

Target Market Determination

For ANGAS DIRECT ARSN 151 979 645

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 Direct Product Disclosure Statement to which this target market determination applies

This TMD applies to the Angas Direct Mortgage Fund referred to in the Angas Direct Product Disclosure Statement dated 14 January 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 Direct Mortgage Fund trading as Angas Direct ARSN 151 979 645 ("Angas Direct", "the Fund" or "the product") and issuer of the interests in the Fund offered under the Angas Direct Product Disclosure Statement (PDS) dated 14 January 2020.

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 Direct, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

Angas Direct has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). Angas Direct is for those who:

- Seek access to direct mortgage investments secured by Real Property that may not otherwise be available to individual consumers
- Understand that mortgages are sourced direct from Borrowers or through Angas' current contacts and professional network of finance brokers and introducers
- Understand that the Mortgages are managed by Angas to provide consumers with both the security of a registered mortgage over Real Property and distribution of monthly returns (subject to payment by the Borrower of interest)

The class of retail consumer that comprise the target market for Angas Direct 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 Direct are:

- Must be 18 years or over to be eligible
- Investors join by registering to become a member of the Fund, and then apply to participate in a specific Sub-Scheme
- Investors have rights to receive income or capital distributions in each Sub-Scheme in which they are an Investor in proportion to their share of contribution to the Sub-Scheme
- Minimum investment in the Fund is \$50,000¹
- Payments can be made by cheque, electronic funds transfer or BPay
- Each Mortgage Investment pays a defined income to its Sub-Scheme Investors by electronic funds transfer to their nominated bank account in the manner set out in the Syndicate PDS
- The income earned by an Investor in a Mortgage Investment will vary to reflect the risk of return
- Provides specific Mortgage Investments for loans over a fixed term (subject to early repayment) typically between three (3) months and twenty-four (24) months
- The Fund comprises of Sub-Schemes that each have their own Investors and hold separate and distinct assets and security from each other
- Nil entry fee
- Nil exit fee except where Investor requests, and is granted (subject to approval by Angas), an early withdrawal from a Mortgage Investment prior to its maturity date then up to a maximum of 2% (excluding GST) of the amount withdrawn (with a minimum of \$1,000) together with all legal and other out of pocket expenses incurred by Angas. Deducted from the principal withdrawn at the time of early withdrawal
- Transfer fees of \$1,100 (together with all legal and other out of pocket expenses incurred by Angas) apply if an investor requests transfer of an investment to another person or entity
- Management Costs at a maximum of 3.30% (including GST) for every \$50,000 contributed by an Investor in the Mortgage Investment

Objectives, financial situation, and needs

This product has been designed for individuals who:

- Are able to provide the minimum investment contribution of \$50,000
- Have at least average ability to understand financial products and risks involved in mortgage investments
- Seek monthly returns paid on Mortgage Investments that are fixed for the term of the Mortgage
- Understand that Angas Direct is not a pooled fund, so Investors hold their interest in a Mortgage Investment independent of any other Mortgage Investment
- Have average knowledge and experience of Real Property and/or understand that as an asset based lender the investment is subject to the risks inherent in investing in Real Property Mortgages as set out in the Risk Management section of the PDS
- Have the ability to tie the investment up for at least 12 months or more with the possibility of a further extended period of time in a situation for example: where the Borrower defaults or fails to pay interest on time
- Are able to pay the associated costs of the Fund including the possibility of further Investor contribution being required in a situation for example: to complete application for development approval or outstanding site works
- Are willing to accept restrictions on withdrawal rights

Excluded class of consumers

This product has not been designed for individuals who:

- Have limited knowledge of Real Property
- Seek full protection of investment with no tolerance for loss
- Seek a fully guaranteed income stream
- Seek fully guaranteed income protection
- Are looking for an at call or short-term investment option
- May want to exit the Fund prior to mortgage maturity
- Seeking any form of imputation credit

¹ Note: Angas at its sole discretion may accept a lower contribution to suit a particular Sub-Scheme.

Consistency between target market and the product

Angas Direct 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

This product is for investors familiar with Real Property investments, 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

This product is designed to be distributed through the following means:

- Authorised Representative
- 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
- Scripts have been developed for Angas investor relations staff and Authorised Representative by which consumers are informed that:
 - Angas Direct 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 early withdrawal and if permitted attracts a fee of up to 2% (excluding GST) of the amount withdrawn (with a minimum of \$1,000) together with all legal and other out of pocket expenses incurred by Angas. Deducted from the principal withdrawn at the time of early withdrawal
 - The Fund invests primarily in registered first mortgages over Real Property and consumers should read the PDS and Syndicate PDS carefully to see if the risk factors are compatible with their investment objectives
- All advertising for the Fund states that an Investment in the Fund is not a bank deposit, that the consumer could lose some or all of the capital invested, that lower than expected returns may be received and that there are limitations on the ability to withdraw
- Protocols for confirming consumer is not “excluded” are included in the Fund’s compliance procedures

Distribution conditions

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

- By the distribution channels described above
- By Authorised Representative who is authorised by Angas to distribute the product

Adequacy of distribution conditions and restrictions

The distribution conditions are appropriate and will make it likely that the consumers who invest in Angas Direct 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. This version of the TMD was reviewed by the Angas Board on 30 September 2022.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to): <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 ○ increased requests for early withdrawal ○ external events such as adverse media coverage or regulatory attention ○ significant decline in Real Property market ○ 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.