Design and Distribution Obligations (DDO)

The design and distribution obligations commenced on 5th October 2021.

The DDO's require distributors of financial products to ensure that consumers obtain products that are likely to be consistent with consumers' needs, objectives and in line with their financial situation.

Target Market Determinations (TMD)

What is a Target Market Determination?

A TMD is a document that describes the type of customer one of our products may suit (target market), including conditions and circumstances around how the product can be distributed.

In addition, circumstances and or events that may occur which require the TMD (and target market) to be reviewed.

FinSecure Finance – Our TMD's

FinSecure Finance acts as an intermediary between the program manager/wholesaler and the consumer. In this process our product offering is rebranded to reflect the retail offering presented to the consumer. The following TMD represents our product offering and the equivalent product name given by the program manager:

Product Name	TMD
FinBridge Equity	Bridging Loans

Following is the TMD for the product to which you are considering/applied for OR settled on.

[Author note: This TMD is for the variable rate product only. This is because the objectives, financial situation and needs of the target market may vary considerably depending on whether fixed rate periods are available.]

Target Market Determination (TMD) – Bridging Loans

Product	**Bridging Loans**
Issuer	Lender: AHC Finance Company Pty Limited ACN 663 551 844 Manager: AHC Finance Pty Limited ACN 161 006 846 Australian Credit Licence 448165 The Manager has arranged for the Lender to make the loan, which will be managed by the Manager. Normally, you deal with the Manager. The Lender and the Manager are together and separately referred to as 'we/us/our'.
Date of TMD	**11 June 2026**
Target Market	**Description of target market** The Bridging Loan has been designed for customers who: • Can provide residential property, commercial property or vacant land as security for the loan • Require a short-term loan to allow them to: - renovate or improve their property before selling it; - release equity in their property prior to sale; - settle on a new property before they sell their current property; - refinance their current lenders and/or pay expenses that are due prior to the sale their property occurring. • Are looking to downsize and move to less expensive homes and release the equity in their home; or upsizers with plans to move to more expensive property, or renovators looking to make non-structural changes to their property to increase their value or attractiveness in the market. • Borrowers intending to transition into a retirement residence who seek to access equity from their existing property to fund associated costs, enabling them to proceed with the move without requiring temporary rental accommodation and deferring the sale of their home until after relocation. • Don't require the certainty provided with a fixed rate loan • Meet our eligibility requirements, being individuals who are: - 18 years of age or older; - an Australian citizen or permanent resident; - meet our credit assessment criteria; and - meet verification of identity requirements.

Description of product, including key attributes

The Bridging Loan has the following key attributes that have been taken into account when formulating the target market:

Feature	Description	
Loan term	Up to 24 months	
Minimum loan amount	$150,000	
Maximum loan amount	$10,000,000 (larger limits will be considered on a case by case basis	
Repayment structure	- Interest capitalised for life of loan - Interest pre-paid into an offset account with monthly debits - Partial or full principal payments are also accepted during the loan term	
Maximum loan to value ratio (LVR):	Interest Capitalised Residential up to 80%: - 24 months = 65% LVR - 18 months = 75% LVR - 12 months = 80% LVR Commercial up to 60% Vacant Land up to 50%	Interest Prepaid Residential up to 80%: - 24 months = 70% LVR - 18 months = 75% LVR - 12 months = 80% LVR Commercial up to 60% Vacant Land up to 50%
Interest rate type	Variable for the term of the loan	
Offset	No	
Redraw	No	
Security	The Bridging loan must be secured by residential or commercial property located in Australia.	
Fees	• Establishment / Setup Fee • Third Party fees • Government fees and charges • Valuation consideration fee • Document preparation costs and out-of-pocket expenses • Other fees and charges may apply.	

Description of likely objectives, financial situation and needs of consumers in the target market

This product is designed for customers who:

- Would like the repayment flexibility of having the interest either capitalised onto the loan balance or via a pre-payment of interest where funds are held in an off-set account.
- Will have the ability to repay the bridging loan through the sale of their current property and/ or the refinance of the new property (if applicable)
- Meet our credit assessment and eligibility criteria.

Classes of consumers for whom the product is clearly unsuitable

This product is not suitable for customers who:

- Do not meet the Bridging Loan eligibility criteria
- Customers looking for a long-term mortgage
- First home buyers
- Customers who do not have property security for the loan
- Customers who are not looking to sell a property
- Customers who require other product features and benefits linked to their loan.

Distribution Conditions

Distribution channels and conditions

The product may only be distributed through the following channels:

- by phone or by contacting us directly (via appropriately authorised employees);
- through accredited and licenced third party distributors (eg, mortgage brokers); and
- through accredited and licenced mortgage managers.
- through professional referrers e.g. finance brokers, real estate agents, financial planners, accountants, or solicitors.

The distribution channels are appropriate because:

- the product has a wide target market;
- we conduct a full credit assessment on every loan application ensuring that the objectives, financial situation and needs of the consumer are met by the product;
- an assessment is made to determine whether the product is not unsuitable for the customer;
- distribution channels consist of accredited third parties and authorised employees that ensure the product is in the best interest of the particular customer;
- we conduct adequate training for the distributors that covers features of the product; and
- we conduct upfront and ongoing due diligence and monitoring of distributors.

Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

- a significant dealing of the product to consumers outside the target market occurs;
- complaints are received from 3% of customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate;
- a material changes to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate;
- there is a material change in the way we distribute the product; or
- where 2% or more of our total customers (joint customers to be treated as a single customer) are in hardship at any one time.

Review Periods

First review date: Within the 12 months of the date of this TMD.

Periodic reviews: Every 12 months from the first review date and each subsequent review date.

Distribution Information Reporting Requirements

The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Complaints	• Number of complaints • Substance of each complaint	Monthly
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) • What was the root cause of the significant dealing(s). • Why the dealing(s) is significant (e.g. actual or potential harm to customer/class of customer). • How the significant dealing(s) was identified. • Steps taken/will be taken (if any) in relation to the significant dealing(s).	As soon as practicable, and in any case within 10 business days after becoming aware