Australian Securities & Investment Commission Regulatory Guide RG45 Benchmark & Disclosure Principles

30 June 2026

The Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 45, 'Mortgage schemes: Improving disclosure for retail investors' (**RG 45**) sets out benchmarks and disclosure principles for unlisted mortgage schemes, against which the responsible entity of the scheme must report. If a mortgage scheme does not meet any benchmark, the responsible entity must give details of why that benchmark is not being met.

There are 5 benchmarks and 5 disclosure principles that apply to the Corval Avenue Select Credit Fund ARSN 090 994 326 (**Fund**). These reflect the information that ASIC considers key to enable retail investors to analyse the risks of investing and continuing to hold interests in unlisted contributory mortgage schemes, such as the Fund.

This report shows the status of the Fund in respect of the benchmarks set and the disclosure principles adopted by ASIC. This information has been prepared by Corval Avenue Limited ACN 089 265 270, AFSL 238546 (**Corval Avenue**) the responsible entity of the Fund.

To the extent that this information is advice, it is general advice only. It does not take into account the objectives, financial situation or needs of any investor or prospective investor. The current Product Disclosure Statement (**PDS**) dated 1 October 2025 for the Fund should be read in full prior to making any decision to invest. Corval Avenue has also prepared a Target Market Determination (**TMD**) for the Fund.

When accessing this information online, a copy of the information may be printed for personal use only. Alternatively, a copy can be forwarded on request. This information should be read in conjunction with the PDS which defines some of the terms and provides more detailed information.

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This Information is current as of 30 June 2026 (or as specified in the particular item). It will be updated as soon as practicable after any material adverse change and, in any event, bi-annually. Updated information will be published on www.corvalavenue.com.

BENCHMARKS

Benchmark 1: Liquidity (*applicable to pooled mortgage schemes only*)
The benchmark does not apply to the Fund

Benchmark 2: Scheme Borrowing **Details of the Benchmark**	**Meeting the Benchmark**
Corval Avenue does not have current borrowings and does not intend to borrow on behalf of the Fund.	***Corval Avenue meets this benchmark.***

For additional disclosure on this benchmark see Disclosure Principle 2*: Scheme Borrowing* below.

Benchmark 3: Loan Portfolio & Diversification (*applicable to pooled mortgage schemes only*)
The benchmark does not apply to the Fund

Benchmark 4: Related Party Transactions **Details of the Benchmark**	**Meeting the Benchmark**
Corval Avenue does not lend to related parties of Corval Avenue or to the Fund's investment manager.	***Corval Avenue meets this benchmark.***

For additional disclosure on this benchmark see Disclosure Principle 4*: Related Party Transactions* below.

Benchmark 5: Valuation Policy **Details of the Benchmark**	**Meeting the Benchmark**
In relation to valuations for the Fund's Mortgage Investments and their Security Property, the board of Corval Avenue requires: a) a valuer to be a member of an 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) valuer rotation and diversity; e) in relation to the Security Property for a loan, an independent valuation to be obtained: (i) before the issue of a loan and on renewal on an 'as is basis'; (ii) within two months after the directors form the view that there is a likelihood that a decrease in the value of the Security Property may have caused a material breach of the loan covenant.	***Corval Avenue does not meet this benchmark.*** Corval Avenue meets those aspects of the benchmark in paragraphs (a), (b), (c), (d) and (e)(ii). With respect of paragraph e(i) there are limited circumstances in which a valuation is not required before the issue or renewal of a loan, as described below.

Corval Avenue does not meet this benchmark for the following reasons:

1. A current Valuer General's assessment may be accepted where the loan to valuation ratio (**LVR**) does not exceed 30%. If so, this will be stated in the relevant Syndicate PDS.
2. Corval Avenue considers that this is an acceptable practice as that assessment, made for rating and taxation purposes, is of the unimproved land value of the Security Property, and does not include the value of any home or other structures and improvements.

3. Corval Avenue may not obtain a new valuation on the extension of a loan facility with a further term of 12 months or less. The cost is not warranted in all cases and Corval Avenue is satisfied that the following alternative and additional practices are adequate. Each renewal is assessed on a case-by-case basis and Corval Avenue will order an updated valuation if:

   - the latest valuation was obtained more than two years ago;
   - there is a decline in the market that may impact on the value of the Security Property and the LVR (including but not limited to where this may have caused a material breach of a loan covenant); or
   - a Syndicate Member transfers their interest in the Syndicate.

For additional disclosure on this benchmark see *Disclosure Principle 5: Valuation Policy* below

Benchmark 6: Lending Principles - Loan to Valuation Ratios **Details of the Benchmark**	**Meeting the Benchmark**
As the Fund directly holds mortgage assets, the Fund does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.	***Corval Avenue meets this benchmark.***

The Fund's constitution states that the LVR on any first registered security must not exceed 70.0% of its independent value determined on an 'as is' basis.

The maximum LVR on any second registered mortgage, when taken with the amount advanced on the first registered mortgage and any equal ranking securities, must not exceed 80.0% of its independent value determined on an 'as is' basis.

For additional disclosure on this benchmark see Disclosure Principle 6: *Lending Principles - Loan to Valuation Ratios* below.

Benchmark 7: Distribution Practices **Details of the Benchmark**	**Meeting the Benchmark**
Corval Avenue will not pay current distribution from scheme borrowings.	***Corval Avenue meets this benchmark.***

For additional disclosure on this benchmark see Disclosure Principle 7*: Distribution Practices* below.

Benchmark 8: Withdrawal Arrangements - Non-Liquid Schemes **Details of the Benchmark**	**Meeting the Benchmark**
For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.	***Corval Avenue does not meet this benchmark.***

As is stated in RG 45.71, the benchmark can be considered to be inapplicable as Corval Avenue has disclosed in the PDS that investors have no ability to withdraw from the Syndicate until the Mortgage Investment to which the loan relates has been repaid.

For additional disclosure on this benchmark see Disclosure Principle 8: *Withdrawal Arrangements* below.

DISCLOSURE PRINCIPLES

Disclosure Principle 1: Liquidity (*applies to pooled mortgage schemes only*)

This disclosure principle does not apply to the Fund.

Disclosure Principle 2: Scheme Borrowing

If the Fund has borrowings, the responsible entity should disclose a number of matters including those relating to:

- the total debt due, their maturity profile, undrawn credit facility and whether refinancing or sale of assets is likely during various periods;
- why Corval Avenue has borrowed the money, including whether the borrowed funds will be used to find distributions or withdrawal requests;
- any material loan covenant breaches;
- the fact that the amounts owing to lenders and other creditors rank before an investor's interests in the Fund; and
- the risks associated with the Fund's borrowings and credit maturity profile.

Corval Avenue confirms that the Fund does not have current borrowings and does not intend to borrow on behalf of the Fund.

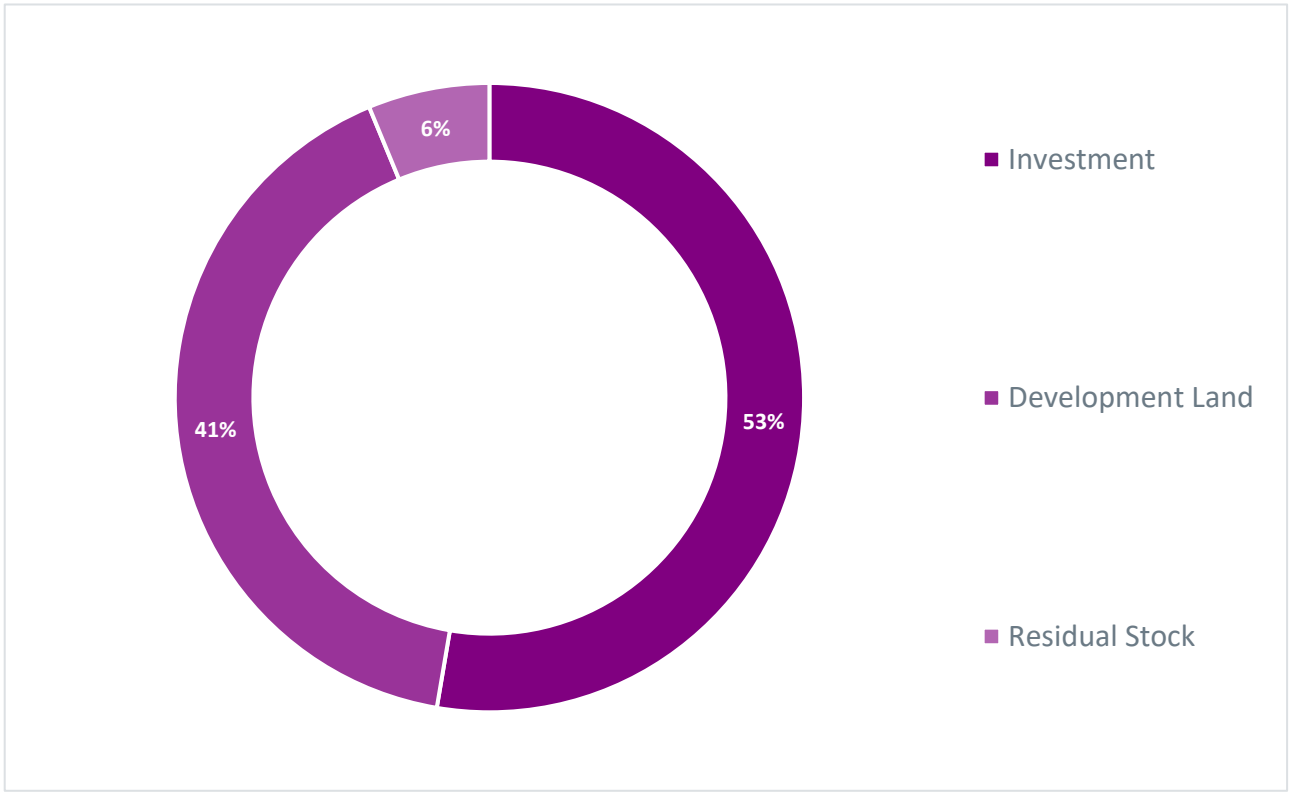
Disclosure Principle 3: Loan Portfolio and Diversification (*applicable to pooled mortgage schemes only*)

This disclosure principle does not apply to the Fund.

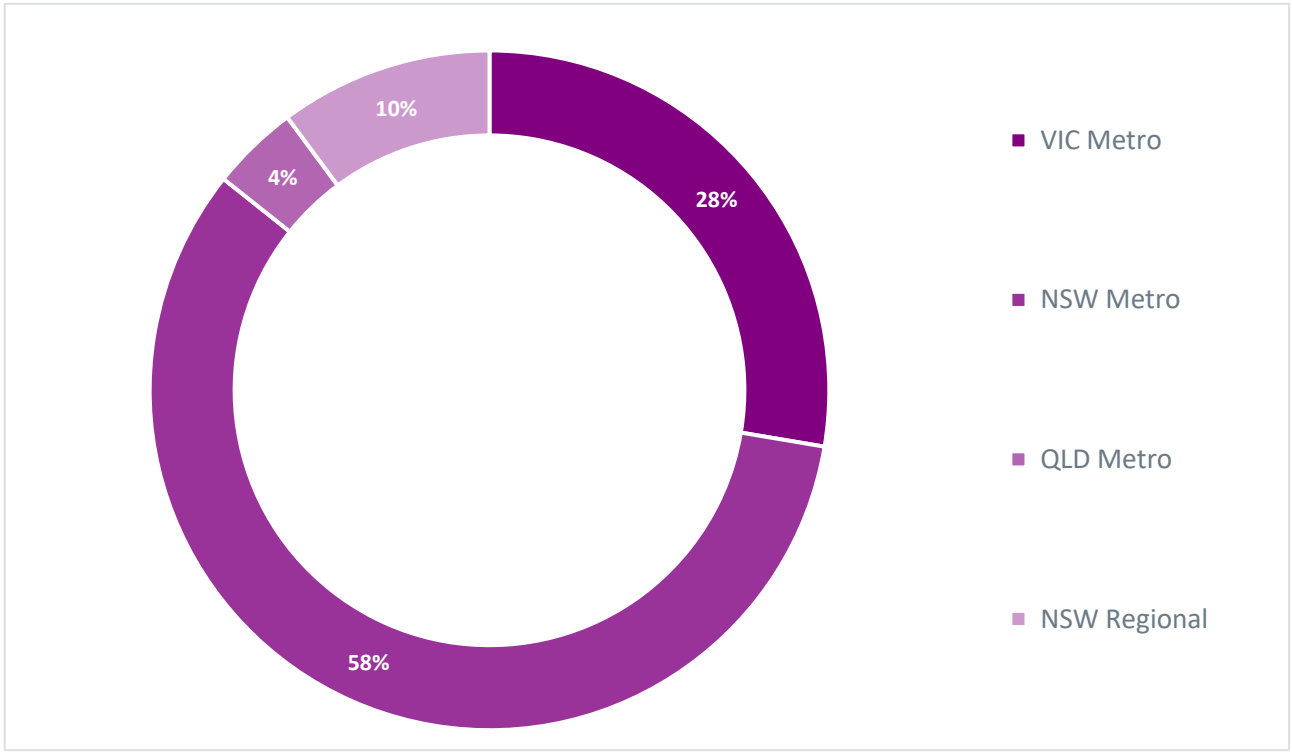
While disclosure regarding the various Mortgage Investments made by the Fund is not required, Corval Avenue has provided the following portfolio information, current as at 30 June 2026. In this information, the total balance of the Facility Limit comprises loan funds advanced to borrowers.

Portfolio Summary as at 30 June 2026	
Minimum Loan Size	$632,500
Maximum Loan Size	$10,000,000
Average Loan Size	$4,819,731
Number of Loans	13
Total Loan Portfolio (a)	$50,421,652
Funds in Trust (b)	$34,711,333
Assets under Management (a+b)	$85,132,985
Weighted Average Loan-To-Value-Ratio	63.5%
Weighted Average Borrower Interest Rate	9.17%

FACILITY TYPE AS AT 30 JUNE 2026



LOCATION OF LOANS AS AT 30 JUNE 2026



Loans in Default

The Corval Avenue Credit Committee continually monitors the level of Mortgage Investments that are in default. A summary of defaults is disclosed in quarterly reports circulated to the Board of Directors and the Compliance Committee.

Default may comprise interest arrears, where monthly interest remains unpaid for more than 30 days, or principal default, where principal remains unpaid following the maturity date. Where a loan is in interest arrears or principal default, various recovery options may be available, including enforcement of the security and sale of the Security Property.

Principal default can arise for a range of reasons and does not necessarily mean that a borrower has ceased meeting its interest obligations. For example, a loan may be in principal default where principal remains outstanding following the maturity date despite the borrower continuing to meet monthly interest payments.

As at 1 August 2026, the Fund held:

- 13 Mortgage Investments; and
- 2 loans in principal default for more than 30 days, which are also in interest arrears for more than 30 days.

These 2 loans represent 5.0% of the total funds under management and 15.4% of the total number or Mortgage Investments in the Fund.

Recovery action has commenced in respect of both loans in principal default, with receivers appointed in respect of each loan.

In relation to the first loan, on 18 November 2025 the Borrower and one of its directors (in his personal capacity) commenced Federal Court proceedings challenging the validity of the execution of the finance documents and the appointment of the receivers. The receivers have undertaken not to dispose of the secured property while the proceedings progress.

The matter is progressing through the Court process, with the parties having undertaken relevant procedural steps and case management continuing. A final hearing date has not yet been set. Legal counsel has been engaged and, based on advice received to date, the claim has been assessed as having limited prospects of success. However, the outcome and timing of the proceedings remain uncertain. Even if the proceedings are successfully defended, there remains uncertainty as to when enforcement can be completed and the loan repaid. Depending on the outcome, the proceedings may also increase the risk of a credit loss on the loan.

In relation to the second loan, the staged sell-down of the secured properties has continued, with the final remaining unit now sold, subject to the purchaser obtaining finance. Subject to satisfaction of this condition, settlement of the sale is anticipated to occur by November 2026, following which the receivership is expected to be finalised and the available sale proceeds applied towards repayment of the loan.

At the date of this report, there is no evidence to suggest that the exposure to the first impaired loan exceeds the value of the secured property, although the ultimate recovery remains uncertain given the ongoing Federal Court proceedings and associated costs.

In relation to the second impaired loan, the final recovery remains subject to settlement of the remaining property sale and finalisation of the receivership and associated costs. Based on information currently available, it is anticipated that sale proceeds will be available for distribution to Syndicate Members as a repayment of capital, although the amount of any repayment cannot yet be determined.

Exposure to each impaired loan is limited to the Syndicate Members invested in the relevant Mortgage Investment.

Fund Assets other than Mortgage Loans

On 30 June 2026 which is the date of the last audited financial statements, the total assets of the Fund were as follows:

- Trade and other receivables: $139,778
- Cash and cash equivalents: $34,571,555

Ranking of Securities

Loans within the Fund are primarily secured by first registered mortgages and are subject to the applicable maximum loan-to-valuation ratio (**LVR**) for each loan.

The Fund includes one loan secured by a second registered mortgage, with a combined LVR of 75.0%, taking into account both the first and second ranking debt. This loan represents approximately 1.3% of funds under management.

Borrowers and Lending

There has been no material change in the general profile of borrowers from that described in the PDS, nor of the loan approval procedures adopted by the Corval Avenue Credit Committee.

Creditworthiness of Borrowers

There has been no material change in the procedures adopted by the Corval Avenue Credit Committee as to the manner or extent to which it assesses the creditworthiness of a borrower from that described in the PDS.

Types of Securities

There has been no material change in the types of securities on which Corval Avenue will lend from that described in the PDS.

Investment in other Unlisted Mortgage Funds

Corval Avenue does not invest in other mortgage funds. Accordingly, it has no policy as to whether such a scheme must itself meet the benchmarks or apply the disclosure principles.

Disclosure Principle 4: Related Party Transactions

If the responsible entity enters into related party transactions, Corval Avenue should disclose details of those transactions including:

- the value of the financial benefit;
- 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 2001 or ASX Listing Rules – for group structures, the nature of these relationships should be disclosed for all group entities);
- whether the arrangement is on 'arm's length' terms, is reasonable remuneration, some other exception applies, or ASIC has granted relief;
- whether scheme member approval for the transaction has been sought and, if so, when (e.g. if member approval was obtained before the issue of interests in the scheme);
- the risks associated with the related party agreement; and
- the policies and procedures that Corval Avenue has in place for entering into related party transactions, including how compliance with these policies and procedures is monitored.

The Fund has no loans with any related party. This includes the Directors and shareholders of Corval Avenue, any related bodies corporate, together with their respective spouses or employees.

From time-to-time Corval Avenue, related bodies corporate or their associates (including associated staff and other individuals) may (in various capacities) deal in transactions or interests identical to those described in the PDS and may invest in the Fund or any Syndicate, and as such will derive interest income in the same way as any other Member of the Syndicate or Fund.

Corval Avenue has entered into the following related party transactions:

- Corval Avenue has entered into a Licence Agreement with Corval Partners Limited ACN 130 628 830 (**Corval Partners)** granting Corval Avenue a licence to occupy the premises shown in the Corporate Directory. The head lease is on commercial terms and the licence fee payable by Corval Avenue is consistent with prevailing market rents for comparable office space. The licence fee calculated is based on the proportion of floor area occupied and there is no collateral benefit provided to Corval Partners.
- A company within Avenue Capital Group, Redwood Credit Pte Ltd (formerly Liquid IND Investments Pte. Ltd) (UEN 202417885H) (**Redwood**) has entered into an investment management agreement appointing Corval Avenue to invest and manage assets of Redwood. There is a risk that Redwood will be treated preferentially to the potential detriment of the Fund. To manage this risk, Corval Avenue has adopted a number of polices and procedures that are designed to ensure fair and equitable treatment of all funds managed by Corval Avenue.

Corval Partners and Redwood are associated with the owners of Corval Avenue, and the arrangements described above are related party transactions. Corval Avenue will pay all fees associated with the related party transactions and no fees are payable by the Fund or by any investor.

The agreements were entered into on arm's length terms and otherwise in accordance with the provisions of the Corporations Act 2001 and Corval Avenue's Related Party Transactions Policy. The procedure for managing any potential conflicts of interest arising from a related party investment or transaction is described in the PDS.

Disclosure Principle 5: Valuation Policy

The responsible entity must disclose:

- where investors may access the Fund's valuation policy;
- the processes that the directors employ to form a view on the value of the Security Property;
- the frequency of valuations; and
- any material inconsistencies between any current valuations over Security Property and the Fund's valuation policy

Valuation Policy

Corval Avenue's Valuation Policy is available upon request or on www.corvalavenue.com.

Valuation Processes

The valuation process that the Board of Directors employs to form a view on the value of the security property is detailed in the PDS. A formal valuation is obtained from an independent valuer who meets the criteria set out in the Valuation Policy. In accordance with the Valuation Policy, the Credit Committee may adopt an alternative method of estimating the value of a Security Property and will disclose that alternative method in the relevant Syndicate PDS. Upon signing the Syndicate Application Form, each Syndicate Member agrees to adopt that value.

Diversity and Rotation of Valuers

Under its Valuation Policy, Corval Avenue maintains a panel of valuers who are independent, experienced and qualified. No valuer may provide more than three consecutive valuations of any single Security Property. No valuer may conduct more than one-third of the total valuation work for the Fund based on either the total number of loans or by value of funds under management at the time of valuation.

Regarding valuer rotation and diversity, the Valuation Policy recognises that it may not be possible from time-to-time to adhere to the one-third position. There may be an overriding requirement to obtain a valuation by a valuer that is competent, independent, experienced, insured, and possess the relevant specialisation. For example, where there is a limited number of qualified valuers who specialise in a particular property type or geographical region, Corval Avenue may employ the same valuer to conduct more than one-third of the Fund's total valuation work.

Frequency of Valuations

The valuation of the Security Property must not be more than six months old when the particular Mortgage Investment is made or a Member is placed in a Syndicate unless an alternative method of estimating the value of the property has been disclosed in the Syndicate PDS.

When a Mortgage Investment is renewed, Corval Avenue assesses whether an updated valuation is required on a case-by-case basis. For further information on the Corval Avenue Valuation Policy, refer to the PDS and to Benchmark 5: *Valuation Policy* above.

Material Inconsistencies

As at 30 June 2026 there were no material inconsistencies between Corval Avenue's Valuation Policy and any current valuations.

Disclosure Principle 6: Loan to Valuation Ratios

As the Fund will directly hold mortgage assets the responsible entity must disclose:

(a) the maximum and weighted average loan to valuation ratios for the Fund as at the date of reporting; and

(b) where funds are lent for property development:

- the criteria against which the funds are drawn down;
- the percentage (by value) of the completion of any property that is under development as at the date of reporting;

the loan to valuation ratio of each property development loan as at the date of reporting.

Mortgage Investments are held by Syndicate Members in each Syndicate, rather than by the Fund itself. The LVR for a Mortgage Investment is provided in the relevant Syndicate PDS. Please also refer to the Portfolio Summary provided under Disclosure Principle 3: *Loan Portfolio and Diversification*.

Disclosure Principle 7: Distribution Practices

The responsible entity makes distributions to investors from the Fund. The responsible entity should therefore disclose:

- 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);
- 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;
- if the distribution is sourced other than from income, whether this is sustainable over the next 12 months;

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

Monthly interest paid by the borrower in respect of the particular Mortgage Investment is distributed to the Syndicate Members in their respective proportions. If the income received from the borrower is insufficient to enable a full or part interest distribution, interest is distributed to Syndicate Members only to the extent that the income has actually been received from the borrower

Disclosure Principle 8: Withdrawal Arrangements

The responsible entity should disclose:

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

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

Members should note the following:

- Members may request to withdraw any Holding Monies that have not been committed to a Syndicate by submitting a withdrawal request in such form required by Corval Avenue;
- if a Member has committed to invest in a Mortgage Investment, their Holding Monies will remain committed to that Mortgage Investment for 60 days from the date the monies were committed. If the Mortgage Investment is not settled within 60 days, the Holding Monies may then be allocated to another selected Mortgage Investment or withdrawn;
- Syndicate Members may not withdraw their investment in a Syndicate until the loan has been repaid or the Security Property realised, the proceeds are available for distribution and the Syndicate is terminated; and
- any request by the borrower for an extension or variation to the term of a Mortgage Investment must be agreed to by Syndicate Members. A Syndicate Member is under no obligation to agree to any extension or variation and may request the withdrawal of their investment from the Syndicate.

Please refer to the PDS for further information.

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