

# Sandhurst Trustees Limited

## Valuation Policy

(Security Properties)

December 2025

### Administration

Sandhurst Trustees Limited (ABN 16 004 030 737, AFSL 237906) ('Sandhurst') is the responsible entity and issuer of the Sandhurst Select 90 Fund and the Sandhurst Investment Term Fund ('the Funds'). Sandhurst is a subsidiary of Bendigo and Adelaide Bank Limited (the 'Bank').

Administration of this policy is the responsibility of Sandhurst.

### Introduction

Sandhurst focuses on commercial property lending, aiming to expand its loan portfolio. It leverages its network of third-party brokers and the Bank branch and business banking team to achieve its growth.

Sandhurst, as Responsible Entity for the Funds, offers commercial loans with fixed, variable, or combined rates, to individuals, partnerships, companies, and discretionary trusts, using full or low-documentation processes. Sandhurst may occasionally purchase mortgage loan pools from the Bank or other financial institutions.

Sandhurst outsources elements of lending administration to the Bank. The Bank is regulated by the Australian Prudential Regulation Authority (APRA) and provides services to Sandhurst such as loan origination, credit assessment, loan documentation and related loan administration services.

### Scope

This policy applies to all properties securing Sandhurst commercial (including rural) and residential mortgages sourced directly or via Sandhurst's third-party broker network and the wider Bank branch and business banking network.

The valuation practices for properties securing loans purchased under a receivables purchase agreement are governed by the terms of the loan and the lenders' policies and procedures.

### Objective

The objective of this policy is to ensure that a consistent framework is applied to property valuations from which all stakeholders can reference to support clarity and transparency in the process.

### Inconsistency of policy with fund documentation

Where inconsistencies exist, the Fund's constitutions will take precedence over this policy.

### Review

This policy is to be reviewed annually or as required, where a significant change to Sandhurst's business, market conditions or any regulatory requirements may impact this policy.

All major changes to the policy must be authorised by the Sandhurst Board or its delegate.

### Internal valuations

Sandhurst do not use internal valuers when undertaking valuations on properties that act as security for the Fund's mortgage assets.

### External valuations

Security properties must be valued by an independent registered valuer, under the Bank's or Sandhurst instructions, who are existing members of the Bank's panel of valuers. Non-panel valuers require Sandhurst or Bank approval. Valuations from non-panel valuers may be accepted but must be specifically approved by Sandhurst management or the Bank.

All valuers must belong to an appropriate professional body, hold adequate professional indemnity insurance, and warrant compliance with industry standards.

### Rotation of valuers

There is to be a rotation of valuers (engaged where feasible) from the panel to ensure there is a reasonable level of diversity of valuers used.

The rotation of valuers must be regularly monitored to ensure there is an appropriate distribution of work amongst panel valuers.

### Timing of valuations

#### Initial loan approval

Security properties are the assets which the Funds' hold a mortgage over when providing a loan advance to borrowers. The mortgage is used as security over a loan should a borrower default on the loan advance.

Properties must have a formal valuation addressed to Sandhurst for first mortgage purposes dated no more than 90 days prior to credit approval.

Sandhurst reserves the right to request an updated valuation between credit approval and loan settlement dates, where it reasonably considers there has been a material deterioration in the condition of the security property or in market conditions.

## Further lending

Any further lending to existing customers where the security is held by Sandhurst must be supported by a valuation completed within the past 90 days. Sandhurst may, at its discretion, accept valuations outside of this timeframe, subject to consideration of factors including:

- current loan to valuation ratio;
- the nature of the security;
- the size of the loan;
- there being no identifiable material change to the property; and
- confirmation that lease arrangements continue to be adequate, and rental value has remained consistent.

## Revaluation of security

Sandhurst may at any time during the loan term obtain an up-to-date valuation of the property or properties offered as security, at the borrower's expense. In addition, a valuation will be obtained within two (2) months if the Sandhurst Directors form the view there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.

Whilst Sandhurst reserves the right to request a new valuation at its discretion during the term of a loan, typically an updated valuation will not be required during a loan term where the loan is performing satisfactorily and there is no considered deterioration in circumstances specific to that loan or the secured property.

For commercial interest-only loans (maximum loan term), Sandhurst will revalue security properties at least every seven years. In exceptional cases Sandhurst may at its discretion waive this requirement and rely upon the previous valuation.

The frequency of the revaluations will be determined by the specific loan characteristics and level of credit risk. Sandhurst may require a new valuation, if:

- there is material deterioration in the primary source of payment and/or repayments fall 90 days in arrears;
- there is likely to be a material deterioration in the condition of the security property since last valuation; or
- property values have generally declined, and the customer's security property requires early revaluation.

## Renewal or rollover of a loan

Upon renewal or rollover of a loan, Sandhurst will typically request an updated valuation at the borrower's expense if the existing valuation was completed more than seven (7) years ago. Sandhurst may at its discretion accept the original valuation, subject to consideration of the following factors:

- current loan to valuation ratio;
- loan repayment history;
- nature of the security;
- size of the loan;
- ongoing serviceability of the facility can be demonstrated, with Sandhurst's benchmarks being met; and
- no known adverse deterioration to the secured properties.

## Valuation instructions

Valuations must be completed on an 'as is' basis.

The Bank will ensure that the valuer's PI cover is prudent in relation to the valuation services undertaken.

All valuations must be conducted as 'arms-length' transactions. As part of the lending assessment process the lending officer must seek confirmation from the valuer whether there are any potential conflicts of interest present personally, or their valuation company, have any involvement in the transaction, and if so, the request may be directed to another valuer.

If a conflict is detected post the valuation being completed, the conflict will be escalated to Sandhurst management for further investigation.

### Valuations of properties valued at more than \$1 million

Must be completed by a valuer qualified, registered or licensed as a valuer, typically in the State where the subject property is located, and hold one the following qualifications:

- AAPI CPV (Australian Property Institute Associate Member Certified Practising Valuer).
- FAPI CPV (Australian Property Institute Fellow Member Certified Practising Valuer) (or equivalent).
- MRICS (Member of the Royal Institution of Chartered Surveyors).
- FRICS (Fellow of the Royal Institution of Chartered Surveyors).

All valuation reports must be (co-)signed by a director, partner or principal of the relevant valuation entity.

All valuations for properties valued at more than \$1 million must be completed within the prevailing Australian Property Institute and IVS practice standards and must include risk ratings focused on four (4) property specific aspects and four (4) market related risk aspects.

### Acceptance and review of valuations

The lending officer must examine all aspects of the valuation report closely upon its receipt and ensure it complies with the Sandhurst's standard instructions.

The valuation report must include a certificate or statement by the valuer that they:

- have no interest (financial or otherwise) in the property being valued, or with the parties with whom Sandhurst is dealing (including selling agent, if any);
- are independent to the credit transaction involved; and
- confirm that the valuation has been prepared for first mortgage lending purposes.

## More Information

If you have any questions or would like further information on this policy, please contact us:

Sandhurst Trustees Limited  
ABN 16 004 030 737, AFSL 237906

Level 4, 555 Collins Street  
MELBOURNE VIC 3000

Phone: 1800 634 969

Email: [managedfunds@sandhursttrustees.com.au](mailto:managedfunds@sandhursttrustees.com.au)

Website: [www.sandhursttrustees.com.au](http://www.sandhursttrustees.com.au)