



ASIC Benchmarks and Disclosure Principles: Cromwell Direct Property Fund

31 October 2025

Information Provided Pursuant to ASIC Regulatory Guide 46 (RG 46)

Important Notice and Disclaimer

As responsible entity of the Cromwell Direct Property Fund ARSN 165 011 905 (Fund), Cromwell Funds Management Limited ABN 63 114 782 777, AFSL 333 214 (CFM) is the issuer of this ASIC Benchmarks and Disclosure Principles guide (Guide) which should be read in conjunction with the Product Disclosure Statement for the Fund dated 17 November 2020 (PDS) and the Fund's target market determination (TMD) available upon request via invest@cromwell.com.au. The interests in the Fund have ceased to be available and are no longer being issued. References in this Guide to the PDS and TMD are for completeness and cross-referencing purposes only.

Updates on the Fund are available at www.cromwell.com.au/dpf.

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 updates to it carefully and assess, with or without your financial or taxation advisor, and decide whether the Fund 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 it in March 2012. RG 46 sets out particular disclosure principles and benchmarks 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 PDS, which is available upon request via invest@cromwell.com.au.

	Disclosure Principles	Guide reference	PDS Reference
1	Gearing Ratio	Section 3.3	Section 1.7
2	Interest Cover Ratio	Section 3.4	Section 1.7
3	Scheme Borrowing	Section 3	Section 1.7
4	Portfolio Diversification	Section 1	Sections 1.2, 1.4 and 3
5	Related Party Transactions	Section 6	Sections 5.3.3 and 9.7
6	Distribution Practices	Section 4	Section 1.6
7	Withdrawal Arrangements	Section 5	Sections 1.11 and 7.4
8	Net Tangible Assets	Not applicable as fund is priced daily	Not applicable as Fund is priced daily

	Benchmarks	Guide reference	PDS Reference
1	Gearing Policy – The Fund meets the benchmark. The Fund maintains and complies with a written policy that governs the level of gearing for the Fund	Section 4.1	Section 1.7
2	Interest Cover Policy – The Fund meets the benchmark. The Fund maintains and complies with a written policy that governs the level of interest cover for the Fund.	Section 4.1	Section 1.7
3	Interest Capitalisation – The Fund meets the benchmark. The interest expense of the Fund is not capitalised.	Section 4.4	Section 1.7
4	Valuation Policy – The Fund meets the benchmark. The Fund maintains and complies with a written valuation policy.	Section 3	Section 1.8
5	Related Party Transactions – The Fund meets the benchmark. The Fund 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 9.7
6	Distribution Practices – The Fund meets the benchmark. It is intended that the Fund will pay distributions sourced from its profits from operations over the medium term.	Section 5	Section 1.6

All statistics and amounts in this Guide are as at 30 June 2025 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/dpf 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/dpf.

Capitalised terms, not defined in this document, have the meaning given to them in the PDS.

1. Liquidity Event

On 1 July 2025, the second full liquidity event for the Cromwell Direct Property Fund (the Fund) commenced. The PDS for the Fund specified (in section 7.4) that after expiry of the Second Term in July 2025, CFM would give all investors an opportunity to withdraw from the Fund (the “Liquidity Event”).

Withdrawal requests received during the Notification Period, which has now closed, exceeded 50% of the Fund’s total units on issue. In line with the Fund’s Constitution, CFM will begin the process of realising assets, leading to the eventual wind-up of the Fund. Net proceeds will be distributed to Unitholders. The asset realisation process is likely to take some time. Consequently, withdrawals will not be paid immediately and may be made in multiple pro-rata payments. CFM remains committed to acting in the best interests of all Unitholders and will seek to achieve the best possible outcome under prevailing market conditions. However, sale prices may differ from current book values, which means the withdrawal price paid for Units may be higher or lower than expected.

2. Portfolio Diversification

2.1 Investment Strategy

Due to withdrawal requests in the July 2025 Liquidity Event exceeding 50%, the Fund is now in realisation phase. The Fund’s strategy has therefore transitioned from active asset management and income generation to orderly asset realisation. Ongoing operations, gearing levels, income distributions and portfolio diversification will progressively change as assets are sold and borrowing facilities are repaid.

The Fund’s investment portfolio currently comprises six directly owned commercial office properties, in addition to investments in two unlisted property trusts (Cromwell Riverpark Trust (CRT) and Cromwell Property Trust 12 (C12) managed by CFM.

None of the Fund’s property investment portfolio is under development.

In the Fund’s latest audited financial accounts as at 30 June 2025:

Investment Properties	464,512,000
Right to use asset (ground rent)	830,000
Carrying Value of the Investment Properties	465,342,000
Investment in unlisted property schemes ¹	40,198,000
Total Investment in Property or Property Related Assets	505,540,000
Other Assets	8,427,000
Gross Assets	513,967,000

¹ Carried at DPF’s share of net tangible assets of the underlying schemes

As at 30 June 2025, the portfolio comprised the assets listed in the following table.

DPF Investment Property Portfolio as at 30 June 2025				
Building	Ownership	Sector	Occupancy ¹	WALE ²
100 Creek St, Brisbane QLD	100.0%	Office	93.8%	2.9 yrs
163-175 O'Riordan St, Mascot NSW	100.0%	Office	97.0%	3.3 yrs
420 Flinders St, Townsville QLD	100.0%	Office	100.0%	3.1 yrs
11 Farrer Place, Queanbeyan NSW	100.0%	Office	100.0%	2.9 yrs
545 Queen St, Brisbane QLD	100.0%	Office	90.4%	2.6 yrs
95 Grenfell St, Adelaide SA	100.0%	Office	91.5%	4.6 yrs
33 Breakfast Creek Rd, Newstead QLD	22.6%	Office	100.0%	4.9 yrs
19 George St, Dandenong VIC	17.3%	Office	99.3%	5.1 yrs
TOTAL			96.6%	3.4 yrs

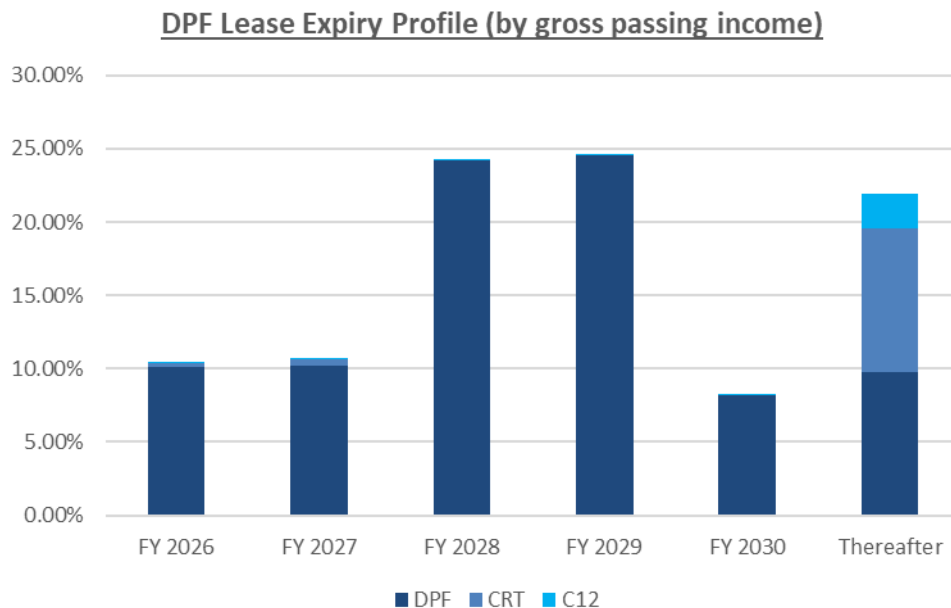
¹ Calculated as vacant space over total net lettable area

² Calculated on gross passing income

2.2 Lease Expiry Profile

The following chart shows the lease expiry profile for the properties held in the Fund's investment portfolio (Properties) in yearly periods calculated based on the Fund's income.

Lease Expiry Profile by gross passing income, on a look-through basis, as at 30 June 2025:



2.3 Vacancy Rate

As at 30 June 2025, the vacancy rate for the portfolio of Properties is 3.4%, with all other space subject to a lease or an agreement for lease. The vacancy rate represents the portion of the Properties which are not subject to a lease or an agreement for lease.

2.4 Tenants

The Fund's top five tenants (by percentage of gross passing income, including via investments in CRT and C12) at 30 June 2025 are:

Top 5 Tenants by Gross Passing Income	
Tenant	% of Gross Passing Income
Energy Queensland Limited	20.3%
Commonwealth of Australia	8.0%
Winc Australia	6.4%
Government Property NSW	5.3%
Minister for Infrastructure & Transport (SA Govt)	5.0%

The Fund's weighted average lease expiry (WALE) is 3.4 years, calculated as at 30 June 2025.

The Fund'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 terms (in years) and is weighted with the tenants' income against total combined income.

3. Valuation Policy

CFM has, and complies with, a valuation policy for the Fund.

Where the Fund invests in property trusts that are not managed by CFM, the assets held by those trusts are subject to separate valuation policies administered by the manager of that trust. Investments in property trusts will be valued in accordance with the unit pricing policy of the Fund. Refer to Section 1.10 of the PDS for further detail regarding the Fund's unit pricing policy.

Where practical, property assets owned by the Fund, as well as property assets in trusts managed by CFM, will be valued in accordance with the Fund's valuation policy. Among other things, the policy provides that:

- a) the Properties will be independently valued regularly, and when CFM reasonably believes that there has been a significant change in the property value, or if the change in value may cause a material breach of a loan covenant;
- b) all valuations are to be carried out by appropriately qualified valuers, independent of CFM, who are registered 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) CFM will appoint each independent valuer for a maximum term of 3 years. During an appointment term there are no restrictions as to how many full valuations of a particular property can be undertaken.

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.

Valuations will continue to be obtained in accordance with the Fund's policy throughout the realisation phase.

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

4. Fund Borrowing

4.1 Borrowing Policy

Borrowing by the Fund is known as gearing. Repayment of borrowings ranks ahead of unitholders' interests in the Fund and payment of interest on borrowings must be funded prior to any distributions being made to unitholders. As a result, the Fund's borrowing policy and expiry profile of its debt facilities are important factors to consider.

There are risks involved in investing in a geared fund as gearing magnifies profits, losses, capital gains and capital losses. See "Borrowing Risk" in Section 4.3.2 of the PDS for further information.

CFM has, and complies with, a borrowing policy for the Fund which outlines the level of gearing and interest cover the Fund expects to maintain. CFM aims to maintain 'Look-Through Gearing' for the Fund at no more than 50% and will not acquire any direct property or units in any property trusts that would result in a 'Look-Through Gearing' ratio above 50%.

Post Liquidity Event, the Fund's borrowing policy remains unchanged. Gearing will progressively reduce as assets are sold and borrowing facilities repaid. The Fund is expected to be ungeared prior to the final distribution.

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 borrowings is greater than the return from the property or to a larger capital loss when property values are falling.

	Bank Loan 1	Bank Loan 2	Bank Loan 3
Facility Limit	\$57.750 million	\$112.000 million	\$109.500 million
Drawn (30-Jun-2025)	\$57.750 million	\$86.790 million	\$109.500 million
Maturity	September 2026	June 2027	September 2026

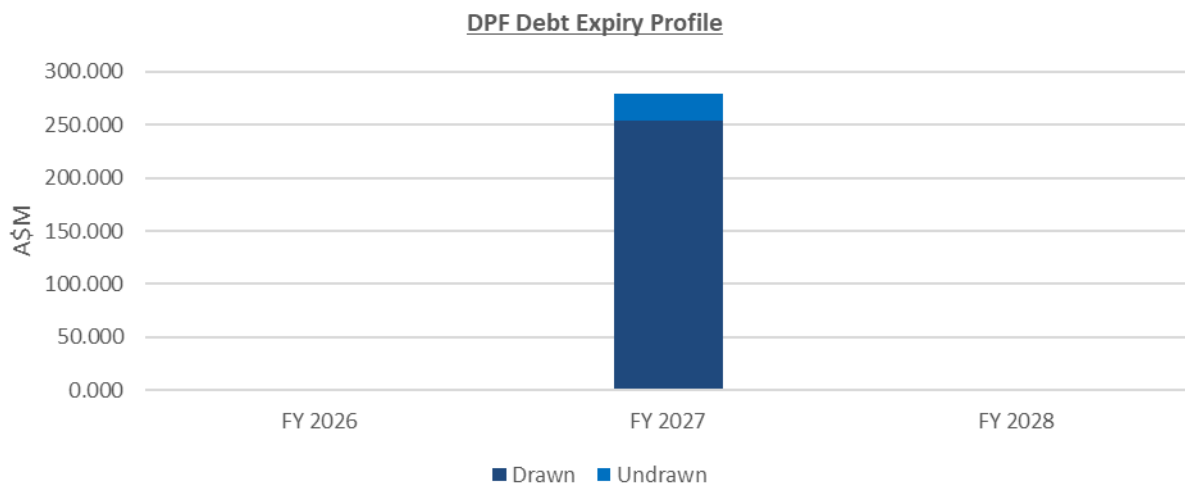
Together, the three Bank Loans detailed above provide the Fund with total facility (the "Facility") limits of \$279.250 million, with total drawn debt of \$254.040 million as at 30 June 2025.

The Facility is secured against all of the Fund's directly owned assets. This security means that, if drawn down, repayment of the Facility would rank ahead of unitholders' interests in the Fund.

As at 30 June 2025, the Facility had an all-up weighted average margin and line fee of 1.969%, calculated using information from the Fund's latest audited financial accounts as at 30 June 2025.

As at 30 June 2025, the Facility had an all-up interest rate (including hedging) of 5.474%, calculated using information from the Fund's latest audited financial accounts as at 30 June 2025. The interest rate, including the annual amortisation of front-end establishment fees, was 5.620%.

The maturity profile of the Fund's borrowing Facility is as follows:



The Fund's Constitution and the *Corporations Act 2001* (Cth) give unitholders certain powers. In particular, the requisite number of unitholders can call a meeting of unitholders to consider resolutions to amend the Fund's Constitution, terminate the Fund 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 Facility and in certain circumstances will give the bank rights to, amongst other things, call for immediate repayment of the amounts outstanding.

Borrowings are expected to reduce as sale proceeds are applied to debt repayment. The facilities are forecast to be fully repaid prior to completion of the Fund wind-up. Whilst maturity dates may be extended to support the Fund through the realisation phase, no new borrowings are expected to be undertaken.

4.3 Gearing Ratio

The Gearing Ratio indicates the extent to which the Fund has used borrowings to acquire assets. The Gearing Ratio gives an indication of the potential risks faced by the Fund as a result of its borrowings due to, for example, an increase in interest rates or a decrease in asset values. The Fund maintains and complies with a written policy governing the level of gearing and interest cover expected to be maintained.

The Fund's Gearing Ratio is calculated as follows:

$$\text{Gearing Ratio} = \frac{\text{Total interest-bearing liabilities}^1}{\text{Total assets}}$$

CFM intends to limit borrowings to no more than 50% of the total value of all property assets held directly by the Fund. As at 30 June 2025 the gearing ratio for the Fund was 49.4%. The gearing ratio for 30 June 2025 was calculated using information from the Fund's latest audited financial accounts as at 30 June 2025.

The Fund is also exposed indirectly to gearing because the property trusts in which it invests have used

¹ Interest bearing liabilities are detailed under non-current liabilities within the Consolidated Balance Sheet in the Fund's audited financial accounts. They include the Fund's bank loans, less unamortised loan transaction costs, which have been excluded for the purposes of this calculation.

borrowings to acquire their property. CFM periodically calculates the gearing of the Fund considering the Fund's share of assets and liabilities of underlying property trusts. This is known as Look-Through Gearing.

CFM aims to maintain Look-Through Gearing for the Fund as a whole at no more than 50% and will not acquire any Direct Property or units in any Property Trust that, at the time of acquisition, would result in a Look-Through Gearing Ratio for the Fund above 50%. As at 30 June 2025, the Look-Through Gearing Ratio was 52.5%. The Fund's Look-Through Gearing ratio currently exceeds the target level of 50%. This is not the result of additional borrowings on new acquisitions. Rather, the increase reflects a decline in the independent valuations of underlying assets during the reporting period. The reduction in asset values has resulted in a higher gearing ratio on a relative basis. CFM continues to monitor the gearing level and maintain prudent financial management. CFM has calculated the Look-Through Gearing Ratio using information from the Fund's latest audited financial accounts as at 30 June 2025.

Gearing is expected to reduce as assets are sold and borrowing facilities are repaid.

4.4 Interest Cover Ratio

The Interest Cover Ratio measures the ability of the Fund to meet its interest payments on borrowings from its earnings. The level of interest cover gives an indication of the Fund's financial health. A higher number indicates greater available funds with which to pay interest costs and distributions. It is a key measure of the risks associated with any borrowings which the Fund may have.

Interest cover is calculated as follows:

$$\text{Interest Cover Ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

EBITDA means earnings before interest, tax, depreciation and amortisation. "EBITDA - unrealised gains + unrealised losses" is represented in the Fund's audited financial accounts as profit from operations plus interest expense.

The Fund's Interest Cover Ratio for the year ending 30 June 2025 was 2.5 times.

CFM intends to fund interest payments from income received by the Fund and does not capitalise any interest payments.

CFM periodically calculates a Look-Through Interest Cover Ratio, taking into account the Fund's share of earnings and interest expense from underlying property trusts.

The Fund's Look-Through Interest Cover Ratio for the year ending 30 June 2025 was 2.5 times.

The Fund's interest cover ratio may decline as rental income reduces following asset sales. All interest obligations are expected to be met from operating cashflow until borrowings are repaid.

4.5 Loan Covenants

The Facility has various financial covenants which must be complied with. The Fund is compliant with all covenants. The Fund's covenants under the Facility are a 65%² Loan to Value Ratio (LVR) and a

² The Fund's original covenants under the Facility are a 55% Loan to Value Ratio (LVR) and a 2.0 times Interest Cover Ratio (ICR). From 29 January 2024 through to 31 December 2025, the LVR covenant on the Facilities has been relaxed to 65% LVR. CFM is currently seeking a further 12-month extension of this covenant relaxation.

1.75 times³ Interest Cover Ratio (ICR).

Under the terms of the Facility, the 'loan to value' ratio must, at all times, be at or below 65%. The 'loan to value' ratio is the amount of the Facility divided by the value of the properties net of outstanding incentives. As at 30 June 2025, the Fund's loan to value ratio was 55.0%. The portfolio would need to fall in value by 15.4% from its 30 June 2025 valuation for this covenant to be breached.

The interest cover ratio must be no less than 1.75 times². The interest cover ratio (for the purpose of the Bank Loan covenants) is calculated on the preceding 12 months and is the Fund's net operating income divided by the Bank Loan's interest costs and was 2.5 times as at 30 June 2025. Net operating income from the directly owned portfolio would need to fall by 28.8% or the interest expense would need to increase by 40.4% for this covenant to be breached.

4.6 Hedging

Where the Fund borrows to purchase property assets directly, CFM may enter interest rate hedges to provide increased certainty in relation to the Fund's interest expense through fixing the cost of debt for an agreed period. CFM will also consider hedging in underlying unlisted property trusts when considering whether to hedge any direct borrowings in the future.

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

The Fund's hedging arrangements as at 30 June 2025 were:

- \$26.4 million interest rate cap and collar with a strike rate of 3.45% and a floor of 2.87%, which expires 28 March 2026; and
- \$100.0 million interest rate swap with a strike rate of 3.37%, which expires 15 September 2028 (with an option that the counterparty might exercise an early termination in September 2026); and
- \$20.0 million interest rate swap with a strike rate of 3.44%, which expires 15 September 2030.
- \$55.0 million forward starting interest rate swap with a strike rate of 3.242%, effective from 15 September 2026 and expires in September 2027.

As at 30 June 2025, 57.6% of the drawn debt for the Fund was hedged (52.4% of the total commitment).

CFM may further extend the hedge profile of the Fund in the future where it is considered prudent or cost effective to do so.

5. Distribution Practices

As noted in section 1 above, CFM is now in the process of realising the Fund's assets, leading to the eventual wind up of the Fund. During the realisation phase, distributions may comprise both income and capital components, depending on asset sale timing, net rental income received on the remaining assets and working capital requirements.

During the realisation phase, it is intended the Fund will continue paying its regular monthly distributions

³ The ICR covenant has been permanently reduced to 1.75x from 2x.

sourced from its profit from operations (which broadly aligns with cashflow from operations) however these may reduce as assets are sold.

Net proceeds from asset sales will first be applied towards debt reduction in accordance with the Fund's financing arrangements before being distributed to Unitholders.

Capital gains or losses generated on the sale of the Fund's assets may also impact the level of distributions. Refer to section 6 of the PDS for information on the taxation of distributions and taxation of an investment in the fund generally. Section 4 of the PDS outlines key risks which may impact distributions.

Distributions for the year ending 30 June 2025 have been paid from profit from operations available for distribution.

The following calculation reconciles the Fund's net loss to the total distribution payable for the period to 30 June 2025, as per the Fund's audited financial accounts.

Reconciliation of Fund Net Loss to Distributable earnings	
Loss for the year ended 30 June 2025	(22.791)
Add back fair value net losses:	
Investment properties	29.000
Derivative financial instruments	2.071
Investments in unlisted property schemes	2.073
Gain on disposal of investment property	(0.030)
Add back non-cash property investment income/expenses:	
Straight-line lease income	(0.326)
Lease incentives, lease cost amortization and lease abatement	11.922
Amortisation of right-of-use asset	0.075
Amortisation of loan transaction costs	0.369
Equals	
Distributable earnings	22.363
Distribution	16.961

6. Withdrawal Arrangements

The Notification Period for the Fund's second full Liquidity Event, which commenced on 1 July 2025, is now closed. Withdrawal requests received during the Notification Period exceeded 50% of the Fund's total units on issue. In line with the Fund's Constitution, CFM is now required to begin the process of realising assets, winding up the Fund and returning net proceeds to Unitholders.

Relevant Continuous Disclosure Notices are linked below:

<https://www.cromwell.com.au/invest/cromwell-direct-property-fund/continuous-disclosure-and-updates/>

7. Related Party Transactions

CFM is the responsible entity for the Fund and may appoint Related Parties (as defined in the *Corporations Act 2001* (Cth)) to provide services to the Fund if required. Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties. Where material transactions occur, unitholders should consider the capability and sustainability of those related party arrangements and the potential for conflicts of interest.

CFM has, and complies with, written policies regarding related party transactions. The policies cover, amongst other things, the assessment and approval process for related party transactions as well as how the risk of any actual or perceived conflict of interest because of any related party transactions is managed. All related party transactions require Board approval, and the Board will only approve transactions if the transactions are on arm's length terms. Otherwise, unless another exception is available under the *Corporations Act 2001* (Cth), the transaction would be subject to approval by the Fund's unitholders.

Compliance with the Related Party Policy and Conflict of Interest Policy is tested at least annually by Cromwell's Risk and Compliance team. To date, the policies have been complied with by CFM. CFM and related entities may also subscribe for, or acquire, units in the Fund on the same terms as other unitholders.

CFM has also appointed some related entities to provide services to the Fund. Like CFM, those related entities are all wholly owned subsidiaries of Cromwell Corporation Limited. They include Cromwell Property Services Pty Ltd (which provides property, facility management and leasing services), Cromwell Project & Technical Solutions Pty Ltd (which provides project management services to the Fund in relation to the direct property assets), Cromwell Operations Pty Ltd (which provides accounting and other administrative services to the Fund), Cromwell REIT Holdings Pty Ltd (which acts as trustee for some of the sub-trusts through which the Fund owns direct property), Cromwell BT Pty Ltd (which provides custodial services to the Fund) and Cromwell Capital Pty Ltd (which provides finance arrangement services to the Fund). During the year ending 30 June 2025 (exclusive of GST):

- Cromwell Property Services Pty Ltd was paid \$1.768 million;
- Cromwell Operations Pty Ltd was paid \$0.264 million;
- Cromwell Project & Technical Solutions Pty Ltd was paid \$0.183 million;
- Cromwell BT Pty Ltd, Cromwell Capital Pty Ltd and Cromwell REIT Holdings Pty Limited did not receive any fees.

The Fund also entered a lease with Cromwell Operations Pty Ltd in February 2023. The lease is for an office tenancy in one of the Fund's assets, 100 Creek Street Brisbane, with the seven-year lease term commencing 1 March 2024. The commencing rent under the lease is \$587/psm per annum. The Fund has provided a \$4.021 million incentive which Cromwell Operations Pty Ltd is taking as a rental abatement over the term of the lease.

The above arrangements are all on arm's length terms and have been approved by the Board.

Unitholders can obtain copies of the Conflict of Interest Policy, and/or the Related Party Policy by calling Cromwell's Investor Services Team on 1300 268 078.