



**DomaCom**

**TARGET MARKET**

**DETERMINATION**

**Pooled Mortgage Fund**

# Pooled Mortgage Fund

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This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (the Act). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Melbourne Securities Corporation Limited's and DomaCom Australia Limited's design and distribution arrangements for the product.

This document is not a product disclosure statement and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (PDS) for before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained at: [www.domacom.com.au](http://www.domacom.com.au)


















## Fund and Issuer Identifiers:

<b>Issuer</b>	Melbourne Securities Corporation Limited
<b>Issuer ABN</b>	ACN 160 326 545
<b>Issuer AFSL</b>	428289
<b>Manager</b>	DomaCom Australia Limited
<b>Manager ACN</b>	153 951 770
<b>Manager AFSL</b>	444365
<b>Fund</b>	DomaCom Fund
<b>ARSN</b>	167 020 626
<b>APIR Code</b>	NA – an APIR code is allocated for each sub-fund once a property has been acquired
<b>ISIN Code</b>	NA – an ISIN is allocated for each sub-fund once a property has been acquired
<b>Effective Date</b>	31 January 2023
<b>TMD Version</b>	V2.0
<b>TMD Status</b>	Current

# Pooled Mortgage Fund

<p><b>Product Description</b></p>	<p>A Pooled Mortgage Fund is a form of Loan Sub-Fund that holds a series of loan investments, rather than a single loan, as its underlying assets and has several particular features:</p> <ul style="list-style-type: none"> <li>- All underlying loans of a Loan Sub-Fund are likely to be used to ultimately provide finance to assist in purchasing an underlying property.</li> <li>- The Pooled Loan Fund invests in loans originated by a panel of Mortgage funds that have been pre-approved by DomaCom.</li> <li>- The actual loan investments are selected by the sub-managers of the Pooled Loan Funds in line with their investment criteria contained in the Supplementary Product Disclosure Document</li> </ul>
<p><b>Target Market</b></p>	<p><b>Needs, Objectives and Financial Situation of the Target Market</b></p> <p><b>Class of Customer</b> This product is targeted at the class of customer which meets the below needs, objectives and financial situation.</p> <p><b>Needs and Objectives</b> This product is designed for individuals or entities who:</p> <ul style="list-style-type: none"> <li>- Want to invest in loan assets that will usually offer higher yields than comparable-maturity government bonds, term deposits or bank deposits.</li> <li>- Has the objective of gaining first registered mortgage security.</li> <li>- Wants to manage their risk by investing in a pool of loans</li> <li>- Seek an opportunity to gain an exposure to an additional asset class which will assist in diversifying their investment portfolio.</li> </ul> <p><b>Financial Situation</b> This product is designed for individuals or entities who:</p> <ul style="list-style-type: none"> <li>- May not have the capacity to fund a whole loan as an investment.</li> <li>- Are willing to tolerate borrower default risk in order to receive a high yield against a secured loan.</li> <li>- Understand the liquidity options available to them to exit their investment either through the expiry of the investments term, wind-up of an investment through unitholder vote or the sale of units via the DomaCom liquidity facility.</li> </ul>

# Pooled Mortgage Fund

<b>TMD Indicator</b>	Based on the Product Description and Target Market described above, the TMD Indicator, indicates whether a consumer meeting the following attributes is likely to be in the target market for this product:		
	 In target market  Potentially in target market  Not in target market		
	Consumer attributes		
	Investment Objectives	TMD	
	Capital Growth		A Pooled Mortgage Fund aims to provide investors with an exposure to a series of first-registered mortgage-backed loan investments originated from a panel of approved Mortgage Fund providers.
	Capital Preservation		
	Capital Guaranteed		
	Income Distribution		
	Intended Product Use		
	Solution/ Standalone (>75%)		The Pooled Mortgage Fund option within the DomaCom Fund enables investors to diversify their investments across multiple underlying first-registered mortgage investments and Mortgage Fund providers.
	Core Component (25-75%)		
	Small Allocation (<25%)		
	Investment Timeframe		
	Short (<2 years)		Sub-Funds terms can range and may be set to a maximum of 30 years. At the end of a Sub-Funds term, unitholders vote to either wind-up or extend the Sub-Funds term by Ordinary Resolution. Investors may also, at any time, vote to wind-up up a Sub-Fund via a Special Resolution vote of unitholders. Individual investors may also utilise the DomaCom liquidity facility to exit their investment at any time subject to there being a willing buyer of those units.
	Medium (>2 years & <8 years)		
	Long (>8 years)		
	Risk and Return Profile	TMD	
	Low		A Pooled Mortgage Fund primarily aims to provide investors with potential income returns from interest paid from an underlying loan investment. Neither income nor capital is guaranteed.
	Medium		
	High		
	Very High		

# Pooled Mortgage Fund

			Income is subject to the payment of interest from the underlying loan.
	Need to Withdraw Money	TMD	
	Daily		All Sub-Funds have set investment periods as outlined in the relevant Supplementary Product Disclosure Statement. Sub-Funds can have a range of terms up to a maximum of 30 years. At the end of the set time period, unitholders may vote to wind-up a Sub-Fund. Investors may also vote to wind-up a Sub-Fund at any time by Special Resolution. Individual investors may also exit their investment using the DomaCom liquidity facility depending on the availability of buyers of any units offered.
	Weekly		
	Monthly		
	Quarterly		
	Annually (or longer)		
	Other (Specify)	TMD	
<b>Distribution Conditions</b>	<p>This product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the Product Disclosure Statement (as amended from time to time) and is subject to the following further Distribution Conditions:</p> <ul style="list-style-type: none"> <li>▪ Can be distributed to retail investors via the DomaCom Fund Product Disclosure Statement</li> <li>▪ Consumer must accept the Supplementary Product Disclosure Statement for a specific investment opportunity</li> </ul> <p>Consumer must acquire the product through a financial adviser or authorised distribution partner and is receiving the product under Personal or General Advice or via DomaCom's General Advice licence.</p>		
<b>Initial Review</b>	Within one (1) year of the effective date		
<b>Periodic Reviews</b>	At least every two (2) years from the initial review		
<b>Review Triggers &amp; Information Requirements</b>	Where the issuer or DomaCom determines that any of the below triggers has occurred, this TMD will be reviewed:		
	<b>Review Trigger</b>	<b>Information Requirements</b>	<b>Reporting Frequency</b>

# Pooled Mortgage Fund

	Changes	Material changes to key attributes, investment objective and/or fees	As required
	Complaints	The number, nature and outcomes of complaints received.	Bi-Monthly
	Significant dealing outside the target market	The nature and circumstances of the significant dealing, the number of consumers affected and report whether consumer harm or detriment has or is likely to occur.	Bi-Monthly
	Dealings outside the market	A financial adviser must confirm, within the product application form, whether: -they believe the consumer is in the Target Market, -the product application supports the implementation of personal product advice, and -where applicable, the reasons why the consumer is not in the Target Market.	Bi-Monthly

Distributor Reporting Requirements		
This part is required under section 994B(5)(g) and (h) of the Act.		
Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A (1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as the Distributor has received the complaint.	All distributors
Significant dealing outside of target market, under s994F (6) of the Act.	As soon as practicable but no later than 10 business days after distributor	All distributors

# Pooled Mortgage Fund

See Definitions for further detail.	becomes aware of the significant dealing.	
To the extent a distributor is aware of dealings outside the target market these should be reported to the issuer, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the Issuer. Distributors must report to the Issuer using the quarterly compliance report or other method specified by the issuer and should send reports to the issuer via email to [trustee@msc.group](mailto:trustee@msc.group) with the subject line 'DDO Reporting – DomaCom Fund'. The Issuer can also be contacted in relation to this TMD on 1300 190 198.

This TMD is issued by Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289 in its capacity as the responsible entity and issuer of the interests in the managed investment scheme referred to in this TMD. This TMD includes general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and read the product disclosure statement for the product. The PDS can be obtained at [www.domacom.com.au](http://www.domacom.com.au).

To the maximum extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This TMD does not constitute a financial product recommendation or an offer or solicitation with respect to the purchase or sale of the product in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Definitions	
Consumer's Investment Objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative

# Pooled Mortgage Fund

	arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
<b>Consumer's Intended Product Use (% of Investible Assets)</b>	
Solution/standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total investible assets (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).
Core component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total investible assets (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total investible assets (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).
Investible Assets	Those assets that the investor has available for investment, excluding the family home.
<b>Consumer's intended investment timeframe</b>	
Short ( $\leq 2$ years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium ( $> 2$ years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long ( $> 8$ years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
Low	The consumer is conservative or low risk in nature, seeks to minimise 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. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20-year period (SRM



# Pooled Mortgage Fund

	<p>3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20-year period (SRM 6)) in order to target a higher target return profile. Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Very High	<p>The consumer has a more aggressive or very high-risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20-year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
<b>Consumer's need to withdraw money</b>	
Daily/Weekly/Monthly/ Quarterly/ Annually or longer.	<p>The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.</p>
<b>Distributor Reporting</b>	
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. 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. Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• 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).</li> </ul> <p>In each case, the distributor should have regard to:</p>

# Pooled Mortgage Fund

	<ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes),</li> <li>• 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</li> <li>• the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer).</li> </ul> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the reporting period,</li> <li>• the consumer’s intended product use is Solution / Standalone, or</li> <li>• the consumer’s intended product use is Core component and the consumer’s risk (ability to bear loss) and return profile is Low.</li> </ul>						
<p><b>Relevant SPDS</b></p>	<table border="0"> <thead> <tr> <th data-bbox="643 989 909 1024"><b>DMC number</b></th> <th data-bbox="909 989 1386 1024"><b>Address</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="643 1024 909 1060">DMC0170AU</td> <td data-bbox="909 1024 1386 1060">DFS Mortgage Sub-Fund</td> </tr> <tr> <td data-bbox="643 1060 909 1096">DMC0171AU</td> <td data-bbox="909 1060 1386 1096">Atlantic Pacific Mortgage Fund</td> </tr> </tbody> </table>	<b>DMC number</b>	<b>Address</b>	DMC0170AU	DFS Mortgage Sub-Fund	DMC0171AU	Atlantic Pacific Mortgage Fund
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