

TARGET MARKET DETERMINATION DEVELOPMENT/CONSTRUCTIONS LOANS

EFFECTIVE DATE: 5 OCTOBER 2021

A state of opportunity.

MCMF.
MURDOCH CLARKE MORTGAGE FUND

MURDOCH CLARKE MORTGAGE MANAGEMENT LIMITED
ABN 84 115 958 560

TARGET MARKET DETERMINATION DEVELOPMENT/CONSTRUCTION LOANS

(Effective Date: 5 October 2021)

MURDOCH CLARKE MORTGAGE FUND
ARSN 093 255 559

This Target Market Determination (**TMD**) is provided by Murdoch Clarke Mortgage Management Limited ACN 115 958 560 as responsible entity for Murdoch Clarke Mortgage Fund ARSN 093 255 559 (**MCMF**) in accordance with section 994B of the Corporations Act 2001 (Cth) (**Act**). The purpose of this TMD is to describe the target market for MCMF's development/construction loan product ("**Product**"), conditions and restrictions on the distribution of the Product and mechanisms for this review of the TMD.

Murdoch Clarke Mortgage Management Limited as responsible entity for MCMF (**MCMML**) is the issuer of the Product.



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Murdoch Clarke Mortgage Fund
ARSN: 093 255 559

Responsible Entity:
Murdoch Clarke Mortgage Management Limited

ABN 84 115 958 560
Australian Financial Services Licence Number 296758
Australian Credit Licence Number 296758

KEY ATTRIBUTES OF THE PRODUCT

The key attributes of the Product are:

- a. the loan is provided for the purpose of funding construction and/or development projects;
- b. the loan is progressively drawn down during construction/development;
- c. the loan is secured by a registered first mortgage over real estate (i.e. land which is either vacant or built on) and any additional security that MCMML requires;
- d. the amount of any progress loan drawdown is assessed taking into consideration both the "as is" value of the property on which the partly completed development is being undertaken and the valuer's opinion as to the cost to complete the development on a commercial basis;
- e. unless MCMML otherwise determines, the amount which is the valuer's estimate of the cost to complete the development/construction on a commercial basis is not advanced so that the undrawn amount of an approved development/construction loan is sufficient to cover the valuer's estimate of the cost to complete the development/construction on a commercial basis at all stages of the development/construction;
- f. the loan amount may be up to 66.6% of the value of the mortgaged property if the mortgaged property is residential, rural residential or commercial property, up to 60% of the value of the mortgaged property if the mortgaged property is rural property and up to 50% of the value of the mortgaged property if the mortgaged property is a hotel or specialised security;
- g. the interest rate is variable (the current standard variable interest rate for the Product is published on the MCMF website and is available by contacting MCMML);
- h. the borrower is required to pay interest in arrears (usually quarterly, but in some cases monthly);

- i. there is no obligation on the borrower to make principal repayments during the term of the loan;
- j. the loan principal is repayable on demand by MCMML; and
- k. the financial position of each applicant borrower and their capacity to pay interest is assessed by MCMML.

TARGET MARKET

The Product is designed for consumers (including individuals, companies, trusts and partnerships but excluding self-managed superannuation funds) who:

- a. wish to borrow to fund construction or development projects (including residential, commercial and industrial construction projects and subdivisions);
- b. do not want to be under an obligation to make regular principal repayments; and
- c. are able to satisfy MCMML that they have the capacity to pay interest on the loan.

DISTRIBUTION CONDITIONS AND RESTRICTIONS

The following conditions and restrictions apply to the distribution of the Product to ensure that the Product is distributed to consumers in the Product's target market:

- a. The Product is distributed exclusively by MCMML. Brokers may refer consumers to MCMML, but applications for the Product are assessed by MCMML.
- b. MCMML assesses applications for the Product to ensure that the Product is provided to consumers in the Product's target market.

REVIEWS

PERIODIC REVIEWS

MCMLL will carry out a review of this TMD in March 2023.

Subsequent reviews will be carried out at regular 18 month intervals.

REVIEW TRIGGERS

MCMLL will carry out a review of this TMD within 10 business days of becoming aware that one or more of the following trigger events has occurred:

- a. the Product ceases to be consistent with the Product's target market criteria;
- b. the law changes in a way which materially affects the Product or its distribution; and
- c. the distribution conditions cease to make it likely that consumers who acquire the Product are in the Product's target market.

REPORTING

Distributors of the Product must provide MCMLL with information relating to any complaints about the Product, especially complaints relating to the design and distribution of the Product, within 10 business days after the end of every quarter.

Distributors of the Product must notify MCMLL of a dealing in the Product that is not consistent with this TMD as soon as practicable, but in any event within 10 business days after becoming aware.

FURTHER INFORMATION

Further information about the Product may be obtained from the MCMF website at www.mcmf.com.au or by contacting MCMLL by calling (03) 6235 9311 or 1800 00 62 63 or emailing info@mcmf.com.au.

DISCLAIMER

This TMD is not a representation that the Product is an appropriate loan for any person.

This TMD does not contain the legally binding terms of an MCMF development/construction loan. The legally binding terms will be contained in the documents that are presented by MCMLL to an applicant for a development/ construction loan for signature after the applicant's application for a development/ construction loan has been approved by MCMLL.