

TARGET MARKET DETERMINATION

Product	Source Funding
Issuer	Source Funding Pty Ltd ACN 622 815 294 (Source Funding) AFSL and Australian Credit Licence 510 226
Distributor	Australian Secure Capital Fund Ltd (ASCF) ACN 613 497 635, Australian Credit Licence 491201
TMD status	Issued 21 February 2023, version 1.4

Target Market Summary

This Target Market Determination (TMD) provides information about the target market for 'Source Funding Loan: AltDoc and AltDoc Lite' home loan products. It outlines the likely objectives, financial situation and needs of the target market as well as the key attributes of the product.

Consumer type	This product is likely to be appropriate for a consumer seeking Loan Finance secured by mortgage over property to be used for transactional purpose where the consumer conforms to the eligibility and lending criteria. This product allows consumers to access part of the equity in their property in order to use the funds for an approved purpose.		
Intended product use	Typical loan purposes include but are not limited to: <ul style="list-style-type: none"> Refinance Purchase Debt Consolidation Non-structural home improvements 'Off the Plan' Purchases Non-real estate investments (shares, etc.) General consumer purchases 		
Consumer's likely objectives, financial situation and needs		Consumer needs and objectives	Product attributes
	Loan amount	\$150,000 or more	\$150,000 or more as per the credit policy.
	Loan term	Medium to long term	Loan terms of 2 years to 30 years subject to loan purpose.
	Interest rate	Variable	Variable
	Repayment	Interest only or Principal and interest repayments.	AltDoc Lite: interest only loan repayments for up to 5 years and/or principal and interest repayments that will reduce the overall debt and build equity in the property. AltDoc: principal and interest repayments that will reduce the overall debt and build equity in the property.
	Acceptable security	Owns residential real estate in Australia that is able to be secured by a registered mortgage.	Requires mortgage security over residential real estate conforming with the lending criteria including being acceptable to the lender, subject to independent valuation and loan to valuation ratio of up to 65%-80%, depending on whether the loan is Alt Doc or Alt Doc Lite.
	Interest Offset	Discretionary access to an interest offset account is required.	On request, subject to terms and conditions advise on loan offer.
	Redraw	Discretionary access to undrawn loan limit as required.	On request, subject to terms and conditions advised on loan offer.
	Flexibility	Requires a fast and flexible approach to lending.	Offers a fast and flexible approach to lending.
Appropriateness	This product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and periodic reviews of the TMD to ensure that these continue to be consistent with the identified class of consumers. The table above sets out the key attributes of the product, along with a corresponding explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.		

TARGET MARKET DETERMINATION

Product	Source Funding								
Distribution conditions	<p>This product may only be distributed by ASCF:</p> <ul style="list-style-type: none"> • Directly via its relationship executives; • Through its accredited third-party brokers. <p>Consumer applicants are required to complete a paper application form and meet the eligibility and lending criteria. Application forms must be scanned and emailed to ASCF.</p> <p>Accredited third party brokers must comply with the terms and conditions of any distribution agreement or arrangement with ASCF including:</p> <ul style="list-style-type: none"> • Hold an Australian Credit Licence or be a credit representative authorised to engage in credit activities on behalf of a credit licensee; • ASCF may restrict or stop distribution in the event of a breach of the distribution agreement, arrangement or the Act; • Only use marketing, advertising or promotional materials issued by or approved by ASCF; • Only provide general advice consistent with the consumer needs, objectives and financial situation defined in the target market for the product. 								
Review triggers	<p>The TMD will be reviewed if any of the following triggers indicate the TMD may no longer be appropriate:</p> <ul style="list-style-type: none"> • There is a material change to the product or the terms and conditions of the product; • A significant dealing of the product to consumers outside the target market occurs; • External events such as adverse media coverage or regulatory attention suggest that the target market for the product might not be appropriate; and • There is a significant change in product related metrics, including, but not limited to: <ul style="list-style-type: none"> ○ increased complaints in relation to the purchase or use of the product; ○ increased declined loan applications; ○ high rates of default; ○ high rates of hardship. 								
Review periods	<p>At least once every year from start date or date of last review of the TMD (for whatever reason).</p>								
Distributor reporting requirements	<p>Each accredited broker and accredited person must provide the following information:</p> <table border="1" data-bbox="339 1267 1426 1570"> <thead> <tr> <th data-bbox="339 1267 1123 1312">Information</th> <th data-bbox="1123 1267 1426 1312">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="339 1312 1123 1420">Complaints including the number of complaints, identity of the complainant, summary of the complaint and whether or not there has been or is likely to be consumer harm.</td> <td data-bbox="1123 1312 1426 1420">Within 10 business days of the end of each quarter</td> </tr> <tr> <td data-bbox="339 1420 1123 1496">Feedback that the target market or key product attributes may no longer be appropriate.</td> <td data-bbox="1123 1420 1426 1496">Within 10 business days of the end of each quarter</td> </tr> <tr> <td data-bbox="339 1496 1123 1570">Any significant dealing of the product or distributor conduct that is not consistent with the TMD.</td> <td data-bbox="1123 1496 1426 1570">Within 10 business days after becoming aware</td> </tr> </tbody> </table> <p>Accredited Brokers may engage their aggregators (if any) to provide information to ASCF on their behalf.</p>	Information	Reporting period	Complaints including the number of complaints, identity of the complainant, summary of the complaint and whether or not there has been or is likely to be consumer harm.	Within 10 business days of the end of each quarter	Feedback that the target market or key product attributes may no longer be appropriate.	Within 10 business days of the end of each quarter	Any significant dealing of the product or distributor conduct that is not consistent with the TMD.	Within 10 business days after becoming aware
Information	Reporting period								
Complaints including the number of complaints, identity of the complainant, summary of the complaint and whether or not there has been or is likely to be consumer harm.	Within 10 business days of the end of each quarter								
Feedback that the target market or key product attributes may no longer be appropriate.	Within 10 business days of the end of each quarter								
Any significant dealing of the product or distributor conduct that is not consistent with the TMD.	Within 10 business days after becoming aware								

IMPORTANT

This Target Market Determination (TMD) sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Australian Secure Capital Fund Ltd's design and distribution arrangements for the product. This document is **not** a product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Consumers interested in acquiring this product should carefully read the product information available at ascf.com.au or by calling ASCF 07 3506 3690.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the product terms and conditions detailed below when making a decision about this product:

- General Terms and Conditions;
- Source Funding Pty Ltd Loan Agreement;
- Mortgage Common Provisions.