

Target Market Determination

This Target Market Determination (TMD) has been prepared in accordance with the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* and associated Regulations. TMDs are designed to assist issuers to ensure that financial products they issue are likely to be consistent with the *likely objectives, financial situation and needs* of the consumers for whom they are intended (the target market) and to assist distributors to ensure that financial products are distributed to the target market.

The TMD is general in nature and should not be construed as financial advice. Consumers should obtain independent advice prior acquiring the product to ensure that it is appropriate for their particular *objectives, financial situation and needs*.

Product	Five Star Flexi Residential Loan
Reference documents	Home Loan Terms and Conditions and Credit Guide
Issuer	Issuer: Crucis Pty. Ltd. ABN 42 006 110 998 Australian Credit Licence 387666 Manager: Victorian Mortgage Group Pty Ltd ABN 42 006 110 998 Credit Rep no. Credit Representative Number 398125
Date of TMD	1 September 2023
Target Market	<p>Description of target market, including likely objectives, financial situation and needs</p> <p>The features of this product have been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who:</p> <ul style="list-style-type: none"> • meet the eligibility criteria, including: <ul style="list-style-type: none"> ○ are individuals (including trustee of a discretionary, fixed or unit trust) 18 years of age or above and are an Australian resident or Citizen; or ○ are an Australian registered company; or ○ are a trustee of an Australian discretionary, fixed or unit trust; and • require finance to purchase an owner-occupied or investment residential property, refinance, or construction of a residential property or any other worthwhile purpose; • require the option of consolidating debts; • require the flexibility of a variable interest rate; • require the ability to make unlimited extra repayments and access redraw; • require the option of either principal and interest or interest only repayments; • may be self-employed and require more flexibility in demonstrating their income; and • may have minor credit impairments (maximum of two defaults up to and including \$5,000, also includes Discharged Bankruptcy). <p>Whilst variable interest rates may fluctuate, the product meets the likely objectives, financial situation and needs of consumers in the target market</p>

because it allows them to make additional repayments to reduce interest payable whilst retaining the ability to draw on those funds when required.

Owner Occupied Residential Property

This product allows consumers to finance the purchase, refinance existing loans or construction of an owner-occupied residential property with the ability to select in order to reduce the overall debt and build equity or interest only repayments to minimise repayments.

Investment Residential Property

This product allows consumers to finance the purchase, refinance existing loans or construction of an investment property with the ability to select principal and interest repayments in order to reduce the overall debt and build equity or interest only repayments for tax purposes.

Description of product, including key attributes

- Variable interest rate.
- Redraw is available.
- Minimum loan amount \$30,000.
- Maximum loan amount \$3,000,000.
- Maximum loan term 30 years.
- Maximum Loan to Valuation Ratio (LVR): 80%.
- Repayment options:
 - principal and interest and interest only for Owner Occupied.
 - principal and interest and interest only for Investment.
 - interest only for construction.
- Repayment frequency – weekly, fortnightly, or monthly.
- Establishment fee is payable.
- Valuation fee is payable.
- Solicitor fee is payable.

Classes of consumers for who the product may not be suitable

This product may not be suitable for consumers who:

- do not meet the eligibility requirements;
- have less than a 20% deposit;
- are providing commercial property as security;
- are seeking lenders mortgage insurance
- are seeking the certainty of fixed repayments over the term of the loan;
- are seeking a short-term funding solution;
- require an offset account;
- have excellent credit history with strong stability in employment and can obtain a comparable loan at a lower interest rate;

Distribution Conditions	<p><i>Distribution conditions</i></p> <p>The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:</p> <table border="1" data-bbox="432 398 1385 801"> <thead> <tr> <th data-bbox="432 398 767 432">Channel</th> <th data-bbox="767 398 1385 432">Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 432 767 584">Direct – by phone</td> <td data-bbox="767 432 1385 584">Only authorised staff are permitted to assist consumers with this product. Authorised staff have the necessary training, skills, and knowledge to assess whether the consumer is within the target market.</td> </tr> <tr> <td data-bbox="432 584 767 801">Third party – Accredited mortgage brokers subject to Best Interests Duty (BID) and related obligations</td> <td data-bbox="767 584 1385 801">All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited brokers from time to time. Accredited mortgage brokers are subject to a higher duty under BID to ensure that the Product is in the best interests of the particular consumer.</td> </tr> </tbody> </table> <p>The distribution channels and conditions are appropriate because:</p> <ul style="list-style-type: none"> • the product has a wide target market; • our distributors have been adequately trained to understand their DDO obligations; • we rely on existing distributors, methods, controls, and supervision already in place; • our approval system has controls in place to flag applicants who may be outside the target market; and • accredited mortgage brokers are subject to a higher duty under BID to ensure that the product is in the best interests of the particular consumer; 	Channel	Conditions	Direct – by phone	Only authorised staff are permitted to assist consumers with this product. Authorised staff have the necessary training, skills, and knowledge to assess whether the consumer is within the target market.	Third party – Accredited mortgage brokers subject to Best Interests Duty (BID) and related obligations	All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited brokers from time to time. Accredited mortgage brokers are subject to a higher duty under BID to ensure that the Product is in the best interests of the particular consumer.
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Review Triggers	<p>The following review triggers would reasonably suggest that the TMD may no longer be appropriate:</p> <ul style="list-style-type: none"> • A significant dealing of the product to consumers outside the target market occurs; • A significant number of complaints are received from customers in relation to the product; • A significant number of defaults or applications for hardship occur; • There is a material change to the product or the terms and conditions of the product which may suggest that the TMD may no longer be appropriate; 						
Review Periods	<p><i>First review date:</i> 1 October 2023</p> <p><i>Periodic reviews:</i> every 12 months, after the initial and each subsequent review.</p> <p><i>Trigger reviews:</i> review to be completed within 10 business days of the identification of a trigger event.</p>						
Distribution Information	<p>The following information must be provided to the Issuer by distributors who engage in retail product distribution conduct in relation to this product:</p>						

Reporting Requirements	Type of information	Description	Reporting period
	Specific Complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 10 business days of receipt of complaint.
	Complaints	Number of complaints and general feedback relating to the product and its performance	Every 6 months
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g., why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware