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
FinX	Horizon Mortgages Loan (Prime)

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) – Horizon Mortgages Loan (Prime)

Product	**Horizon Mortgages Loan (Prime)**
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	**December 2025**

Target Market	**Description of target market**
	The Horizon Mortgages Loan (Prime) is designed for customers who:
	• want to purchase or refinance a home as either owner occupiers or investors;
	• may want the flexibility to make additional repayments and redraw funds as required;
	• would like to make principal and interest repayments and may also have the option to make interest only repayments for a period of the loan term;
	• may want an offset facility;
	• may want to consolidate other debts (including ATO debts);
	• meet our eligibility requirements, being individuals who are:
	  ○ 18 years of age or older;
	  ○ an Australian citizen permanent resident;
	  ○ work and reside in Australia;
	  ○ meet our credit assessment criteria; and
	  ○ meet verification of identity requirements;
	  ○ are not currently in arrears, and have not previously entered arrears, under a mortgage or other secured or unsecured debt facility;
	  ○ have no prior monetary defaults over $2,000 within the previous 2 years;
	  ○ have not been bankrupt or previously discharged from bankruptcy;
	  ○ are not party to a personal insolvency agreement (Part X Agreement) or debt agreement (Part IX Agreement); and

- can meet payment requirements over the entire term of the loan.

Description of product, including key attributes

The Horizon Mortgages Loan has the following key attributes that will impact whether the product is likely to be appropriate for the target market:

Feature	Description
Loan term	30 years
Minimum loan amount	$250,000
Maximum loan amount	$5,000,000
Repayment structure	Customers may make regular scheduled monthly principal and interest repayments to pay down the loan balance over the term, but may make additional repayments if they wish (but fees may be payable). The customer may request to make interest only payments for a maximum period of 5 years.
Maximum loan to value ratio (LVR):	80%
Interest rate type	Variable
Offset	Yes
Redraw	Yes
Security	The loan must be secured by residential property located in Australia and may be supported by a guarantee. The loan may be secured by residential vacant land if the LVR does not exceed 60%.
Fees	• Application fee • Settlement fee • Ongoing monthly account keeping fees • 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:

- are seeking a home loan with a variable interest rate;
- want the ability to make additional repayments from time to time and repay the loan early;
- may want to make use of an offset facility or redraw funds;
- need funds to refinance an existing home loan or to purchase residential property for owner occupier or investment purposes;
- want to make principal repayments to reduce the principal balance of the loan and increase equity in their home;
- meet our credit assessment and eligibility criteria, including customers who:
    - if a full-time or part-time employee, are able to demonstrate at least 6 months employment with their current employer;
    - if casually employed, are able to demonstrate at least 6 months of casual employment and over 12 months of continuous employment;
    - if self-employed, are able to demonstrate at least 24 months of ABN registration and 12 months of GST registration;
    - have not entered arrears under a home loan or other credit facility (such as a personal loan, credit card facility or home loan);
    - have not been subject to a default or judgement for an amount over
    - $2,000 within the previous 2 years;
    - have not been bankrupt or previously discharged from bankruptcy; and
    - are not party to a personal insolvency agreement (Part X Agreement) or debt agreement (Part IX Agreement).

Classes of consumers for whom the product is clearly unsuitable

This product is not suitable for customers who:

- do not meet our credit assessment eligibility requirements;
- are seeking the certainty of fixed repayments over the term of the loan.

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market

The product is likely to be consistent with the financial situation, needs and objectives of customers in our target market based on the features of the product mentioned above. This is because it enables customers to:

- purchase an owner-occupied or investment residential property;
- make principal and interest repayments in order to reduce the principal balance of the loan and increase equity in their home; and
- make use of an offset facility or redraw funds.

Distribution Conditions

Distribution conditions

The product may only be distributed through the following channels:

- by phone;
- through third party distributors (eg, mortgage brokers); and
- through mortgage managers.

Distribution conditions may include:

- ensuring that customers meet the eligibility requirements for the loan;
- ensuring that the product is only distributed in accordance with the most up-to-date version of this TMD;
- ensuring that third party distributors are appropriately authorised.

Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market

The distribution conditions and restrictions make it likely that the consumers who acquire the product are in the target market by:

- ensuring that customers will have been provided with sufficient information about the product before being offered the product;
- requiring customers to provide specific information, disclosure and evidence to confirm they meet eligibility requirements for the product; and
- ensuring that only customers who meet our credit assessment and eligibility criteria are offered the product.

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;
- A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate;
- A material change 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;
- There is a material change to the credit policy which has an impact on the target market;
- The performance of the product, as determined by the Manager, is evidence that the product is no longer appropriate for the target market; or
- Where 10% or more of our total borrowers (joint borrowers to be treated as a single borrower) 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	Every 3 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) • 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