

TARGET MARKET DETERMINATION INVESTMENT IN MCMF

EFFECTIVE DATE: 5 OCTOBER 2021

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MCMF.
MURDOCH CLARKE MORTGAGE FUND

MURDOCH CLARKE MORTGAGE MANAGEMENT LIMITED
ABN 84 115 958 560

TARGET MARKET DETERMINATION INVESTMENT IN MCMF

(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 investment product ("**Product**"), conditions and restrictions on the distribution of the Product and mechanisms for the review of this TMD.

Murdoch Clarke Mortgage Management Limited as responsible entity for MCMF ("**MCML**") 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

KEY ATTRIBUTES OF THE PRODUCT

The key attributes of the Product are:

- a. funds received from investors are pooled and either lent to borrowers or invested in at call or term deposit accounts with banks, credit unions and building societies, or invested in pooled mortgage schemes which are managed investment schemes regulated by the Corporations Act and are operated by responsible entities which hold Australian Financial Services Licences;
- b. loans to borrowers are interest only loans which require interest to be paid quarterly in arrears and principal to be repaid on demand by MCMML;
- c. funds lent to borrowers are secured by registered first mortgages over real property (i.e. land which is either vacant or built on) and any additional security that MCMML requires;
- d. loans are only approved on the basis of valuations of real property offered as security obtained from registered valuers or on the basis of government valuations;
- e. the proportion that the amount of a loan bears to the value of the property by which it is secured at the time the loan is first advanced (i.e. loan to valuation ratio) does not generally exceed a specified percentage which is fixed by reference to the nature of the property (i.e. whether the property is urban residential, rural residential, commercial, rural or a hotel or specialised security);
- f. as part of the loan approval process the financial position of each applicant borrower and their capacity to pay interest is assessed;
- g. the income of MCMF comes from interest payable by mortgage loan borrowers and interest accrued on money invested with banks, credit unions and building societies, and in pooled mortgage schemes;
- h. distributions are made to investors out of the income of MCMF on a quarterly basis (for the three month periods ending on 31st March, 30th June, 30th September and 31st December in each year);
- i. investors in MCMF do not have an interest in particular mortgage loans, but have an interest in the assets of MCMF as a whole;
- j. the Constitution of MCMF provides that withdrawal requests must be met within 90 days, however requests for withdrawal of funds invested will generally be met within seven days; and
- k. MCMF does not borrow or invest in the share market.

TARGET MARKET

The Product is designed for the class of consumers wishing to invest in a product which has the following attributes:

- a. low to medium risk;
- b. quarterly income distributions;
- c. capital stability; and
- d. entitlement to withdraw capital invested within not more than 90 days of a withdrawal request.

The Product is not suitable for consumers who wish to invest to achieve capital growth.

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.
- b. A consumer considering investing in the Product is provided with the Product's Product Disclosure Statement and this TMD.

These conditions and restrictions will make it more likely that consumers who invest in the Product are in the Product's target market for the following reasons:

- a. MCMF employees who liaise with potential investors in the Product have a clear understanding of the key attributes of the Product and the Product's target market and are instructed by MCMML to endeavour to establish that a potential investor is in the Product's target market before accepting an investment in the Product; and
- b. providing the Product's Product Disclosure Statement and this TMD to a potential investor gives the potential investor the opportunity to assess whether the potential investor is within the Product's target market.

REVIEWS

PERIODIC REVIEWS

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

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

REVIEW TRIGGERS

MCMML 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 MCMML 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 MCMML 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 MCMML 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 investment for any person.

A person considering investing in the Product should read the Product's Product Disclosure Statement (available on the MCMF website or by contacting MCMML) and should consider whether an investment in the Product is appropriate for their needs, objectives and circumstances.