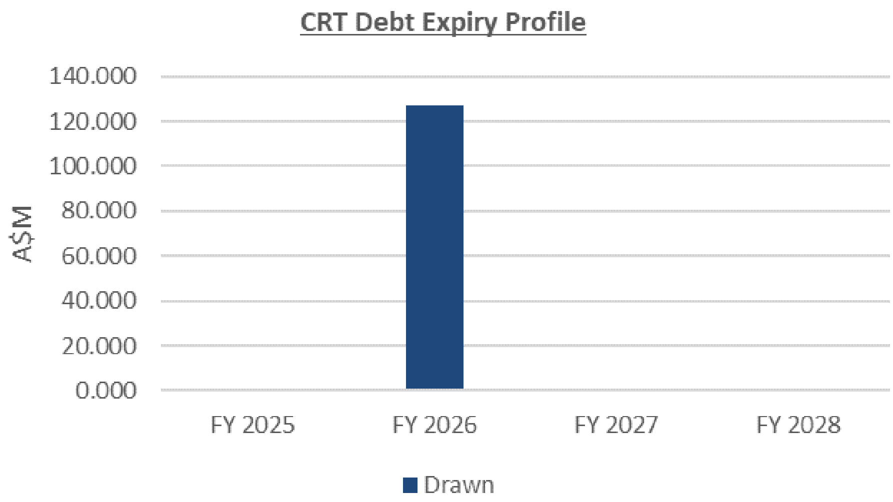
The Bank Loan is secured against the Property. This means that repayment of the Bank Loan ranks ahead of unitholders' interests in the Trust. If the Trust fails to renew borrowing or credit facilities, the Trust's viability could be adversely affected.

The Bank Loan had an all-up interest rate of 6.110% per annum at 30 June 2024. The interest rate comprises a fixed margin and variable market rate charged on the drawn balance, and a line fee charged on the undrawn portion. The all-up interest rate including income derived from the interest rate collar was 5.869% as at 30 June 2024.

The interest rate for the financial year ending 30 June 2024, including income derived from the interest rate collar and the amortisation of front-end establishment fees, was 6.052%.

The interest expense incurred by the Trust is not capitalised. Interest is paid as and when due from available cash reserves.

The maturity profile of the Trust's borrowing facilities are as follows:



The Trust's constitution and the *Corporations Act 2001 (Cth)* gives unitholders certain powers. In particular, the requisite number of unitholders can call a meeting of unitholders to consider resolutions to amend the Trust's constitution, terminate the Trust or remove CFM as responsible entity. The exercise of those powers without the consent of the bank may lead to events of default under the Bank Loan and in certain circumstances will give the bank rights to, amongst other things, call for immediate repayments of the amounts outstanding.

4.3 Gearing Ratio

The gearing ratio indicates the extent to which the Trust's assets are funded by interest bearing liabilities (i.e. its borrowings).

The ratio gives an indication of the potential risks faced by the Trust as a result of its borrowings due to, for example, an increase in interest rates or a decrease in property values. Generally, the higher the gearing ratio the greater the risks faced by the Trust as a result of its borrowings.

The Trust's gearing ratio is calculated as follows:

$$\text{Gearing ratio} = \frac{\text{Total interest bearing liabilities}^{6}}{\text{Total assets}}$$

[6] Interest bearing liabilities are defined as "Borrowings" in the Trust's financial reports and are detailed under non-current liabilities within the Consolidated Balance Sheet. They include the Trust's bank loans, less unamortised loan transaction costs, which have been excluded for the purposes of this calculation.

The gearing ratio for the Trust as at 30 June 2024 was 46.4%.

The gearing ratio for 30 June 2024 was calculated using information from the Trust's Annual Financial Report as at 30 June 2024.

The Trust does not have any off-balance sheet financing.

4.4 Interest Cover

Interest cover measures the ability of the Trust to meet the interest payments on its borrowings from its earnings. The level of interest cover gives an indication of the Trust's financial health. It is a key measure of the Trust's ability to meet its interest payment obligation. Generally, the higher the interest cover the easier it will be for the Trust to continue to meet its interest payments if earnings decline.

Interest cover is calculated as follows:

$$\text{Interest cover ratio} = \frac{\text{EBITDA – unrealised gains + unrealised losses}^{7}}{\text{Interest expense}}$$

EBITDA means earnings before interest, tax, depreciation and amortisation. In the latest Annual Financial Report as at 30 June 2024,"EBITDA - unrealised gains + unrealised losses" is represented by profit from operations plus interest expense.

The Trust's interest cover for the financial year ending 30 June 2024 was three times. The ratio was calculated based on information from the Trust's Annual Financial Report as at 30 June 2024 .

4.5 Loan Covenants

The Bank Loan has various financial covenants which must be complied with. The Trust is compliant with all covenants.

Under the terms of the Bank Loan, the 'loan to value' ratio must be at or below 60%. The 'loan to value' ratio is the drawn balance of the Bank Loan divided by the value of the Property, net of outstanding lease incentives, and was 47.1% at 30 June 2024. The Property would need to fall in value by 21.6% from its 30 June 2024 valuation for this covenant to be breached.

The interest cover ratio (which is calculated for the preceding 12 months) must be greater than or equal to two times. The interest cover ratio is the Trust's net income divided by the Bank Loan's interest costs and was three times for the 12-month calculation period ending 30 June 2024. Net Trust income would need to fall by 34.2% or the interest expense would need to increase by 51.9% for this covenant to be breached.

4.6 Hedging

Hedging is a means by which the variable component of the Trust's interest payments (other than the margin, which is generally agreed for the term of the Bank Loan) is fixed for a certain period.

[7] "EBITDA – unrealised gains + unrealised losses" is disclosed in the Trust's financial reports as Total revenue and other income adjusted for any fair value gains or losses.

This provides the Trust with a level of certainty as to its interest expense for the hedging period. While this is of benefit to the Trust should interest rates rise, it would be disadvantageous to the Trust if interest rates fall below the level at which the Trust's interest rate was hedged.

CFM maintains and complies with a borrowing policy for the Trust, which incorporates the extent to which the Trust will hedge its interest rate expense.

On 16 May 2024 the Trust entered into a $120 million interest rate cap and collar, effective 11 June 2024 and maturing 10 June 2025. The market valuation of this derivative as at 30 June 2024 was $364,000.

5. Distribution Practices

The Trust ordinarily pays distributions from its cash from operations available for distribution (excluding borrowings, unrealised gains and losses and certain non-cash and capital items).

From November 2021 through January 2024, whilst the Trust was providing the major tenant, Energy Queensland Limited, with the rent-free incentive under the new lease, the operating cashflow was lower than prior periods.

The Trust's borrowings under the Bank Loan were increased in line with the portion of the rent-free incentive not funded from available cash reserves, which supported distribution payments throughout the rent-free incentive period. Refer to Section 4 of this Guide for further information on the Trust's borrowings.

The major tenant's incentive was fully paid out, and the rent-free period finished, in January 2024. The tenant's obligation to pay rent as per the new lease terms immediately recommenced, and rental paid under the lease as cashflow generated from operations were, and are available for distribution. Since February 2024 and to the date of this Guide, the Trust has met the Distribution Practices benchmark.

Below is a reconciliation of Fund Net Profit/Loss to Distributable Earnings for the periods 1 July 2023 to 31 January 2024, and 1 February 2024 to 30 June 2024.

Cromwell Riverpark Trust: Reconciliation of Net Loss to Cashflow from Operations			
Reconciliation of Fund Net Profit/Loss to Distributable Earnings	**Jul - Jan**	**Feb - Jun**	**FY2024**
Loss for the year ended 30 June 2024	**(19.775)**	**(18.476)**	**(38.251)**
Add back:			
+/- fair value write-downs			
Investment properties	22.078	19.455	41.533
Derivative financial instruments	0.830	0.285	1.115
Add back:			
Non-cash property investment expenses:			
Straight-line rental income	1.766	2.136	3.902
Lease incentive, lease cost amortisation and lease abatement	3.114	2.228	5.342
Add back:			
Amortisation of loan transaction costs	0.103	0.130	0.233
Other non-operating costs	0.006	0.000	0.006
Operating Profit	**8.123**	**5.757**	**13.880**
(Increase) / decrease in receivables and prepayments	1.137	(0.760)	0.377
Increase / (decrease) in:			
Accrued lease incentives	(11.759)	0.071	(11.688)
Other payables	1.867	0.033	1.900
Transaction Costs	(0.006)	0.000	(0.006)
Cashflow from Operating Activities	**(0.639)**	**5.101**	**4.462**
Distributions	**6.503**	**4.645**	**11.148**
Distribution rate (p.a.)	12.25 cpu	12.25 cpu	12.25 cpu
Cashflow from Operating Activities	**(0.639)**	**5.101**	**4.462**
Cashflow from Investing Activities	**(0.393)**	**(0.425)**	**(0.818)**
Distributions paid	(6.509)	(4.632)	(11.142)
Debt draws	10.600	0.000	10.600
Other financing cashflows	(0.002)	(0.487)	(0.489)
Cashflow from Financing Activities	**4.088**	**(5.119)**	**(1.031)**
NET CASHFLOW	**3.057**	**(0.443)**	**2.614**
Opening Balance	0.651	3.708	0.651
Closing Balance	**3.708**	**3.265**	**3.265**

CFM considers the Trust's distributions to be sustainable at the current level through to expiry of the current Energy Queensland Limited lease term in August 2025. Trust distributions are forecast to reduce from 12.25 cents per unit per annum from September 2025, due to a reduction in rent agreed with Energy Queensland Limited to secure a lease extension to August 2030.

The net operating income of the Trust is derived from rental of the Property. A reconciliation of rental income and recoverable outgoings to net operating income for the financial year ending 30 June 2024 is as follows, calculated from the Trust's latest Annual Financial Report:

Cromwell Riverpark Trust: Reconciliation of Rental income and recoverable outgoings to Net Operating Income	
	FY2024
Rental income and recoverable outgoings	17.071
Property expenses and outgoings	(3.687)
Net rental income	**13.384**
Add back:	
Straightline rental expense	3.902
Lease incentive amortisation	5.128
Leasing cost amortisation	0.213
Net Operating Income	**22.628**

6. Withdrawal Arrangements

The Trust's Term expired on 8 July 2021 and subsequently CFM has endeavoured to sell the Property, giving due consideration to all offers. However, due to the market conditions which have prevailed during this sale period, CFM has been unable to secure an offer which it considers to be in the best interest of Unitholders. Having regard to the Property's significant size and CBD fringe location and given the current and projected market conditions, CFM is now proposing that Unitholders extend the Trust's term to 31 December 2026.

The term of the Trust will only be extended if Unitholders pass an extraordinary resolution to extend the term. Further details regarding the meeting will be provided via a Notice of Meeting and Explanatory Memorandum to be issued for a meeting in early December 2024. In the meantime, no action is required, and monthly distributions will continue to be paid.

7. Related Party Transactions

CFM recognises it is important that related party transactions are appropriately managed because of the inherent risk that they may be mutually assessed and then reviewed less vigorously than transactions with external parties.

CFM has, and complies with, written policies regarding related party transactions. The policies cover, amongst other things, the assessment and approval processes for related party transactions as well as how those transactions are managed. All related party transactions require Board approval, and the Board will only approve transactions if they are satisfied the transactions are on arm's length or better terms to the Trust. Otherwise, unless another exception is available under the *Corporations Act 2001* (Cth), the transaction would be subject to approval by the Trust's unitholders.

Any conflict of interest or potential conflict of interest (which includes but is not limited to a related party transaction) is managed in accordance with CFM's Conflict of Interest Policy.

Compliance with the Related Party and Conflict of Interest Policies is tested at least annually by Cromwell's Risk and Compliance team. To date, the policies have been complied with by CFM.

CFM has appointed some related entities to provide services to the Trust. Like CFM, those related entities are all wholly owned subsidiaries of the Cromwell Corporation Limited. They include Cromwell Property Services Pty Ltd (which provides property, facility management and leasing services to the Trust), Cromwell Project & Technical Solutions Pty Ltd (which provides project management services to the Trust in relation to the direct property assets), Cromwell Capital Pty Ltd (which provides finance arrangement services to the Trust) and Cromwell Operations Pty Ltd (which provides accounting and other administrative services to the Trust).

Cromwell Property Services Pty Ltd was paid $698,361 in fees, Cromwell Operations Pty Ltd was paid $79,200 and Cromwell Project & Technical Solutions Pty Ltd was paid $26,103 for the financial year ending 30 June 2024. Cromwell Capital Pty Ltd did not receive any fees during the financial year ending 30 June 2024. Related party arrangements are reviewed annually and are entered into on arm’s length terms. For further information, please refer to Section 4.2.3 of the PDS (regarding fees paid to CFM and its related parties for services provided to the Trust) and Section 1.8 of the PDS (regarding the related party arrangements that relate to the Trust).

Unitholders can obtain copies of the Conflict of Interest and Related Party Policies by calling Cromwell’s Investor Services Team on 1300 268 078.