

Target Market Determination

For ANGAS PRIME ARSN 091 887 400

1. About this document

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

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. Consumer must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

Angas Prime Product Disclosure Statement to which this target market determination applies

A unitised pooled managed 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.

This TMD applies to the Angas Prime Income Fund referred to in the Angas Prime Product Disclosure Statement dated 7 October 2020. Angas Securities Limited ACN 091 942 728 (Angas) holds Australian Financial Services Licence number 232 479 and is the Responsible Entity of the Angas Prime Income Fund trading as Angas Prime ARSN 091 887 400 ("Angas Prime", "the Fund" or "the product") and issuer of the interests in the Fund offered under the Angas Prime Product Disclosure Statement (PDS) dated 7 October 2020. It is not licensed to give financial product advice. Angas has not appointed an authorised representative to act as a distributor for Angas Prime.

Date from which this target market determination is effective

5 October 2021

2. Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for Angas Prime, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

The class of retail consumer that comprise the target market for Angas Prime as follows:

- Individuals
- Trusts
- Self-Managed Super Funds
- Companies and incorporated associations

Product description and key attributes

The key eligibility requirements and product attributes of Angas Prime are:

- Must be 18 years or over to be eligible.
- Minimum investment of \$10,000 (ie 10,000 units @ \$1.00 per unit) and multiples of \$1,000 thereafter
- Payment can be made by cheque, electronic funds transfer or BPay

- The investment matures 12 months from the end of the month in which it was lodged
- The investment automatically rolls over for a further 12 months unless notice to withdraw is given in the prescribed manner
- There is a target rate (not a fixed rate) and income is paid monthly
- Although the investment term is 12 months, under the Fund's constitution where the Fund is liquid (as defined in the Corporations Act) Angas has up to 12 months to satisfy withdrawal requests and does not have a legal obligation to satisfy any withdrawal requests within a shorter period. Angas may also delay or refuse a withdrawal request where it is in the best interests of Fund investors as a whole to do so. Where the fund ceases to be liquid, investors may only withdraw their investment subject to a withdrawal offer being made (and Angas is under no obligation to make such an offer)
- There is no prospect of capital appreciation. \$1 is the maximum value per unit
- In limited circumstances, an early withdrawal request may be considered (a fee applies).
- Subject to the Corporations Act, clients can exercise cooling off rights in relation to the initial investment.

Objectives, financial situation, and needs

The Fund is compatible with clients who seek a monthly rate of return on their investment with minimal ongoing intervention by them.

As a pooled mortgage fund with limited input required from the client, knowledge and experience requirements are low save for an appreciation that as an asset based lender the Fund is subject to the risks inherent in investing in real property mortgages as set out in the Risk Management section of the PDS.

This product has been designed for individuals who:

- Are able to provide the minimum investment contribution of \$10,000.
- Seek monthly returns paid from a pool of loans secured by registered first mortgages. Income distributions are not guaranteed. The rate of return on investments is not fixed but there is a Target Rate of return. The Target Rate of return set by Angas may vary from time to time. This change may be an increase or a decrease.
- Understand that Angas Prime is a pooled fund so each Investor has a proportionate share in the entire mortgage portfolio rather than a specific interest in any particular mortgage.
- Have the ability to tie the investment up for at least 12 months. Each investor has a right to make a written withdrawal request prior to the end of each twelve month period. An investment will be automatically rolled over into a further twelve month term investment at the maturity of the existing investment unless prior written notice is provided to Angas. If it is not withdrawn, the investment will not be available to be withdrawn for a further twelve months.
- Are able to understand the associated costs of the Fund including the Mortgage Management Fee of 2.2% of funds invested within the loan portfolio. Income earned from the Fund's investments is applied first to pay distributions equal to the Target Rate and then to meet the management fees.
- Are willing to accept restrictions on withdrawal rights including an early withdrawal fee charge of not less than 3.3% of investor total fund balance, that is \$1,650 for every \$50,000 withdrawn.

Excluded class of consumers

Clients whose needs and objectives are not met by the product (and who are therefore excluded from the target market) are those: -

- Looking for capital appreciation
- Seeking a fully guaranteed income stream
- Seeking fully guaranteed capital protection
- Looking for an at call or short-term investment option
- Seeking any form of imputation credit.

Consistency between target market and the product

Angas Prime 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.

3. How this product is to be distributed

Distribution channels

In light of the relatively non-complex nature of the product, it can be promoted without the need for specific financial advice noting that the PDS states that:-

- Angas does not give financial product advice
- The information in the PDS is general information only
- Investors should read the entire PDS and consider the risk factors including loss of capital
- If need be investors should seek professional advice before investing.

Current distribution channels are:-

- Direct – mail out of PDS following request or pick up PDS from an Angas office
- Sent by email following a request for PDS
- the offer contained in the PDS is made to Australian residents only. Distribution of the PDS outside Australia may be restricted by local law.

In order to inform consumers, scripts and online FAQs have been developed, informing consumers that:

- Angas Prime is not a bank
- There is a risk of loss of capital
- There is a risk of lower than expected returns
- There are limitations on the right of withdrawal which may take longer to process
- The target rate in place from time to time is the maximum amount a client can receive any month
- there is no right of early withdrawal and any such withdrawal if permitted attracts a fee of 3.3%
- the Fund invests in registered first mortgages over real property and clients should read the PDS carefully to see if the risk factors are compatible with their investment objectives
- Angas as Fund manager receives a management fee of 2.2% and subject to payment of the target rate to investors and payment into the dedicated reserve account may also receive a performance fee. In addition, Angas receives various fees from the borrower
- Clients should read the entire PDS carefully to see if the product is right for them.
- all advertising for the Fund states that an investment in the Fund is not a bank deposit, that the client could lose some or all the capital invested, that lower than expected returns may be received and that there are limitations on the ability to withdraw which may take up to 12 months to process.

Distribution conditions

This product should only be distributed under the following circumstances to consumers:

- By the distribution channels described above

Adequacy of distribution conditions and restrictions

The distribution conditions are appropriate and will make it likely that the consumers who invest in Angas Prime are in the class of retail consumers for which this product has been designed.

4. Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	By 5 October 2021.
Periodic reviews	At least annually from the initial review, using a risk-based approach.
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • occurrence of a significant dealing; • distribution conditions found to be inadequate; • lower than anticipated in-flow of investments; • whether Fund liquidity has changed; • increased requests for early withdrawal; • a material and relevant defect in the PDS is discovered; • external events such as adverse media coverage or regulatory attention; • significant decline in Real Property market; and • significant changes in metrics, including, but not limited to, complaints.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

5. Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the product covered by this TMD to Angas within 7 business days. This will include written details of the complaints.
Significant dealings	Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.