

TARGET MARKET DETERMINATION- PRIVATE MORTGAGE INVESTMENT SCHEME

Issue Date: 30 June 2022

A Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (Act) in order to set out the target market for the product and an event which would trigger to review of the target market and ongoing product suitability.

This Target Market Determination is not a Product Disclosure Statement and is not a summary of the product features or terms of the product. This Target Market Determination does not consider an individual investor's personal objectives, financial situation or needs and is not intended to provide financial advice. Potential investors (consumers) must refer to the Part 1 Product Disclosure Statement, Part 2 Product Disclosure Statement (PDS) and any supplementary documents issued by Private Mortgage Funding and Management Limited (ACN 072 121 352) as the Responsible Entity of the Private Mortgage Investment Scheme which outline the relevant terms and conditions under the product when making a decision about this product.

1. Product

Product: An interest in the fund offered under the Private Mortgage Investment Scheme Part 1 Product Disclosure Statement (PDS) being a contributory private mortgage investment scheme investing primarily in real property mortgages. It is a financial product as defined under section 761A Corporations Act 2001 (Cth.) where disclosure is required under Part 7.9 by way of a Product Disclosure Statement.

Issued by: Private Mortgage Funding and Management Limited ACN 072 121 352 (Australian Financial Services Licence number 237861) as Responsible Entity of the Private Mortgage Investment Scheme (ARSN 090 993 552).

2. Class of consumers that fall within the target market for the Product

The information below summarises the overall class of consumers that fall within the target market for the Product.

Consumer type:

- Individuals
- Trustees
- Self-Managed Super Funds
- Companies
- Incorporated Associations & Charities

Likely needs and objectives

- Monthly income
- Fixed interest rate return
- Investment in registered first contributory Mortgages
- Choice of investment
- Direct registration of investors name on land Title
- Return commensurate with risk of mortgage investment
- Short to medium (12- 24 months) investment term
- Consumer risk considerations and risk assessment as to the ability to cope with unchanged fixed interest rate return despite potential market fluctuations
- Cashflow (interest payment) risk
- Fixed term with no early redemption option
- Investment in an illiquid investment with no secondary market
- Delay in repayment upon maturity of investment Term
- No capital guarantee and potential to lose all or part of capital invested in the Product
- Possible enforcement action and contribution to Legal & Marketing Costs
- Minimum \$50,000 initial investment

3. Consistency between target market and the product

Investment in the Product is likely to be consistent with the likely objectives, financial situation and needs of the class of retail consumer in this Target Market Determination. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of retail consumer.

4. How this product is to be distributed

- Direct to potential investors (Consumers) upon request by phone, email or via website
- Note the information in the Part 1 Product Disclosure Statement is general information only
- Investors should read the entire Part 1 Product Disclosure Statement and consider the risk factors including loss of capital
- Take the opportunity to seek professional advice before investing
- The offer contained in the Part 1 Product Disclosure Statement is made to Australian residents only. Distribution of the Part 1 Product Disclosure Statement outside Australia is restricted by law
- There is no issue of the Part 1 Product Disclosure Statement via third party distribution

5. Reviewing this Target Market Determination

The Responsible Entity will review this Target Market Determination upon;

- A scheduled basis (Periodic Review), and/ or
- A Trigger Event has occurred

Periodic Review

- The first Periodic Review of this Target Market Determination is due within 12 months of the Issue Date
- Subsequent reviews will be conducted within 12 months of completion of the last review
- The Period Review will determine if a Material Issue has occurred and if the Target Market Determination is no longer appropriate

Review Trigger

- A material change to the design or distribution of the product
- An event or circumstance that would materially change a factor considered in making the Target Market Determination for the Product
- The Responsible Entity considers a significant dealing has occurred
- An unexpected increase in complaints about the suitability of the Product
- Any regulatory inquiry by AFCA, ASIC or another regulatory authority as to the design of the Product
- Significant changes in Scheme portfolio metrics and benchmarks

Where a Material Issue is identified during a Periodic Review or Review Trigger the Responsible Entity will review the Target Market Determination within five (5) working days and assess as to further action by

- Determining if the Target Market Determination remains appropriate and no further action is required
- If further action is required the Responsible Entity will amend or replace the Target Market Determination and make it publicly available within ten (10) working days
- Ceasing issue of the Product until a new Target Market Determination is available

6. Reporting and Monitoring the Target Market Determination

- The Responsible Entity will collate and assess any complaints in regard to the Product
- The Responsible Entity will assess any significant dealings such as a consumer outside of the target market acquiring the Product
- In this event, the Responsible Entity will assess the potential for harm or loss to the Consumer
- Any other material or relevant factor
- There are no third-party distributors of the Product

7. Contact

- by phone (08) 9370 5058
- by e mail to info@privatemortgage.com.au