



## Investment Rating Report

Foresight Investment Rating: **VERY STRONG**

Foresight Complexity Indicator: **COMPLEX**

<b>Fund Details</b>
<b>Investment Manager:</b> Trilogy Funds Management Ltd ABN 59 080 383 679
<b>Investment Structure:</b> Australian unit trust
<b>Wholesale/Retail:</b> Retail & wholesale
<b>Category:</b> Mortgage trust
<b>Investment Style:</b> Active management of mortgages over Australian property
<b>Inception:</b> February 2007
<b>Management Fee:</b> 0.96% retail
<b>Platform &amp; Adviser Assisted:</b> 0.46%
<b>Responsible Entity:</b> Trilogy Funds Management Ltd. ABN 59 080 383 679, AFSL 261425
<b>Investment Objective:</b> Generate competitive income through a portfolio of loans secured by registered first mortgages on Australian properties.

### Performance as at 31 December 2025

Period	Return	RBA Cash Rate	Excess
<b>3 months</b>	1.78%	0.90%	0.88%
<b>6 months</b>	3.56%	1.83%	1.73%
<b>1 year</b>	7.28%	3.92%	3.36%
<b>5 years</b>	6.83%	2.73%	4.10%
<b>Since Inception</b>	7.48%	2.57%	4.91%

*Periods greater than 1 year show annualised returns. Returns are net of fees assuming no distribution reinvestment  
Source: Trilogy*

### Review Summary

The Trilogy Monthly Income Trust ('TMIT' or 'the Fund') is a pooled mortgage trust established in February 2007 and managed by Trilogy Funds Management Ltd. ('the

Manager'). The underlying investments are loans secured by registered first mortgages on property development, land development and refinancing of completed stock. Loans are typically of short duration and generally have floating interest rates.

The Fund sits at the more conservative end of the Australian commercial real estate debt (ACRED) spectrum. It is first mortgage only, the portfolio LVR is 64%, and the Manager's preferred loan profile is for urban developments in cities on the eastern seaboard.

The team at Trilogy is very experienced, having been in this sector since before the GFC (Global Financial Crisis). Over the last few years, the Manager has shown a strong commitment to increasing human resources, broadening the team's expertise, setting up offices outside Queensland, and developing very strong loan management systems. The loan book purposefully continues to diversify geographically and by property sub-segment.

Annualised monthly distributions have been gradually reducing over the last 12 months in line with the official RBA cash rate. Distribution rates are currently around 7.05%. Importantly, non-performing loans remain at modest levels and are currently at 2.7% of the total portfolio. The fund has a strong track record of managing non-performing loans using conservative leverage ratios, careful stress-testing of project costs, and thorough credit analysis to minimise defaults. This has enabled it to meet its stated objective of generating competitive income through a portfolio of loans secured by registered first mortgages on Australian properties.

### Foresight Investment Rating & Complexity Indicator

A **VERY STRONG** rating indicates a very strong level of confidence that the Fund can deliver a risk-adjusted return in line with its investment objectives.

Designation as a **COMPLEX** product indicates that the underlying assets require specialist investment skills to acquire and monitor. In addition, a material exposure of the Fund's assets is illiquid, and investors should have a good understanding of the investment time horizon as well as the distribution characteristics of this type of fund

Fund Details	
<b>Fund Name</b>	Trilogy Monthly Income Trust
<b>Dominant Strategy</b>	Investment in mortgage-secured property loans, including construction loans
<b>Investment Structure</b>	Australian unit trust
<b>Investment Manager</b>	Trilogy Funds Management Ltd.
<b>Responsible Entity</b>	Trilogy Funds Management Ltd.
Key Features	Description
<b>Fund Inception</b>	February 2007
<b>Domicile</b>	Australia
<b>Legal Form</b>	Registered Managed Investment Scheme
<b>Geographic Mandate</b>	Australia
<b>Open</b>	Yes
<b>Lock-up</b>	2 months for initial investments in ordinary units (lock-up period does not apply to platform units)
<b>Management Costs: Direct</b>	0.96% of total FUM
<b>Management Costs: Platform Class</b>	0.46% of total FUM
<b>Performance Fee</b>	Nil
<b>Target Return</b>	Trilogy does not specify a benchmark for this Trust
<b>Distributions</b>	Distributions are paid monthly in arrears
<b>Fund Size</b>	\$1,001M as at 31 October 2025
<b>Minimum Subscription</b>	\$10,000
<b>Subsequent Subscription</b>	\$1,000
<b>Withdrawals</b>	There is a minimum holding period of 2 months. After this, withdrawal requests are accepted daily and can take up to 4 months to process. Platform Units Requests for withdrawal must be received by 11.00 am on the day that is at least 7 business days prior to the last calendar day of the month. The 2-month minimum holding period does not apply to Platform Units.
<b>Liquidity</b>	In certain circumstances, Trilogy may be entitled to delay or suspend withdrawals due to a lack of liquidity.
<b>Entry Fee</b>	Nil
<b>Exit Fee</b>	Nil
<b>Fund Term</b>	An investment time horizon of 3 years or more is recommended
Primary Contact	
<b>Name and Title</b>	Wyatt Leonard – Head of Distribution
<b>Email Address</b>	<a href="mailto:w.leonard@trilogyfunds.com.au">w.leonard@trilogyfunds.com.au</a>
<b>Telephone Number</b>	07 3039 2828
<b>Address</b>	Level 26, 10 Eagle Street, Brisbane, Queensland 4001
<b>Website</b>	<a href="http://www.trilogyfunds.com.au">www.trilogyfunds.com.au</a>

**Investment Profile**

**HISTORY/BACKGROUND**

Trilogy Funds Management Limited originated in 1998 when a Brisbane law firm, of which Philip Ryan was a partner, started an investment company managing mortgages and property assets. In 2004, Rodger Bacon and John Barry left their executive positions at Challenger Financial to join Philip in founding Trilogy Funds. Trilogy Funds Management is a 100% subsidiary of Trilogy Funds Group, which is majority-owned by Rodger Bacon. The other shareholders are senior executives of the company. The executive directors of Trilogy Funds Group are Philip Ryan, John Barry, Justin Smart, Henry Elgood and Clinton Arentz.

The Fund is a pooled mortgage trust that was established in February 2007. The underlying investments are loans secured by first mortgages on property development, construction, and refinancing of completed stock. Since its inception in 2007, the Fund has paid a distribution every month, has honoured all withdrawal requests and maintained a stable unit price of \$1.00.

In Foresight's view, developments for established Australian private debt managers are best when characterised by a prudent progressive evolution rather than a 'revolutionary' pivot. Over the last 2 years, several developments at Trilogy have particularly stood out.

- The founders transitioned into oversight roles, and 3 of the senior leaders stepped up into managing director roles, a positive move for the longevity of the business.
- The business has naturally evolved to employ 85 staff, whilst upskilling existing employees.
- The Trilogy Funds Management board was restructured in 2025 and consists of 5 members, including 3 independent directors. As a result, the Compliance Committee has been disbanded. The Trilogy Funds Group board is the parent board.
- Non-performing loans have remained at historically modest levels (currently 2.7% of the total portfolio), and monthly annualised returns have gradually declined to about 7.05% p.a. in line with reductions in the official cash rate.
- FUM has continued its solid upward trajectory in 2025 (a record year), with total FUM increasing by \$187M (23%).

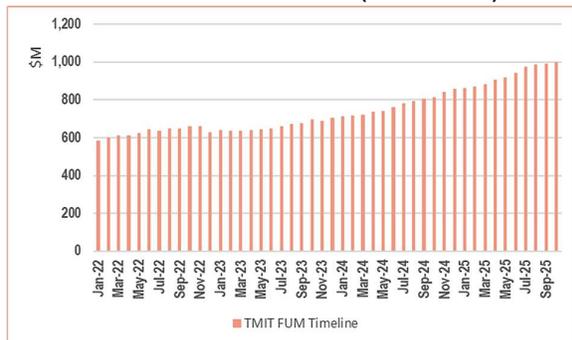
**OBJECTIVE**

The Fund seeks to provide investors with a competitive monthly income stream by investing in a portfolio of loans on Australian property, primarily on the Eastern seaboard. All loans in the portfolio are secured by first mortgages and are of short duration. The strategy is to lend for the purposes of property development, land development, and refinancing completed stock. Of the 3 sub-segments noted, Trilogy is primarily focused on property development loans (60%) and typically finances the construction of 4-to-10-pack townhouses or apartments in upper-market urban areas.

**FUNDS UNDER MANAGEMENT**

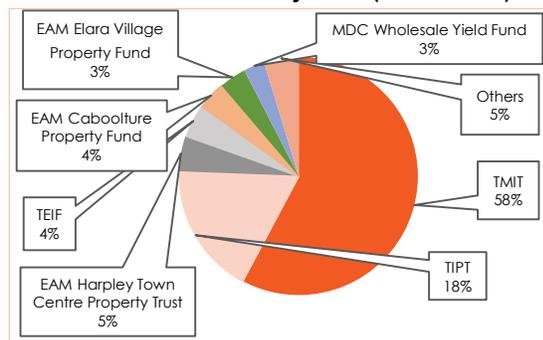
The Fund had FUM of \$1,001M on 31 October 2025, up 23% YoY from \$814M on 31 October 2024. In total, Trilogy Funds Group (TFG) managed approximately \$1.7BN in AUM in October 2025, up about 30% YoY. This is spread across the Manager's mortgage fund, a diversified income fund, an alternative fixed-income fund and several property trusts.

**Ex 1: TMIT FUM Timeline (31 Oct 2025)**



Source: Trilogy Financing, Foresight

**Ex 2: TFG Total FUM by Fund (31 Oct 2025)**



## INVESTMENT UNIVERSE

The Fund's investment universe is typical of Australian Commercial Real Estate Debt (ACRED) funds. It only invests in senior loans, which generally have a maximum LVR of 70% of the latest valuation, in 3 sub-sectors: property development, residual stock and land development. The Fund aims to invest 80% of its portfolio in property development and 20% in residual stock plus land development. Geographically, it focuses on the urban city centres along the eastern seaboard. Typical development and residual stock properties are 4-12-pack developments in upper-market areas. The typical construction loans invested in have a duration of 12 to 24 months with a maximum term of 30 months, except where an extension is agreed to by the lending committee. The weighted average expiry is currently 7.7 months across the portfolio. In the case of land development loans, the duration can be up to 30 months, or occasionally higher if an extension is granted by the Lending Committee. Land development loans are typically bridging loans where the land is going into construction. The security assessment will consider the value of the land as it stands, but also its future potential. Most loans have a floating interest-rate structure, with a fixed margin.

On 30 September 2025, the Fund's portfolio was 60% development, about 30% land, 8% completed stock, and 3% specialty. While allocations are far from static, we believe this composition is roughly indicative of the Fund's portfolio over time, based on the Manager's broader sub-segment focus. The Fund's portfolio is currently weighted to the NSW market, reflecting its origins, but has a good spread across Victoria and Queensland and a small amount in South Australia, Tasmania and the ACT. This geographical diversification is expected to continue with ACT and South Australia being potential growth markets.

The Fund currently has a maximum loan size limit of \$50M. This has increased from \$40M last year, in line with the intention to keep the maximum loan size at about 5% of the portfolio. The Fund may also invest in cash-style assets and other listed investment trusts to optimise liquidity. Trilogy does not lend to related parties.

## Investment Philosophy

Trilogy's investment philosophy is to provide a stable monthly income stream by investing in a diverse portfolio of short-term property loans secured by registered first mortgages. Trilogy uses diversification as a key risk-mitigation tool and currently caps loans at \$50M. It has progressively become increasingly diversified by geography (largely through Sydney and Melbourne). To a far lesser degree, it is also becoming more diversified by property sub-segment (development loans for childcare centres, medical and industrial facilities, for example). As at 31 October 2025, the portfolio contained 143 loans.

Trilogy's view is that property, land development and residual stock financing will continue to become increasingly reliant on non-bank lenders. Major banks are retreating from certain lending segments due to increased regulation, most notably due to the capital provisioning requirements under Basel III. Non-bank lenders are also gaining increasing market share by having more flexible terms (not applying prohibitive LVR or presale levels) and materially quicker assessment and execution timeframes. These aspects matter significantly to developers in terms of overall project volumes and, ultimately, overall profitability. Through its continued FUM growth and natural recycling of capital, the Manager has become a consistent and steady supplier of loan capital to the eligible lender market, which has served to build and maintain key broker, developer and builder relationships.

The Manager assesses loan suitability based on geography, property sub-segment and builder/developer experience. The Manager's 'sweet spot' is 4-to-10-pack townhouses or apartments in urban areas of major metropolitan cities and regions. That said, over time, the Manager has organically diversified the portfolio by geography and property sub-segment. The former includes prospective regional 'mini cities' and, of course, Sydney and Melbourne. By property sub-segment, it has provided development loans to the NDIS, childcare, healthcare and petrol station segments, typically underpinned by tenant contracts.

Overall, in the context of the ACRED market, Foresight would state that the Manager's predominant investment philosophy is conservatism. This is evident in the property-type exposure and the focus on developers' track records, experiences and financial strengths. It is also reflected in the short portfolio-weighted average loan expiry (mitigating economic and sector cycle risks), the senior-only security, and the moderate LVRs. The pricing of loans reflects risk, noting the relatively conservative LVR's.

From an organisational and strategic perspective, Trilogy has pursued both organic and acquisition growth strategies at the group level, although recent acquisitions have been focused on the equity real estate financing side of the group as opposed to the credit financing. Appropriate resources (and office locations) have been progressively added to pursue its strategic growth initiatives. Over the last 2 years, there have been marked developments in the Manager's loan management systems at a project-by-project level. It now provides information that is effectively real-time and facilitates more proactive decision-making, for example, in the case of cost blowouts or project timing delays.

## TRILOGY MONTHLY INCOME TRUST

In short, Trilogy appears to be perpetually improving, which is important given the current industry dynamics. Foresight is seeing a notable trend amongst mid-tier ACRED managers (circa \$800M to \$3BN in FUM) as they develop increasingly 'institutionalised' business models. Concurrently, we are witnessing a consolidation of smaller players that are lacking scale, systems, resources, and the ability to attract additional FUM. To stay relevant and progress to the 'next level', mid-tier ACRED managers need to move towards an institutional business model, just as Trilogy is doing.

### Investment Strategy

The investment strategy for the Fund is to provide a portfolio with a stable unit price of \$1.00 through good risk/return performance and significant diversification. The loans in the portfolio will have a maximum loan-to-value ratio (LVR) of 70% to provide strong downside protection. The average loan size is about \$10M, but the Manager is currently targeting loans of \$15M or larger, consistent with the increase in the loan limit to \$50M. To increase liquidity, initial loan terms are capped at a maximum of 2.5 years. The portfolio's weighted average loan expiry (WALE), a more relevant measure of inherent liquidity, is a short 7.7 months.

Below are the key strategic parameters for diversification and mitigation of risk as at October 2025:

<b>Borrowers Valuers</b>	<ul style="list-style-type: none"> <li>▪ Borrowers and guarantors must be creditworthy and satisfy the requirements under the Anti-Money Laundering and Counter-Terrorism Act.</li> <li>▪ Exposure to borrowers is closely monitored, with exposure to any single borrower limited.</li> <li>▪ The Fund appoints an independent valuer, and the valuation must be reviewed before funding.</li> <li>▪ The Fund will not lend to any related parties of Trilogy Funds.</li> </ul>	
<b>Portfolio/ Loan Profile</b>	<ul style="list-style-type: none"> <li>▪ The Manager is targeting a diverse range of borrowers with loans capped at \$50M.</li> <li>▪ The Manager sometimes uses co-investment to improve Fund diversification.</li> <li>▪ The maximum loan term is 2.5 years.</li> </ul>	
<b>Property Location</b>	Target ranges: QLD 10%-50%; NSW/ACT 10%-60%; VIC 10%-60%; WA/SA/TAS 0%-20%	
<b>Sector as % of Portfolio</b>	<b>Purpose</b> <ul style="list-style-type: none"> <li>▪ Construction 50%-90%</li> <li>▪ Bridging 10%-30%</li> <li>▪ Investment 10%-30%</li> </ul>	<b>Type</b> <ul style="list-style-type: none"> <li>▪ Residential 20-90%</li> <li>▪ Commercial/Industrial 5%-30%</li> <li>▪ Specialist 5-30%</li> <li>▪ Englobo Land 0%-20%</li> </ul>
<b>Liquidity</b>	Liquidity is monitored on a 12-month projection basis with stress-tested models.	
<b>Loan-to-Value Ratio</b>	All loans approved for inclusion in the portfolio must be under a maximum loan-to-value ratio (LVR) of 70%, with the valuation being no older than 4 months. For a property development or construction loan (development loan), the LVR is measured using the 'as if complete' valuation.	

### Investment Process

The investment team consists of 10 portfolio managers with supporting analysis, operations and lending resources who analyse potential loans for inclusion in the portfolio. Once a loan is deemed in line with the Fund's strategy, the loan application must go through many stages of due diligence and meet the appropriate conditions before it is approved by the Lending Committee.

#### PROCESS STEPS

##### Origination

Prospective loans are then sourced either directly through Trilogy's origination team or indirectly through the Manager's market network. The network includes quantity surveyors, bankers, consultants, valuers, referrals from existing developers, and repeat borrowers. Approximately 85% of originated loans come through the external market network.

## TRILOGY MONTHLY INCOME TRUST

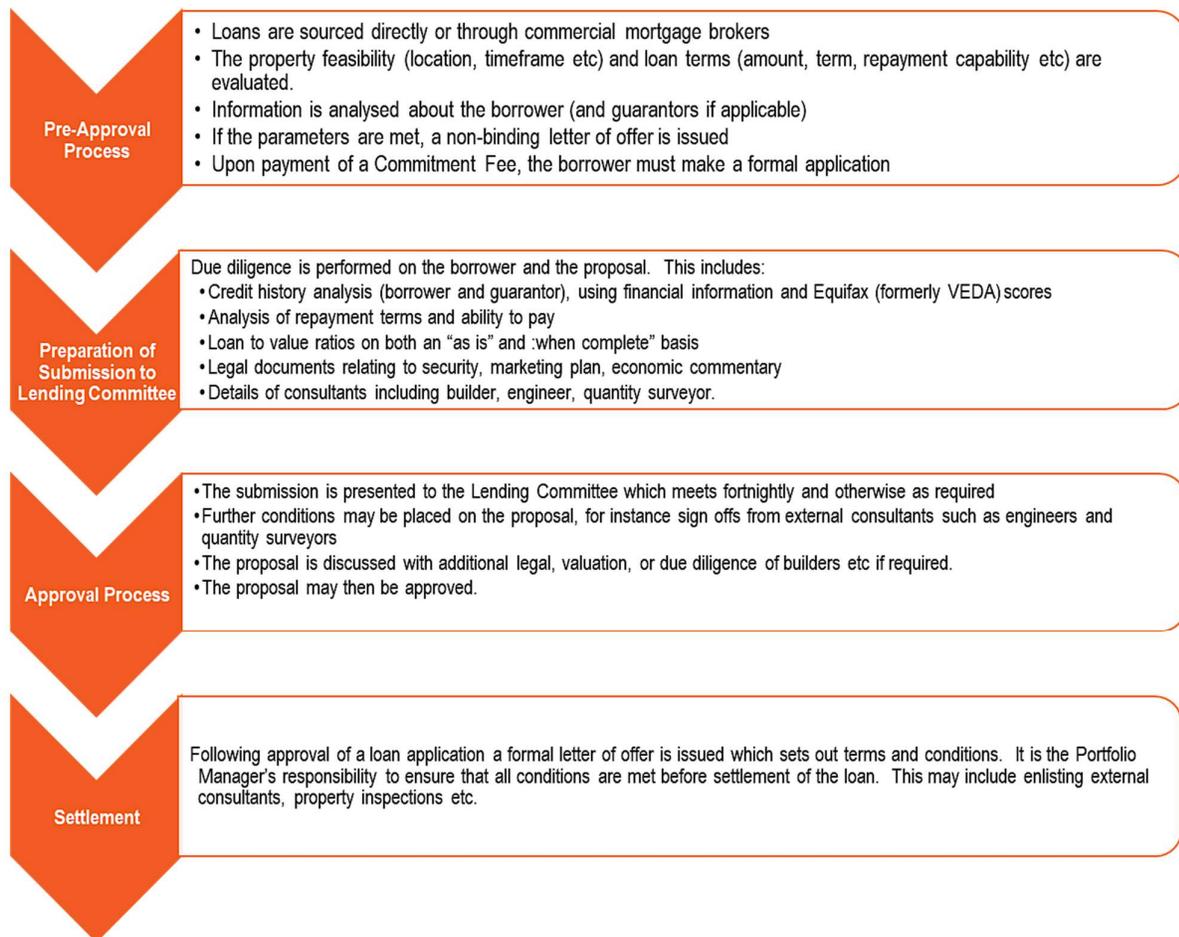
The Lending team, reporting to Clinton Arentz, numbers 10 portfolio managers and a further 10 analysis, operations and lending staff who are split between Brisbane, Sydney and Melbourne. They are responsible for loan origination, credit assessment and ongoing loan administration.

### Credit Assessment & Approval

The credit assessment process will consider critical underwriting factors on a deal-by-deal basis, including the following: site location and amenity; land acquisition value and terms; the security structure; the LVR or loan-to-cost ratio; project feasibility; and, borrower income, other net assets and repayment history. Valuations of the underlying property are conducted by independent valuers and where the loan is for construction or development purposes, must assess the property on both an 'As is' and 'As if complete' basis.

Assuming the proposed loan terms remain prospective from the lender and the borrower, a term sheet is produced. That term sheet is notified to the Lending Committee. The Lending Committee consists of 7 members, 4 of whom are independent, and meets fortnightly in addition to receiving the relevant documentation for proceeding loans on a real-time basis. We note the scope and depth of pertinent experience among the 4 non-executive members.

### Exhibit 3: Loan Management Process Steps



Source: Foresight

### Ongoing Monitoring

Loans are monitored through ARM, the portfolio management system. For construction projects, a quantity surveyor makes periodic (usually monthly) reports and signs off on periodic drawdowns. Drawdowns also need to be signed off by the Portfolio Manager and 2 other signatories, including a member of the executive team.

The Trilogy Operations team is responsible for initially gathering reports from the quantity surveyor or borrower and communicating any proposed amendments to them. If the details meet those approved by the Lending Committee, they will be uploaded to the

## TRILOGY MONTHLY INCOME TRUST

lending system, and documentation for the transaction will be prepared. Once approval is received from the Treasury Committee, Lending Operations is expected to liaise with Trilogy's custodian and internal teams to process the payments. Further, the Operations team works with the Treasury and Finance teams to compile data in the lending system and update the loan models, liquidity forecasting and non-mortgage investments. There is a high level of interaction with borrowers, particularly for development loans.

Monitoring reports are reviewed by the Lending Committee on a fortnightly basis to ensure timely repayment and adherence to ongoing reporting requirements and loan covenants. Issues such as a delay in having insurance in place or non-adherence to a loan covenant, are generally managed by the Portfolio Manager together with the appropriate consultant. Late repayments in arrears for 7 days or more are followed up by the Portfolio Manager with the assistance of Trilogy's solicitor. If a loan is not performing, or at the discretion of the Lending Committee, management of the loan is given to a Workout Committee, which reports to the board.

Portfolio managers need to actively monitor valuations, investigating market conditions and local area dynamics. If the Lending Committee determines that there is likely to be a decrease in the value of a property or there is a material change to the loan or underlying security, then an updated valuation needs to be obtained.

### **Loan Non-performance and Workout**

If the loan shows signs of non-performance, the Manager proactively works with the borrower to manage the risks presented. If a loan is determined by the Lending Committee to be in default it is referred to the Workout Committee. The Workout Committee then manage the project to completion, selling properties if required to ensure the loan is discharged. The maximum approved 70% 'as if complete' LVR is also in place to buffer the Fund against the potential of cost overruns.

Provisions are created for loan impairments, however as these are potential but not realised liabilities, they are not incorporated into the unit price.

## **PORTFOLIO CONSTRUCTION**

The suitability and diversity of the existing loans in the portfolio are monitored at each stage of the process. The impact of a new loan on portfolio liquidity is also considered through the portfolio management system.

The geographical spread of the portfolio historically favoured southeast Queensland but is now almost equally spread over the eastern states. The Fund has also lent to borrowers based in Hobart and Adelaide.

The Fund also has a small exposure to developments in the healthcare, NDIS, childcare, industrial, and petrol station sectors in addition to small-to-medium-sized townhouse-style developments in the urban ring of cities such as Brisbane, Sydney and Melbourne. Low-to-medium-density residential projects typically exhibit lower execution and delivery risk than high-density residential developments. In the event the Manager is required to appoint a replacement developer, such projects are generally easier and quicker to transition, given their smaller scale, simpler construction profile, and broader pool of capable counterparties.

## **ESG CONSIDERATIONS**

Within the context of ESG, the Manager is focused on the social component, as evidenced by its investments in NDIS, childcare and healthcare projects. There is an acute shortage in the supply of the first 2 segments currently in Australia, and by funding the provision of new housing, the manager is contributing to the solution for the current housing crisis.

## **LIQUIDITY MANAGEMENT**

Liquidity management is a key input to portfolio construction. While this Trust is considered a non-liquid investment, the ability to honour redemptions is an important part of the strategy.

From a process and structural perspective, the policy of the Fund is to balance the maturity of its assets and liabilities. A projected cash flow report, with weekly and 3-month forecasts, is produced and stress-tested by the Treasury Committee. A liquidity sensitivity analysis is also provided, which incorporates redemptions, inflows, drawdowns, settlements and repayments. The report is tabled for the Treasury Committee regularly and presented to the board on a periodic basis. Liquidity management is further supported by the 4-month redemption notice required as per the Fund rules, but this is reduced to a shorter timeframe for investors in the platform class.

We note that Trilogy engaged an external IT resource to build a customised loan and portfolio forecasting system to replace the previous internal systems. This project is now complete and fully incorporated into the current reporting and forecasting models. It is a powerful and comprehensive loan management tool, detailing all key metrics on individual loans and across the portfolio, as well as comprehensive cashflow forecasting, including simulated cashflow forecasts should particular new loans be approved and added to the Fund's portfolio.

## TRILOGY MONTHLY INCOME TRUST

The Fund's liquidity stems from 5 variables:

- 1) The natural recycling of capital through loan expiries (we note the short portfolio WALE of 7.5 months)
- 2) Loan Net Flows (issuance of loan capital less repayment of loan capital)
- 3) Investor Net Flows (investor applications less redemptions)
- 4) The underlying liquidity of the Fund's cash holdings
- 5) The Fund is permitted to establish a loan facility and borrow up to 15% of its assets for liquidity management purposes, but to date, this facility has not been used.

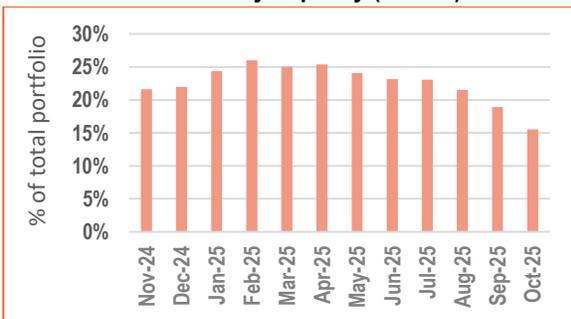
Since the Manager has very little control over Investor Net Flows, it sensibly maintains a liquidity range of 5%-20% of FUM.

The 'Monthly Liquidity' chart below displays monthly liquidity levels (cash plus fixed-interest investments) as a percentage of FUM. Monthly rates can be quite variable (a function of the variability of loan net flows and investor net flows). We note the Fund's liquid position has been quite high over the last 12 months, ranging between 15% and 26%, currently sitting at 15.6% of the total portfolio.

The Fund can have a high cash position as a percentage of FUM, as is currently the case. This is largely due to the natural recycling of capital, which occurs on a relatively short-dated cycle (as indicated by the current WALE of 7.5 months). Given this, the Manager needs to be mindful of potential excess cash drag, which dampens overall income levels. If necessary, cash is invested in a mix of term deposits, interest-bearing investments (typically floating-rate notes) and other third-party public and private debt investment vehicles. Foresight is satisfied with the integrity of the liquidity of the cash portfolio.

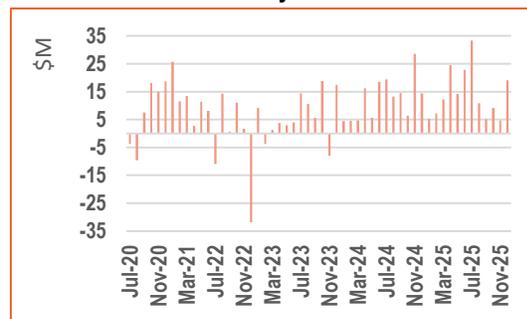
Finally, Foresight is cognisant that the Fund is entering into what is considered to be the quiet period of the year with an elevated cash position and a short WALE.

**Ex 4: Monthly Liquidity (% FUM)**

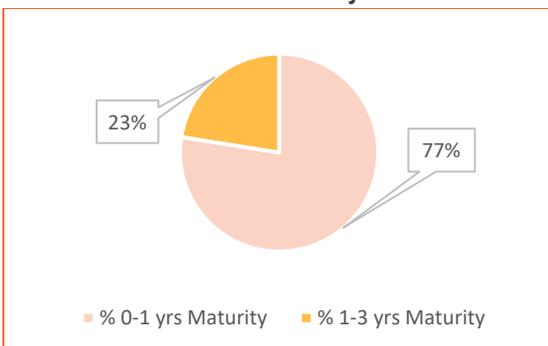


Source: Trilogy Financing

**Ex 5: Monthly Net Flows**



**Ex 6: Loan Maturity Profile**



Source: Trilogy Financing

On the topic of black swan events, which we view as the only conceivable situation in which the Fund may come under liquidity stress (short of an idiosyncratic issue specific to the Fund/Manager), investors should bear in mind that there is a natural offsetting liquidity buffer in the Fund's lending activities. Specifically, in such an environment, the lending markets tend to grind to a halt. That is, the Fund would likely record a significant positive loan net flow, with repayments continuing as per loan contracts, yet little in the issuance of new loan capital. In conclusion, we feel comfortable with the liquidity profile of the Fund based on its historical profile.

### Investment Team

Trilogy continues to grow its analytical resources by expanding its headcount to 85 employees (versus 74, 12 months ago) across its 3 offices in Brisbane, Sydney, and Melbourne. In terms of portfolio managers and supporting resources, it is a deep team. Clinton Arentz runs the Lending business, which includes 10 portfolio managers, 5 analysts and 5 lending and operations staff.

Clinton Arentz joined Trilogy in 2017 and has over 25 years of experience gained through project managing medium-density residential, commercial and industrial developments. His team are collectively responsible for the loans, due diligence, analysis, operations and ongoing management. The team is supported by the Lending Committee and Property Investment Committee, all members of which are very experienced.

In addition, there is a direct property team of 4 staff managed by Laurence Parisi. These resources are well spread across Brisbane, Sydney, and Melbourne. Over the last few years, there has been an increase in resources for the latter 2 cities, which is consistent with the Manager's geographic expansion strategy.

All in all, Trilogy has shown an impressive commitment to growth in the depth and breadth of resources in recent years and in the areas of key importance to investors.

Name	Experience
<b>Clinton Arentz</b>	Clinton has over 25 years of experience in asset and facilities management, property development, and project delivery. He is responsible for Trilogy Funds' team of Portfolio Managers, overseeing the growth and management of the diverse construction loan portfolio, client and broker liaison and coordination, and new business development. Before joining Trilogy Funds, Clinton provided project structuring and development delivery services on commercial, industrial and residential projects in multiple locations.
<b>LENDING COMMITTEE</b>	
Name	Experience
<b>David Hogan</b>	David Hogan co-founded Trilogy in 2004. David has experience in risk management, capital structuring, lending, acquisitions, and property syndications. Prior to joining Trilogy, he was an Executive Director at Challenger International, playing a significant role in developing its international property portfolio.
<b>Grant Whittaker</b>	An experienced Company Director, Grant has a wealth of experience in delivering revenue and profitability targets in challenging environments. After 24 years working with Knight Frank (14 years as Managing Director – QLD), Grant went on to establish the Whittaker Property Group in 2015. Through the Whittaker Property Group, Grant provides a range of bespoke property advisory services, including portfolio review and analysis, asset management, risk management, compliance and investment structuring. Grant is a qualified Valuer, a Licensed Real Estate Agent, and a Fellow of the Australian Institute of Company Directors.
<b>Philip Ryan</b>	Philip Ryan is a co-founder and the Executive Chairman of the Trilogy Funds Group and was instrumental in the company's formation. He is also a member of Trilogy's Property Investment Committee and Treasury Committee. Philip has been a solicitor of the Supreme Court of Queensland and the High Court of Australia for 30 years, specialising in corporate and commercial law. He was a partner in a Brisbane law firm for 20 years and a founding director of the fund's management entity, which evolved into Trilogy.
<b>Rohan Butcher</b>	Rohan Butcher is a Non-Executive Director of Trilogy Funds Management and a member of the Lending Committee. Rohan has more than 20 years of experience in construction and property, having worked in quantity surveying, estimating, project administration, development management, planning and project management across both construction and development projects. He has been involved in several major projects within the residential, retail, and commercial property sectors, while undertaking a variety of senior appointments with major public and private companies. Rohan is a member of Master Builders Queensland.
<b>Justin Smart</b>	Justin Smart is a Co-Managing Director of Trilogy Funds Management. He was previously the Chief Operating Officer and is a Director of several entities in the Trilogy Group of Companies. He joined in 2007. He is also a Certified Practising Accountant. Prior to joining Trilogy, Justin worked with Aussie Home Loans and QBE Insurance. He also acted as the Financial Controller for the Australian Commonwealth

TRILOGY MONTHLY INCOME TRUST

	Government's HIH Insurance Relief Scheme and was the Financial Controller for Charles Taylor Consulting's (a UK-listed Mutual Insurance Manager) Australian operations.
<b>Mark Lamond</b>	Mark Lamond has qualifications in Quantity Surveying and has over 50 years of experience – including very senior leadership and board-level experience – in Quantity Surveying, Finance and Construction. Most recently, he has served in an advisory capacity, assisting with planning, construction, and property projects across both the public and private sectors. He brings diverse major project experience to the Trilogy team.
<b>John Barry</b>	John is a co-founder of Trilogy Funds and a member of the Audit & Risk Committee, the Property Investment Committee, and the Treasury Committee. Previously, John was involved in the establishment and ultimate growth of Challenger Ltd. (Challenger), which included the \$3.5BN Howard Mortgage Trust and a \$2.7BN international property portfolio. John was an Executive Director at Challenger on the lending committee and was responsible for the Howard Mortgage Trust. As the former Head of Property, John was responsible for the structure and establishment of Challenger's property-backed long-term annuities.

**PORTFOLIO MANAGERS**

The Portfolio Managers (PMs) are located in Brisbane, Sydney and Melbourne. Members of the team and the Lending Committee regularly commute between Sydney, Melbourne and Brisbane, and there is regular communication through teleconferencing. Each PM is responsible for 15-20 loans. Over the last year, there were 2 new senior portfolio managers added to the team, one in NSW and one in Victoria.

**Business Management**

The key executives of Trilogy Funds Management are involved at all levels of management and compliance. 5 functional committees report to the board every month. The Treasury Committee, Property Investment Committee and Lending Committees meet fortnightly, and the Executive Risk Committee meets monthly. Monthly updates are provided to the board by the Senior Manager – Legal, Compliance and Risk.

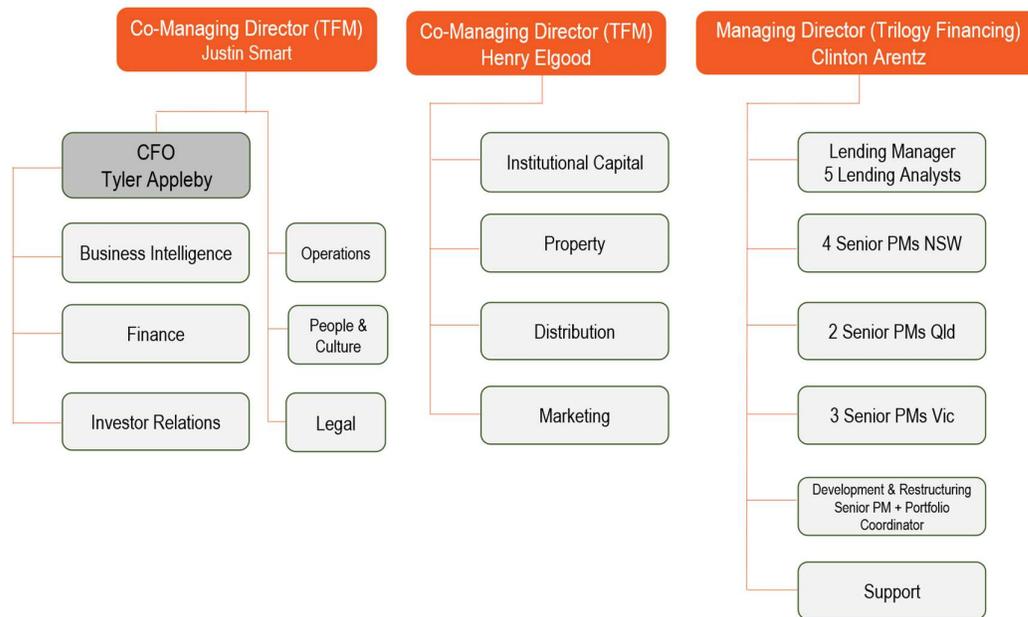
More recent changes include Philip Ryan, John Barry and Clinton Arentz stepping off the Trilogy Funds Management board, so that it now has a majority of independent members.

**Exhibit 7: Board & Committees Members**



Source: Trilogy Financing

**Exhibit 8: Operations and Investment**



Source: Trilogy Financing

The compliance function is overseen by the Senior Manager – Legal, Compliance and Risk.

**Performance**

The Fund operates a fixed unit price of \$1.00 per unit and distributes on a monthly basis. Distributions comprise returns from the loan portfolio (plus returns on non-mortgage assets such as cash and fixed income securities) less operating costs. We note that any loss-given-defaults (LGD's) on loans would impact monthly income. However, should an LGD occur, one of the means in which investors may be compensated is by way of a rebate on a necessary portion of the MER. The performance of the Fund is presented below.

**Exhibit 9: Net Returns & Key Metrics (31 December 2025)**

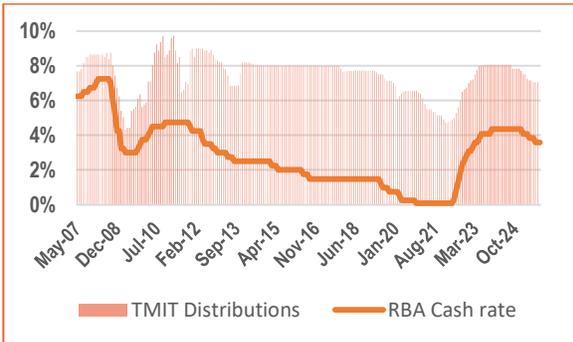
Period	Net Returns	RBA Cash Rate	Excess	Non-Performing Loans*
3 months	1.78%	0.90%	0.88%	2.76%
6 months	3.56%	1.83%	1.73%	2.83%
1 year	7.28%	3.92%	3.36%	2.92%
3 years (p.a.)	7.67%	4.11%	3.56%	
5 years (p.a.)	6.83%	2.73%	4.10%	
Since inception (p.a.)	7.48%	2.57%	4.91%	

Source: Trilogy Financing

\*Average over the relevant period, measured at 31 Oct 2025.

TRILOGY MONTHLY INCOME TRUST

**Ex 10: Monthly Distributions (Annualised)**



**Ex 11: Non-performing loans**



Source: Trilogy Financing, Foresight

Below are our key takeaways:

- Annualised monthly returns have declined by 1% over the last 12 months from 8.05% to 7.05%. This is a bit more than the 0.75% decline in the RBA official cash rate. The timeframe in Exhibit 10, which is longer than any other ACRED fund in Australia, illustrates the close relationship between official short-term rates and TMIT distributions.
- Non-performing loans remain at low levels (2.7% as at 31 October 2025). Over the last 6 months, they have been in decline and peaked in November 2024 at 3.4%, which is considered at the lower end of the industry average.
- We note historically that the Fund has no instances of default that have resulted in a capital loss to investors. This speaks well to the Manager's lending processes, but it also speaks to several key risk mitigants of the Fund, specifically conservative LVRs tied with a short-dated weighted average loan expiry, which markedly reduces general property-cycle risk.
- As at 31 October 2025, the Fund was yielding 7.05% on an annualised basis. The market is currently forecasting interest rates to remain at the same level during 2026 with a slight upward bias. This follows recent indications that inflation is remaining higher than the level the RBA is comfortable with.
- The Fund has met all historical redemption requests, most notably during the GFC and COVID-19 pandemic periods.

## Portfolio Positioning

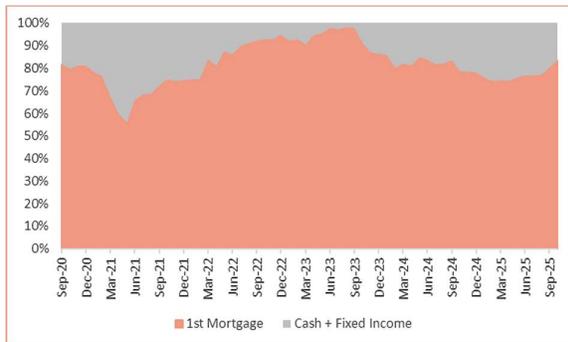
The current and dynamic portfolio positioning of the Fund is presented in the exhibits below. We note the following:

- From a dynamic allocation basis, there has been really only one notable change. The WALE has doubled from 4 months to 8 months. The maximum loan term has increased from 24 months to 30 months, and the maximum loan size has increased from \$40M to \$50M. Currently, the largest loan balance is \$30M.
- Liquidity remains high at 15.7% of the total portfolio. Of this 15.7% amount, 48% sits in 'true' cash and the remaining 52% in floating-rate notes and ABS investments managed by MST Financial. The latter class of investments pay more elevated returns compared to cash, and offer good liquidity, ranging from 2-3 days for senior bank floating-rate notes to 15+ days for ABS. Cash drag is minimised. That said, Foresight would prefer the Fund's cash and fixed-income slice to be generally less than 10% of the total portfolio.
- There has been no material change in the portfolio LVR since the same time last year (64.4% in October 2025 versus 64.6% in October 2024). We are comfortable with the current level. Similarly, geographic composition has remained largely static, with NSW having the largest slice of the pie by state at 42%, followed by Queensland and Victoria.
- The top 10 borrower groups represent 26.5% of the total portfolio, with the largest borrower group representing 3.6%. We do not perceive this as undue concentration risk.

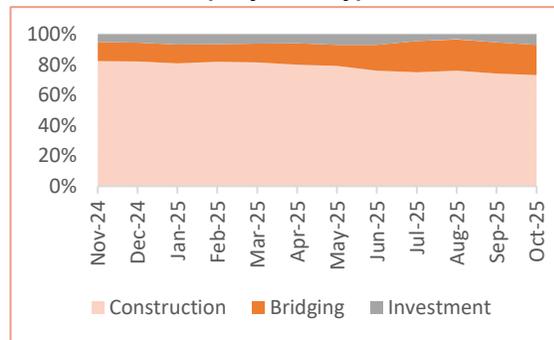
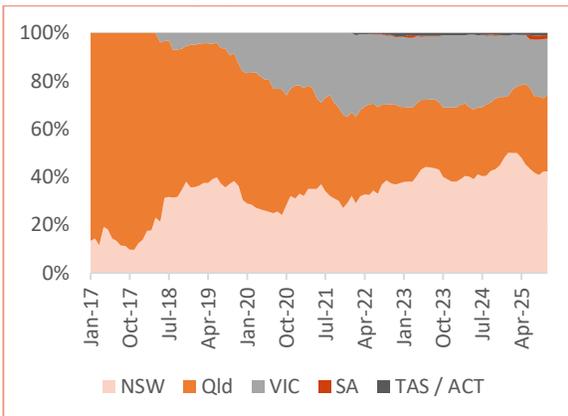
**Exhibit 12: Key Metrics (October 2025)**

Metric		Metric	
Total Number of Loans:	143	Weighted Average LVR (as if complete)	64.3%
Value of Loan Book: Approved	\$1,250M	Weighted Average Loan Expiry	8 months
Drawn	\$836M	Non-performing Loans:	2.78%*
Undrawn	\$414M	Liquidity	16.5%
Average Loan (Approved)	\$8.74M	Top 5 Borrower Group Concentration (% total Portfolio)	12.2%
Largest Loan	\$29.91M	Top 5 Loans Concentration (% total Portfolio)	12.2%

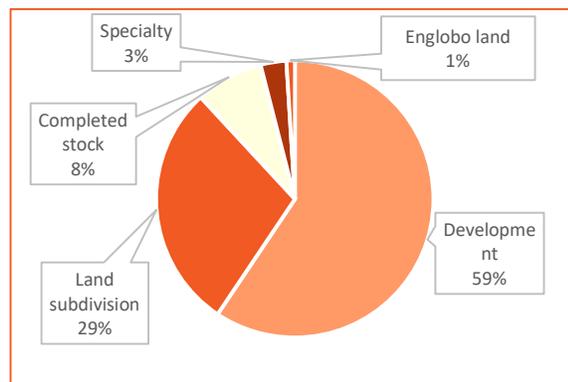
Source: Trilogy Financing  
 \*30 September 2025

**Ex 13: Asset Allocation Timeline**


Source: Trilogy Financing

**Ex 14: Property Loan Type Timeline**

**Ex 15: Geographical Allocation Timeline**


Source: Trilogy Financing, Foresight

**Ex 16: Property Loan Type – Current**

**Transparency & Reporting**

Investors receive monthly reports showing 1-month, 1-year and 5-year net distributions. The reports show liquidity levels, the number and diversification of loans, weighted average LVR, and the maturity spread of the loans.

In addition, they receive the following:

- A receipt of funds notification
- A monthly distribution statement

## TRILOGY MONTHLY INCOME TRUST

- Annual tax statements
- Annual transaction statements
- An annual financial report upon request

Trilogy maintains a website that publishes the current RG45 reports and continuous disclosure information. A new investor portal enables the autonomous collection and review of various documents by investors.

### Compliance & Risk

Risk management for the Trilogy Monthly Income Trust is embedded throughout a due diligence process and ongoing monitoring. It is reported through various committees, including the Lending Committee and the Treasury Committee.

Trilogy's compliance management system comprises a framework of policies and procedures that set out roles, responsibilities and tools for identifying and managing compliance obligations. The Compliance Plan for the Fund addresses compliance with the legal framework and Trilogy's ethical standards.

The Compliance Plan includes provisions to be adopted for

- appointment of agents;
- management of the Fund;
- custody of the assets of the Fund;
- valuations;
- methods for the handling of application money;
- Trust assets, income and payments;
- complaints handling and dispute resolution;
- audits;
- conflict of interests;
- monitoring, resolving, and reporting suspected breaches of the Corporations Act.

The Senior Manager – Legal, Compliance & Risk oversees the compliance function.

### THIRD-PARTY & SERVICE ADVISORS

<b>Fund Administrator</b>	In-house
<b>Custodian</b>	The Trust Company (Australia) Limited
<b>Taxation Advisor</b>	OmniTax Professionals
<b>External Auditor</b>	BDO Australia (statutory and compliance audit)
<b>Fund Research</b>	In-house
<b>IT Consultant</b>	Ethan
<b>Portfolio Software</b>	In-house

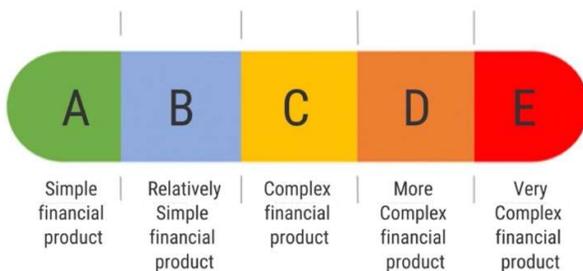
### Foresight Investment Rating

The Foresight Analytics' investment rating represents how well we believe a fund will perform against a range of risks.

Rating	Definition
<b>Superior</b>	Indicates our highest level of confidence that the fund can deliver a risk-adjusted return in line with its investment objectives.
<b>Very Strong</b>	Indicates our very strong conviction that the fund can deliver a risk-adjusted return in line with its investment objectives.
<b>Strong</b>	Indicates our strong conviction that the fund can deliver a risk-adjusted return in line with its investment objectives.
<b>Competent</b>	Indicates that the fund may deliver a return in line with its relevant benchmark.
<b>Weak</b>	Indicates our view that the fund is unlikely to deliver a return in line with its investment objective or outperform its benchmark.

### Foresight Complexity Indicator

Foresight's Complexity Indicator (FCI) highlights the complexity of an investment and how it may affect the investors' returns. It's based on the structure of the fund's terms and conditions and its level of transparency.



### Investment Rating & Foresight Complexity Methodology

Foresight Analytics and Ratings' methodology for its investment rating and research can be downloaded from its website.

### Financial Services Guide

A copy of the Foresight Analytics' Financial Services Guide can be obtained at [Financial Services Guide](#) or by calling 02 8883 1369.

### Contact details

#### Foresight Analytics

Level 2, Suite 208, 33 Lexington Drive, Bella Vista, 2153

**Telephone:** 02 8883 1369

**Web:** [www.foresight-analytics.com](http://www.foresight-analytics.com)

**Analyst:** Chris Batchelor

**Email:** [chris@foresight-analytics.com](mailto:chris@foresight-analytics.com)

### Disclaimer

This report has been prepared solely by Foresight Analytics and Ratings Pty. Ltd. (ABN 95616254294, AFSL No. 494552). This report is for information purposes only and does not substitute for own due diligence by advisers and investors. It is neither an offer to sell nor a solicitation of any offer to purchase any securities in an investment product or investment fund. Any investment in a financial product or fund involves a degree of risk.

Foresight Analytics and Ratings Pty. Ltd. has made every effort to ensure the reliability of the views and ratings expressed in this report and those published on its website. Foresight Analytics and Ratings research is based upon information known to us or obtained from sources that we believed to be reliable and accurate at the time of publication. All opinions and views expressed constitute our judgment as at the date of the report and may change at any time without notice and without obligation. Such information may be based on certain assumptions and involve elements of subjective judgment and analysis.

Foresight Analytics and Ratings Pty. Ltd. has received a fee paid by either the fund manager or investment product sponsor for the rating and this report. This report is prepared for general information only and does not take into account individual circumstances and/or objectives. Individuals should therefore discuss, with their financial planner or advisor, the merits of each rating for their own specific circumstances and realise that not all investments will be appropriate for all subscribers.

To the extent permitted by law, Foresight Analytics and Ratings Pty. Ltd. and its employees, agents and authorised representatives exclude all liability for any loss or damage (including indirect, special or consequential loss or damage) arising from the use of, or reliance on, any information within the report whether or not caused by any negligent act or omission. If the law prohibits the exclusion of such liability, Foresight Analytics and Ratings Pty. Ltd. hereby limits its liability, to the extent permitted by law, to the resupply of the said information.