



Target Market Determination

Product Name: Property Loan
Version: 2
Effective date: 20 June 2023
Issuer details: APS Benefits Group Limited
ABN 64 077 846 809 AFSL/ACL 244115
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This Target Market Determination (TMD) is made by APS Benefits Group Limited (Company) in accordance with the design and distribution requirements relating to financial products for retail clients contained in Part 7.8A of the *Corporations Act 2001*.

The design and distribution obligations aim to assist consumers to obtain appropriate financial products by requiring product issuers and distributors to have a consumer-centric approach to the design and distribution of financial products.

Purpose

The purpose of this target market determination (TMD) is to describe the target market of consumers for property loans, and to address the design and distribution obligations that apply in relation to TMDs.

You should not base any decision to acquire a property loan on the contents of this TMD. This document does not consider any person's individual objectives, financial situation or needs. You should refer to the full summary of the product's terms and conditions when making a decision about this product.

Overview of product

A property loan that has a competitive variable interest rate, with flexible features.

1. Class of Consumers

The class of consumers that comprises the target market for the property loans issued by the Company (products) are the following consumers, with the likely objectives, financial situations and needs listed below.

Consumer type	Suitable for members of APS Benefits Group Limited and other consumers who are: <ul style="list-style-type: none">- over 18 years of age- an Australian resident- receiving sufficient and regular income- able to meet our credit assessment requirements
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Likely objectives and needs	<p>This loan product is likely to be suitable for members and consumers seeking:</p> <ul style="list-style-type: none"> - a loan secured by owner occupied or investment residential real property - loan amounts between \$50,000 and \$15,000,000 - principal and interest loan or interest only (for a maximum period of 3 years) repayments may be made weekly, fortnightly or monthly - flexible loan terms up to 30 years - a variable interest rate - repayment options (you can repay your loan via govt payroll deduction, direct deposit, online or mobile banking). - flexibility of making additional repayments - no lump sum or early repayment fees <p>Whilst variable interest rates fluctuate, the product has been assessed as meeting the likely objectives, financial situation and needs of members and consumers in the target market, because it allows them to make additional repayments and/or deposit funds to reduce interest payable whilst retaining the ability to draw on those additional funds when required.</p>
Likely financial situation	<p>The product is likely to be suitable for members and consumers whose financial situation provides access to sufficient income to satisfactorily demonstrate they are able to afford to repay the loan as well as meeting their assessed living expenses (subject to the Company's credit assessment).</p>
Class description	<p>The product has been designed for members and consumers who are seeking to:</p> <ul style="list-style-type: none"> - purchase residential real property - refinance a loan secured against residential real property and/or - access equity in a residential real property <p>with a maximum loan to valuation ratio of 80 per cent.</p> <p>The interest rate will be priced based on assessed risk:</p> <ul style="list-style-type: none"> - if a loan is approved, the interest rate offered will depend on our assessment of a number of factors at the time of application including the member's or consumer's credit history and the nature of the asset being purchased. - The interest rate offered may be higher than our published starting rates, depending on the member's or consumer's circumstances (eg risk of default). This risk loading may apply for the full term of the loan.
Excluded classes of consumers	<p>The product may not be suitable for members or consumers:</p> <ul style="list-style-type: none"> - who do not meet our eligibility criteria - seeking interest only payments over the long term - requiring a fixed interest rate - requiring an unsecured loan - looking to borrow less than \$50,000

2. Distribution Channels and Conditions

This product is designed to be distributed through the following channels.

a. Direct to Member or Consumer

Distribution Channel	<ul style="list-style-type: none"> - Company office, face to face - Company website - Phone and email enquiries - Advertising, including social media 	
Distribution conditions and restrictions	General advice (eg advertising)	<ul style="list-style-type: none"> - The distributor may provide general advice such as advertising through public channels
	Retail product distribution conduct	<ul style="list-style-type: none"> - The product will be distributed directly by the Company - Only trained and accredited staff may distribute the product - The product can only be distributed to members or consumers that meet the eligibility requirements that have been approved by the Company.

b. Third-Party Distribution

Distribution Channel	<ul style="list-style-type: none"> - APS Benefits Group may distribute this product through accredited mortgage brokers that are subject to a higher duty under Best Interests Duties to ensure that the product is in the best interest of the particular member or consumer.
Distribution conditions and restrictions	<ul style="list-style-type: none"> - APS Benefits Group's application and approval process has controls in place to ensure all approved members and consumers meet our eligibility and lending requirement. - APS Benefits Group conducts adequate training, upfront and ongoing due diligence with control and monitoring of distributors including the ongoing provision of information to these distributors.

The Company has determined that the distribution conditions and restrictions will make it likely that members and consumers who purchase the Company's products are in the class of consumers for whom they have been designed. The Company considers that the distribution conditions are appropriate and will assist distribution in being directed towards the target market.

3. **Reviewing this TMD**

The Company will monitor and review the outcomes produced by the design and distribution of its products and consider whether changes are required to the products, to the way they are distributed and to whom they are being sold (**Review**).

a. Review Triggers

The Company will conduct a Review, where any of the following review triggers occur:

- within 10 business days of becoming aware of any event that suggests this TMD is no longer appropriate;
- where there is a significant dealing outside the TMD, which is not consistent with the target market. This trigger occurs where significant distribution is occurring outside the target market, and does not refer to any one particular dealing in the product;
- as soon as practicable and in any event within 10 business days if a Material Issue is identified;
- there is a substantial change in the nature of the Company's business;
- a member of the Group sustains a material trading or capital loss;
- the Company elects to employ any third party distribution channel;
- the Company receives a complaint that concerns the design or distribution of its products; or
- external events such as adverse media coverage or regulatory changes or attention.

(where each of the above is a **Review Trigger**).

Upon becoming aware of a Review Trigger, or a potential Review Trigger, the Chief Executive Officer must within 2 business days provide to the Board all such information necessary for the Board to determine whether this TMD is no longer appropriate.

b. Periodic Review

In addition to any Review conducted as a result of the occurrence of a Review Trigger, the Company must conduct a review within 12 months of the Effective Date of this TMD and then at least annually thereafter.