Tasmanian Perpetual Trustees
Long Term Fund

Ongoing Benchmark Disclosures as at 30 September 2018

The Australian Securities and Investments Commission (ASIC) has developed a range of benchmarks and disclosure principles for unlisted mortgage schemes to enable investors to understand the risks and assess the suitability of the investments. The following table summarises how Tasmanian Perpetual Trustees manages each benchmark and provides additional information where required. Further information can also be found within the Fund's Product Disclosure Statement. Please also refer to our website **(tasmanianperpetual.com.au)** for updated disclosure information as benchmark information can change.

Benchmark	Statement	Explanation 'If not, why not'	Reference
Benchmark 1: Liquidity For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that: (a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; (b) are updated at least every three months and reflect any material changes; and (c) are approved by the directors of the responsible entity at least every three months.	The benchmark is met.	Not applicable.	For additional disclosure on this benchmark, refer to page 14 of the Tasmanian Perpetual Income Funds Product Disclosure Statement.
Benchmark 2: Scheme Borrowing The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.	The benchmark is met.	Not applicable.	For additional disclosure on this benchmark, refer to page 17 of the Tasmanian Perpetual Income Funds Product Disclosure Statement.
Benchmark 3: Loan Portfolio and Diversification For a pooled mortgage scheme: (a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region; (b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets; (c) the scheme has no single borrower who exceeds 5% of the scheme assets; and (d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).	The benchmark is not met.	While the Fund invests in a diversified portfolio of assets and no single loan accounts for more than 5% of the Fund, the majority of loans are made in the State of Tasmania. Furthermore the aggregate holdings in units or interests in a managed investment scheme operated by another responsible entity or manager may at anytime be up to 10% of the total scheme assets at the time of investment, and may exceed such due to size of Fund changes thereafter. It should also be noted that external schemes may have mortgages that are diversified differently across sectors, loan sizes and interest rates compared to Tasmanian Perpetual Trustees Income Funds. In addition, the Fund may invest a small portion of its assets (up to 5%) in loans that are not secured by first mortgages over real property. Tasmanian Perpetual Trustees will undertake appropriate analysis as Responsible Entity and Investment Manager of the Fund to satisfy itself as to the security of any loan.	For additional disclosure on this benchmark, refer to the Additional Information section of this document.

Benchmark	Statement	Explanation 'If not, why not'	Reference
Benchmark 4: Related party transactions The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.	The benchmark is met.	The responsible entity does not lend to related parties. The responsible entity does however make investments in instruments issued by related parties, including MyState Limited and MyState Bank. These investments are made on an arms length basis, at standard market based terms, and are subject to rigorous analysis.	For additional disclosure on this benchmark, refer to the Additional Information section of this document.
Benchmark 5: Valuation Policy In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires: (a) a valuer to be a member of an appropriate 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) the rotation and diversity of valuers; (e) in relation to security property for a loan, an independent valuation to be obtained: (i) before the issue of a loan and on renewal: (A) for development property, on both an 'as is' and 'as if complete' basis; and (B) for all other property, on an 'as is' basis; and (ii) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.	Parts A, B, C and D are met. Part E is not met.	Considering the nature of the security and usage, the Responsible Entity may use source documents (e.g. sales contracts and Government valuations) as an acceptable form of valuation for both new loans and loan renewals. The Responsible Entity assesses the appropriateness of these alternate valuation methods on a case by case basis, having regard for considerations such as the loan to value ratio, the strength of the clients servicing capacity and/or market evidence. Generally, these alternate valuation methods are accepted only for loans with low loan to value (LVR) ratios. Again considering the nature of the security and usage, the Responsible Entity may also decide not to update valuations on loan renewal where there exists market evidence supporting the view that there has not been a material adverse decline in market prices since the last valuation. In addition, in the event we become aware of a material decline in a property's value; our procedures do not currently have a specific requirement to obtain a valuation within two months.	For additional disclosure on this benchmark, refer to page 16 of the Tasmanian Perpetual Income Funds Product Disclosure Statement.
Benchmark 6: Lending Principles – Loan-to-Valuation Ratios If the scheme directly holds mortgage assets: (a) where the loan relates to property development—funds are provided to the borrower in stages based on independent evidence of the progress of the development; (b) where the loan relates to property development—the scheme does not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and (c) in all other cases—the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.	The benchmark is met.	Although the Fund does not lend more than 80% on the latest market valuation of the property, this may not be the same percentage as that set by the responsible entity or investment manager of another registered scheme in which the Fund invests. It should also be noted that other investment managers do not take the same approach to lending criteria and assessment (and other ancillary matters) as Tasmanian Perpetual Trustees. It is noted these limits apply at the time of origination. At loan review, limits may be exceeded if the value of the underlying security has declined and where acceptance of the position for a period of time is considered the most prudent course of action.	For additional disclosure on this benchmark, refer to page 24 for the Lending Policy and page 27 for information on Development loans of the Tasmanian Perpetual Income Funds Product Disclosure Statement.
Benchmark 7: Distribution Practices The responsible entity will not pay current distributions from scheme borrowings.	The benchmark is met.	Not applicable.	For additional disclosure on this benchmark, refer to page 17 of the Tasmanian Perpetual Income Funds Product Disclosure Statement.

Benchmark	Statement	Explanation 'If not, why not'	Reference
Benchmark 8: Withdrawal Arrangements For liquid schemes: (a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less; (b) the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and (c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is: (i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or (ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.	The benchmark is not met.	Tasmanian Perpetual Trustees expects to pay withdrawal requests on the expiry of the 7 business days notice term after the initial term of 9 months. Notwithstanding, the scheme's constitution provides the following periods for the Responsible Entity to meet withdrawal requests: - up to $1,000,000 - 90 days - over $1,000,000 - 180 days This means that requests may be delayed for the above timeframe.	For additional disclosure on this benchmark, refer to page 14 under Liquidity management, page 29 under Withdrawal arrangements, page 44 under Redemption waiting periods, and page 45 under Fund liquidity of the Tasmanian Perpetual Income Funds Product Disclosure Statement.

Additional Information on ASIC Benchmark and Disclosure Principles

Benchmark 3: Loan Portfolio and Diversification

Further information regarding the Fund's loan portfolio and other investments can be found in the Fund's quarterly report which can be accessed via Tasmanian Perpetual Trustees website: http://tasmanianperpetual.com.au/managed-investments/income-funds

Benchmark 4: Related party transactions

Tasmanian Perpetual Trustees, as responsible entity of the Fund, does not lend to related parties. It does however make investments in instruments issued by related parties, namely Term Deposits and Residential Mortgage Backed Securities issued by related parties, including MyState Limited and MyState Bank.

These investments are made on an arms length basis, at standard market based terms, and are subject to rigorous analysis and regular review.

The following table outlines the related party investments of the Long Term Fund as at 30 September 2018:

Related Party Name	Investment Type	Investment Amount
MyState Bank Ltd	Cash & Cash Equivalents	$2,750,000
MyState Bank Ltd	Residential Mortgage Backed Securities	$12,361,919

Tasmanian Perpetual Income Funds Product Disclosure Statement

The Tasmanian Perpetual Income Funds Product Disclosure Statement (PDS) is available online at **tasmanianperpetual.com.au** and in any of our branches. The PDS can also be mailed on request. Contact us on **1300 138 044.**

For further product information and ongoing disclosures visit our website **tasmanianperpetual.com.au** or contact us on **1300 138 044.**

Tasmanian Perpetual Long Term Fund Quarterly Report

Regular information regarding the Fund and its underlying investments is provided via a quarterly report made available at **tasmanianperpetual.com.au.**

Tasmanian Perpetual Trustees

Contact us today on 1300 138 044 or visit our website www.tasmanianperpetual.com.au

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