

## Commercial Lending Quick Reference Guide

### Commercial Loans Only

<b>Loan Amount Minimum</b>	Up to \$3m (generally less than \$2m).
<b>Loan Type</b>	Variable or Fixed rate.
<b>Loan Term</b>	1 to 3 years but some periods can go longer.
<b>Maximum LVR</b>	66.6%.
<b>Valuation</b>	Must be no older than 90 days.
<b>Loan Servicing</b>	All sources/all commitment interest cover of 1.25 to 1.5 times.
<b>Interest Payments</b>	Monthly in advance.
<b>Asset Types</b>	Non-specialised property such as Commercial Office, Industrial and Retail.
<b>Security</b>	Registered first mortgages taken directly over real property, along with additional collateral security we require.
<b>Establishment Fee</b>	0.5% to 1.5% minimum.
<b>Indicative Margin</b>	2% (absolute minimum) to 3.0% above 90 day BBR (variable rate) or swap rate (fixed rate). Fixed rate loans margins may incur an additional loading of up to 0.25% in times of rising interest rates.
<b>Early Repayment</b>	<ul style="list-style-type: none"> <li>• For variable rate, one month's additional interest</li> <li>• For fixed rate, one month's additional interest for each year remaining (pro rata, so that for example, a full repayment with 18 months loan term remaining will require 1.5 month's additional interest)</li> </ul>
<b>Legal and Valuation Costs</b>	Must be paid by borrower via commitment fee upfront.

The key points to the lending are:

- The Fund will hold first registered mortgages and appropriate other security for commercial loans (as required by us) over real property;
- Borrowers must be able to demonstrate ability of repayment;
- No other leverage or debt arrangements must exist over assets for encumbrance;
- No single commercial loan will exceed 5% of the gross value of any of our managed Fund's assets, subject to the Fund's growth in assets;
- Independent valuations are undertaken for valuation of all loan(s);
- Ongoing monthly income payments are to be made by a borrower.
- Valuations are completed by our panel of valuers on terms acceptable to us.

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