Target Market Determination

Version 2 dated January 2025

This Target Market Determination (TMD) has been prepared in accordance with the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* and associated Regulations. TMDs are designed to assist issuers to ensure that financial products they issue are likely to be consistent with the *likely objectives, financial situation and needs* of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

The TMD is general in nature and should not be construed as financial advice. Consumers should obtain independent advice prior to acquiring the product to ensure that it is appropriate for their particular *objectives, financial situation and needs.*

Product	Mortgage Street Progressive (Full Doc) – Residential, Commercial & SMSF
Reference documents	General Home Loan Terms and Conditions and Credit Guide
Issuer	Mortgage Street Capital Funding Pty Ltd ACN 645 990 549
Date of TMD	03 January 2024
Target Market	***Description of target market*** The features of this product have been assessed as meeting the *likely objectives, financial situation and needs* of consumers who: ● meet the eligibility criteria; ● require a loan to purchase, refinance or construct an owner occupied property in Residential; ● require a loan to purchase or refinance an owner occupied or investment property in Commercial; ● require a loan to purchase or refinance an investment property in SMSF; ● require the option of a variable or fixed rate; ● require the ability to make unlimited extra repayments and access redraw; ● may have experienced a life event with adverse credit history who may not qualify for an alternate loan product; ● may want access to other optional features and benefits (such as linked offset account); ● require the option of consolidating debts; and ● require the option of either principal and interest or interest only (available for investment residential properties and construction purposes only) repayments. ● have any of the above requirements and are borrowing under a Self-managed Superannuation Fund (SMSF) structure ***Variable Rate*** Whilst variable interest rates may fluctuate, the product meets the likely

	objectives, financial situation and needs of consumers in the target market because it allows them to make additional repayments and/or deposit funds into an offset account to reduce interest payable whilst retaining the ability to draw on those funds when required.
	
	Fixed Rate
	
	Whilst the product has a limit on additional repayments and does not permit redraw, the product meets the likely objectives, financial situation and needs of consumers in the target market because the fixed rate provides certainty of repayments during the fixed period, making household budgeting easier. Additionally, the product benefits consumers within the target market by having an interest only repayment option which may be preferred in some instances for tax purposes.
	
	Owner Occupied Residential Property
	
	This product allows consumers to finance the purchase, refinance or construction of an owner-occupied property with the ability to select principal and interest repayments in order to reduce the overall debt and build equity or interest only.
	
	Investment Residential Property
	
	This product allows consumers to finance the purchase, refinance or construction of a commercial property with the ability to select:
	• principal and interest repayments to reduce the overall debt and build equity; or
	• interest only for tax purposes.
	
	Commercial Property
	
	This product allows consumers to finance the purchase or refinance of a commercial property with the ability to select:
	• principal and interest repayments to reduce the overall debt and build equity; or
	• interest only for tax purposes.
	
	SMSF Borrower
	
	The product allows consumers to invest in residential property through their SMSF for the sole purpose of providing retirement benefits to the members. Strict eligibility criteria and terms and conditions apply.
	
	Description of product, including key attributes
	• Variable interest rate.
	• Fixed interest rate over 1-5 year term.
	• Multiple offset account is available.
	• Redraw is available on a variable interest rate.
	• Minimum loan amount $50,000.
	• Maximum loan amount per single security
	    o Residential: $5,000,000.00
	    o Commercial: $3,000,000.00
	    o SMSF Residential: $1,500,000.00
	• Maximum loan term
	    o Residential: 40 years
	    o Commercial: 35 years

	- SMSF Residential: 30 years
	• Maximum Loan to Valuation Ratio (LVR) Including Lenders Mortgage Insurance
	  - Residential: 95%
	  - Commercial: 80%
	  - SMSF Residential: 90%
	• Repayment options:
	  - Residential: Principal and interest & Interest-only for Owner-occupied & Investment up to 10 years.
	  - Commercial: Principal and interest & Interest-only for Owner-occupied & Investment up to 5 years.
	  - SMSF Residential: principal and interest for investment, and interest-only for investment for up to 10 years.
	• Repayment frequency – weekly, fortnightly, or monthly.
	• Application fee is payable.
	• Settlement fee is payable.
	• Construction administration fee is payable in Residential.
	• Annual Facility fee is payable where a 100% offset account is linked.
	• Nil redraw fee for redraw conducted via internet banking (a fee applies for staff assisted redraw).
	Classes of consumers for who the product may not be suitable
	This product may not be suitable for consumers who:
	• do not meet the eligibility requirements;
	• are looking to construct a Commercial property or looking to construct inside SMSF;
	• are looking to construct a Residential property on a fixed rate;
	• are looking to purchase or refinance an owner-occupied property under SMSF; and
	• are looking for interest only repayments over 10 years.

<table>
<tr><td>Distribution Conditions</td><td>

Distribution conditions

The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:

<table>
<tr><th>Channel</th><th>Conditions</th></tr>
<tr><td></td><td></td></tr>
<tr><td>Mortgage brokers</td><td>All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited mortgage brokers from time to time.</td></tr>
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The distribution channels and conditions are appropriate because:

- the product has a wide target market;
- our distributors have been adequately trained to understand their DDO obligations;
- we rely on existing distributors, methods, controls and supervision already in place;
- our approval system has controls in place to flag applicants who may be outside the target market; and
- accredited mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer;

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<tr><td>Review Triggers</td><td>

The following review triggers would reasonably suggest that the TMD may no longer be appropriate:

- A significant dealing of the product to consumers outside the target market occurs;
- A significant number of complaints are received from customers in relation to the product;
- A significant number of defaults occur;
- There is a material change to the product or the terms and conditions of the product.

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<tr><td>Review Periods</td><td>

Second review date: 02 May 2025

Periodic reviews: at least every 12 months from the initial review and each subsequent review.

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<tr><td>Distribution Information Reporting Requirements</td><td>

The following information must be provided to the Issuer by distributors who engage in retail product distribution conduct in relation to this product:

<table>
<tr><th>Type of information</th><th>Description</th><th>Reporting period</th></tr>
<tr><td>Specific Complaints</td><td>Details of the complaint, including name and contact details of complainant and substance of the complaint.</td><td>As soon as practicable and within 10 business days of receipt of complaint.</td></tr>
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	General Complaints Information	Number of complaints and general feedback relating to the product and its performance	Every 1 month
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware

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