



Target Market Determination

Important information about this document

This target market determination (**TMD**) is, and interests in Equity-One Mortgage Fund ARSN 115 289 579 (**Fund**) are, issued by Equity-One Mortgage Fund Ltd ACN 106 720 941 AFSL No. 277318 (**Issuer**) as trustee of the Fund. This TMD is for interests in the Fund which includes its various sub-schemes as established by the Issuer from time to time (**Product**).

This TMD is part of the Issuer's design and distribution framework for the Product and seeks to describe the class of consumers that comprises the target market for the Fund and matters relevant to the Fund's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the Fund being consistent with the most recent TMD (unless the distribution is excluded conduct). This TMD is based on the likely general objectives, financial situation and needs of the target market.

This document is not a complete summary of the product features, the terms of an investment in the Fund, or the Product Disclosure Statement for the Product (**PDS**). It does not (and it is not intended to) describe all of the terms or features of the Product.

The information contained in this TMD is general in nature only. This TMD does not take into consideration the investment objectives, financial situation and/or particular needs of any individual investor and the Issuer makes no representation as to whether the Fund is suitable for any particular investor. Before making any decision in relation to the Fund, investors should obtain and read the PDS.

Product Disclosure Statement

This TMD applies to the Product as described in Part A of the PDS available at <https://equity-one.com/investors/> as well any sub-schemes described in a corresponding Part B of the PDS.

Target Market Summary

This Product is intended for use as a minor component (up to 25% of investable assets) for a consumer seeking regular income returns and is comfortable with no capital growth and has a medium to high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with an investment timeframe of 1 month to 5 years (depending on the investment term of the relevant sub-scheme) who needs no access to capital during the Product investment term.

TMD contact details

Issuer/Responsible Entity: Equity-One Mortgage Fund Limited, Level 13, 256 Queen Street, Melbourne VIC 3000
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Important dates

Date this TMD approved	11 June 2025 [Version 3.0]
Distribution status of Fund	Available
Date when this TMD will be next reviewed	Subject to ongoing reviews

Product description & Fund structure

1. the Fund is an unlisted registered managed investment scheme that provides exposure to particular loans secured by a respective mortgage (either first or second ranking), with the aim of providing investors with periodic income distributions;
2. individual loans advanced by the Fund are referred to as individual sub-schemes on a one-to-one basis and in which investors may selectively invest;
3. particular mortgage investments will vary in terms of expected returns, risk, investment horizon and underlying security;
4. investor funds pending deployment to a mortgage investment are held in an interest-earning bank account; and Our No. 3 "Trust Account" (where members' funds are held prior to and after settlement) earns interest but not for the benefit of members. This account is different to the CMA account, which earns interest for the benefit of members; and
5. investors must invest an initial minimum investment of \$10,000 in any one sub-scheme for a fixed term between a minimum of 1 month to a maximum of 5 years. Investors do not have any access to capital during the fixed investment term.

The objectives, financial situation and needs for the different investor options, distinguished by form of mortgage security, are as follows:

Direct mortgage	Sub-schemes offering direct mortgage investments are designed for investors who: <ul style="list-style-type: none">• have the financial capacity to invest an amount equal to the entire loan in respect of one sub-scheme; and• are seeking to be the only registered mortgagee over the property.
Contributory mortgage	Sub-schemes offering contributory mortgage investments are designed for investors who: <ul style="list-style-type: none">• are seeking to limit the extent of their financial input by investing with multiple investors in respect of one sub-scheme; and

	<ul style="list-style-type: none"> are seeking to be joint mortgagees over the property with the other investors of the sub-scheme.
Nominee mortgage	Sub-schemes offering nominee mortgage investments are designed for investors who are not seeking to be the registered mortgagee over the property, but instead have their interest held on trust by the responsible entity of the Fund.

Target market

Objectives, financial situation and needs of the target market

The class of consumers for which the Product is likely to be appropriate are assessed using a red and green rating methodology as set out below.

In target market

Not considered in target market

Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in Column 1 is likely to be in the target market for this product.

Terms used are defined underneath the table below.

Appropriateness

The Issuer has assessed the Product and formed the view that the Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market, as the features of this Product in Column 3 of the 'Target Market' table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of minor allocation). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a High risk/return profile may be consistent with the consumer's objectives for that minor allocation notwithstanding that the risk/return profile of the consumer as a whole is Medium. In making this assessment, distributors should consider all features of a product (including its key attributes).

The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the [FSC website](#).

Target market (continued)

The tables below indicate a description of the likely objectives, financial situation and needs of the class of consumers that may be considering this product.

Consumer attribute - investment objective	TMD Indicator	Product description including key attributes
Income distribution	In target market	<p>The Fund is designed to provide investors with a regular interest distribution, which will depend on payment from the direct sub-scheme/borrower to which the investor has lent their capital.</p> <p>There is no guarantee of the frequency or volume of interest income and there is a risk of volatility of interest distributions to investors. The interest distribution attribute therefore aligns with an investor with a high Risk (ability to bear loss) and Return profile (refer to section below called "Risk profile (ability to bear loss) and Return profile" for the definitions of Risk (ability to bear loss) and Return profile).</p> <p>Interest distributions will generally be paid monthly within 14 days following the end of each month.</p> <p>We do not guarantee the payment of monthly interest distributions.</p> <p>Refer to the relevant PDS for further information on income distribution risk.</p>
Capital preservation	In target market	<p>It is intended that investors will receive all of their capital from the individual sub-scheme in which they have invested, although it is not guaranteed.</p> <p>Whilst not without risk, the Issuer has mechanisms in place to preserve capital including by conducting borrower due diligence and loan-to-value ratio of a sub-scheme will never exceed 80%.</p> <p>Refer to the relevant PDS for further information on capital risk and the Issuer's risk management processes..</p>
Capital growth	Not considered in target market	<p>Our product does not have the ability to provide capital growth.</p> <p>We do not guarantee repayment of capital.</p> <p>Refer to the relevant PDS for further information on capital risk.</p>

Consumer attribute – intended product use	TMD Indicator	Product description including key attributes
Satellite allocation (up to 10%) of investable assets	In target market	<p>Each sub-scheme's loan is secured by a mortgage (senior or subordinated) and by a security agreement over the borrower and its assets. Each individual sub-scheme will generally have very low diversification.</p> <p>Investors are investing in a specific loan/sub-scheme which may be direct to individual(s) or indirect via a special purpose borrowing entity(ies) with director guarantee(s) (director guarantees are occasionally not provided).</p> <p>Investors should consider the diversification of their entire investment portfolio when considering investing in our Fund and any specific sub-scheme(s).</p>
Minor allocation (up to 25%) of investable assets	In target market	
Core component (up to 50%) of investable assets	Not considered in target market	
Major allocation (up to 75%) of investable assets	Not considered in target market	
Solution/Standalone (up to 100%) of investable assets	Not considered in target market	

Consumer attribute - investment timeframe	TMD Indicator	Product description including key attributes
Minimum investment timeframe 1 month to 5 years (as set out in the relevant Part B PDS)	In target market	<p>An investor's investment is subject to an investment term as set out in the specific Part B PDS in the sub-scheme they consent to invest in.</p> <p>The investment term of each sub-scheme will be between 1 month to 5 years. Members will have knowledge of, and must consent to, this term before their application moneys are advanced to any sub-scheme.</p> <p>An investor will only be able to withdraw their investment at the end of the specific investment term as set out in the specific Part B PDS. An investor will not have any other right to withdraw their investment during the specific investment term.</p> <p>Refer to the relevant PDS for further information on each sub-scheme's investment term.</p>

Consumer attribute - Risk profile (ability to bear loss) and Return profile	TMD Indicator	Product description including key attributes
Low	Not considered in target market	<p>Investors will vary in their risk appetite from those with a higher risk / return profile to those with a lower risk / return profile. The Fund's different sub-schemes will generally be considered to have medium to high risk attributes depending on each sub-scheme's specific loan investment details and the different tiers of investment classes available within the sub-scheme (where applicable) i.e. rate of interest, Loan to Valuation Ratio, 1st or 2nd mortgage security, priority of distributions (both interest and capital) amongst investors within the sub-scheme. Each Part B PDS will detail the specific investment parameters of the loan the subject of that sub-scheme as well as the terms of any investment classes within the sub-scheme (where applicable).</p> <p>It is intended that investors will receive the interest income during the term of their sub-scheme investment and all of their capital at the end of the sub-scheme investment term, or repayment by the borrower, although it is not guaranteed.</p> <p>Refer to the relevant PDS for detailed information on how the Issuer manages various risks and investment parameters in relation to this consumer attribute.</p> <p>Whilst we do not guarantee the payment of regular interest income or capital repayment, the type of Fund assets align with a consumer who is medium to high risk in nature.</p>
Medium	In target market	
High	In target market	
Very high	Not considered in target market	
Extremely high	Not considered in target market	

Consumer attribute - need to access capital	TMD Indicator	Product description including key attributes
During the term of the sub-scheme investment	Not considered in target market	Investors will not have the right to withdraw their investment in the sub-scheme in which they invested during that sub-scheme's investment term which is set out in each Part B PDS.
At the end of the term of the sub-scheme investment	In target market	<p>It is intended that investors will receive the interest income during the term of their investment and all of their capital at the end of the term, or repayment by the borrower, although it is not guaranteed.</p> <p>There may be a delay in being able to withdraw where the underlying borrower has defaulted.</p> <p>At the end of the investment term (and assuming no defaults by the underlying borrower) redemptions will generally be paid to the investor within 3 business days.</p>

Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.)
Capital Preservation	The consumer seeks to invest in a product designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income distribution	The consumer seeks to invest in a product designed or expected to distribute regular income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of investable assets)	
Satellite allocation (up to 10%) of investable assets	<p>The consumer may hold the investment as up to 10% of the total investable assets.</p> <p>The consumer may seek a product with very low portfolio diversification.</p> <p>Products classified as extremely high risk are likely to meet this category only.</p>
Minor allocation (up to 25%) of investable assets	<p>The consumer may hold the investment as up to 25% of their total investable assets.</p> <p>The consumer is likely to seek a product with at least Low portfolio diversification.</p>
Core component (up to 50%) of investable assets	<p>The consumer may hold the investment as up to 50% of their total investable assets.</p> <p>The consumer is likely to seek to a product with at least Medium portfolio diversification.</p>
Major allocation (up to 75%)	<p>The consumer may hold the investment as up to 75%, of their total investable assets.</p> <p>The consumer is likely to seek a product with at least High portfolio diversification.</p>
Standalone allocation (up to 100%) of investable assets	<p>The consumer may hold the investment as up to 100% of their total investable assets.</p> <p>The consumer is likely to seek a product with at least Very High portfolio diversification.</p>

Investable assets	Those assets the investor has available for investment, excluding the residential home
Portfolio diversification (for completing the key attribute section of consumer's intended product use)	
Very Low	The product provides exposure to a single asset (for example, a commercial property or one sub-scheme of the Product) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy). This could be achieved by investing in more than one sub-scheme of the Product.
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very High	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
Consumer's investment timeframe	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the period over which the investment objective of the product is likely to be achieved.
Consumer's Risk (ability to bear loss) and Return profile	
<p>This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the <i>Standard Risk Measure Guidance Paper For Trustees</i> (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a conservative or low risk appetite, • seeks to minimise volatility and potential losses (e.g., has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and • is comfortable with a low target return profile. <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g., has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a high risk appetite, • can accept high volatility and potential losses (e.g., has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7)), and

	<ul style="list-style-type: none"> seeks to maximise returns (typically over a medium or long timeframe). <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> has an extremely high risk appetite, can accept significant volatility and losses, and seeks to obtain accelerated returns (potentially in a short timeframe). <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>
Consumer's need to access capital	
This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances.	
Distributor reporting	
Significant dealings	<p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer).

Distribution conditions / restrictions

The Issuer considers that the distribution conditions will make it more likely that the investors who acquire units in the Fund and consent to invest in particular sub-schemes are in the target market on the basis of:

- the Fund's advertisements and website content is directed towards consumers in the Fund's target market.
- the Issuer's experienced representatives will ask filtering questions relevant to the distribution conditions for each sub-scheme consent form.

The Issuer distributes the PDS for the Fund electronically through its own website [Equity-One Mortgage Fund PDS](#), or in hard copy in response to requests made directly to the Issuer. An experienced Issuer representative (Responsible Manager and Authorised Representatives) will ask potential investors a series of questions in order for the Issuer to understand, at a high level, whether the potential investor may be within the target market.

Only selected representatives (Responsible Manager and Authorised Representatives) of the Issuer that have undergone internal training in respect of the Fund and the Fund's target market and who have demonstrated knowledge, competence and experience in respect of the Fund and the Fund's target market are able to promote and distribute this product.

The Issuer does not provide financial advice. The Issuer ensures that its representatives provide investors with factual information only, and make no recommendation or suggestion that they invest in the Issuer's products or in any other investment, and that any investment should be made on the basis of the PDS and any independent financial advice the investor may seek.

It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for whom it has been designed. We consider that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

Review triggers

The Issuer will monitor and review the outcomes produced by the design and distribution of the Product and consider whether changes are required to the Product, to the way the Product is distributed and to whom it is being sold (**Review**).

The Issuer will conduct a Review based on the following triggers:

- material change to key attributes, Fund investment objective and/or fees;
- material deviation from benchmark / objective over sustained period;
- key attributes have not performed as disclosed by a material degree and for a material period;
- determination by the Issuer of an ASIC reportable Significant Dealing;
- material or unexpectedly high number of complaints (as defined in section 997A(1) of the Corporations Act 2001 (Cth)) about the Product or distribution of the Product;
- the use of Product Intervention Powers, regulator orders or directions that affects the Product;
- a change in relation to taxation implications of the Product compared to similar products;

Upon becoming aware of a Review Trigger, or a potential Review Trigger, the Managing Director must within 5 Business Days provide to the Issuer's Board all such information necessary for the Board to determine whether this TMD is no longer appropriate.

Periodic review

In addition to any Review conducted as a result of the occurrence of a Review Trigger, the Issuer must conduct an annual review:

- a) for the first review, N/A initial review already occurred; and
- b) for each subsequent Review, on the day which starts 12 months from the day the prior Review was finished.

Review trigger information requirements

Complaints

Complaints received about the Product must be escalated in accordance with the Issuer's internal dispute resolution policy. The Managing Director must, within 10 Business Days following the end of each quarter in a financial year report to the Board (a) whether the Issuer received complaints in relation to the Product during the quarter and (b) the number of complaints (if any). Reporting is still required even if the number of complaints is zero.

Significant dealings outside the target market

Representatives must notify the Managing Director if they become aware of a significant dealing in relation to the Product that is inconsistent with this target market determination as soon as practicable but no later than 10 business days after they become aware of the significant dealing.

For the purpose of this TMD the Issuer has determined that a significant dealing includes:

- If 5% of investors have acquired the Product but are not in the target market, including the proportion of investors who are part of a class of investors that have been specifically excluded from the target market, over a rolling 6 month period;
- Where there is potential/actual harm to investors, if investors outside the target market acquire the Product;
- A distribution which is inconsistent with the distribution conditions specified the TMD; and
- Repeated occurrences of investor complaints regarding the Product.