



AIMS Funds Management
A Member of AIMS Financial Group

Valuation Policy – AIMS Commercial Mortgage Fund

Valuation reports prepared by a panel of independent licensed property valuers are completed as part of the loan assessment process and no valuations will be accepted if they are greater than three months old. All properties must be valued utilising our standard valuation instructions. All valuation reports must be addressed or assigned to AIMS Fund Management Limited as Responsible Entity and Perpetual Trustee Company Limited as Custodian/Mortgagee. All appointed independent property valuers must have adequate professional indemnity cover of at least \$5m. Under the terms of our mortgage documentation we have the right to call for a valuation of the security property at any time throughout the term of the loan regardless of the length of the approved loan. With loans approved for 5 years the security property must be re-valued on the third anniversary of the loan settlement. At all times during the loan term all properties must have adequate replacement cost insurance as assessed by the valuer and is a strict condition of the loan. We have an active reporting system of follow up to ensure properties are insured. No valuation firm is to value greater than one third of properties by loan size.

All valuation reports must contain the following information that is contained in the standard Letter of Instruction.

- * Legal description and title details of security property
- * Location factors (surrounding development, accessibility)
- * Property improvements (condition of property, size, age)
- * Marketability and future demand for the property
- * Environmental issues
- * Estimate of Replacement Cost Insurance Coverage (building and loss of rental)
- * Confirmation that property is suitable for investment of trust funds
- * Confirmation that the valuer has no pecuniary interest that could conflict with the proper valuation of the property
- * Confirmation that the valuation complies with all relevant industry standards and codes.