

5 October 2021

Target Market Determination

1. Legal disclaimer

This Target Market Determination (TMD) is made by Westlawn Finance Limited ABN 19 096 725 218 (the Company) and is required under section 994B of the Corporations Act 2001 (Cth) (the Act). It sets out the class of customers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of the Company's design and distribution arrangements for the product.

This document is **not** a prospectus or product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Prospectus for the Product before making a decision whether to buy this product.

Capitalised terms have the meaning given to them in the Prospectus, unless otherwise defined. The Prospectus can be obtained by contacting us on 1300 WESTLAWN or on our website at <https://www.westlawn.com.au/investment/>.

2. The Product

The Company offers investors the opportunity to purchase unsecured notes in the Company (Notes). Each Note has a specific fixed interest rate which will apply for the term of the investment (which will be between 31 days and 5 years).

The Noteholder must inform the Company prior to the maturity date that they wish to redeem the Notes. If no instructions are received by the Company, it will reinvest the maturing funds in new Notes for the same term as the maturing investment at the prevailing interest rate. The Company may also, in its absolute discretion, allow early redemption of Notes (although an early redemption fee may apply).

Funds raised by the issue of the Notes are used to fund the operations of the Company, in particular the funding of the Company's lending portfolio.

The Notes are not secured over the Company's assets.

3. Target Market

The class of consumers that comprises the target market for the Notes issued by the Company (products) are consumers who want a fixed interest, fixed term investment.

The class of consumers for which the product is likely to be appropriate are assessed using a red/amber/green rating methodology as follows;

In target market	Potentially in target market	Not considered in target market
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The tables below indicates a description of the likely objectives, financial situation and needs of the class of consumers that may be considering this product.

Consumer attribute - investment objective	TMD Indicator	Product description including key attributes
Income distribution	In target market	Investors can choose to have income paid to them monthly, quarterly or at maturity. Investors also have the option of reinvesting their quarterly interest payment in which case it is compounded quarterly until maturity.
Capital preservation	Potentially in target market	It is intended that investors will receive all of their capital upon redemption, although as noted below it is not guaranteed. The Company and its predecessor organisations have been operating since 1964 and in that time have never failed to meet a redemption request or interest payment.
Capital guaranteed	Not considered in target market	The repayment of money invested in Notes and interest payments are not guaranteed by the Company nor is the investment covered by the depositor protection provisions of the Banking Act.
Capital growth	Not considered in target market	The issue and redemption price for each Note is \$1.

Consumer attribute - intended product use	TMD Indicator	Product description including key attributes
Small allocation (<25%) of investable funds	In target market	The Company invests in a well-diversified portfolio of loans with no material exposure to any single borrower or industry. However the product itself represents a single asset class in the form of an unsecured note. Investors should consider the diversification of their entire investment portfolio when considering investing in these Notes.
Core allocation (25-75% of investable funds)	Potentially in target market	
Standalone allocation (75-100%) of investable funds	Not considered in target market	

Consumer attribute - investment timeframe	TMD Indicator	Product description including key attributes
Short (< 12 months)	In target market	Notes can be invested for a range of terms from 31 days to 5 years.
Medium (1 to 5 years)	In target market	
Long (> 5 years)	Not considered in target market	

Consumer attribute - risk profile (ability to bear loss)	TMD Indicator	Product description including key attributes
High	In target market	It is intended that investors will receive all of their capital upon redemption, although it is not guaranteed. The Company and its predecessor organisations have been operating since 1964 and in that time have never failed to meet a redemption request or interest payment.
Medium	Potentially in target market	
Low	Not considered in target market	

Consumer attribute - need to withdraw funds	TMD Indicator	Product description including key attributes
At maturity	In target market	The Noteholder must inform the Company prior to the maturity date that they wish to redeem the Notes. If no instructions are received by the Company, it will reinvest the maturing funds in new Notes for the same term as the maturing investment at the prevailing interest rate. The Company may also, in its absolute discretion, allow early redemption of Notes (although an early redemption fee may apply).
During the term i.e. early redemption or in a hardship situation	Potentially in target market	
Daily or at call	Not considered in target market	

The Company has offered its products through prospectuses complying with the Corporations Act and regulations issued by the Australian Securities and Investments Commission for over 20 years, and is satisfied, by the ongoing demand for its products and the repeat investments by consumers, that the Company's products reach the target market and are consistent with the likely objectives, financial situation and needs of the class of consumers that comprises the target market.

4. **Distribution Conditions**

The Company distributes the prospectus for its products electronically through its own website <https://www.westlawn.com.au/investment/>, or in hard copy in response to requests made directly to the Company.

Only selected representatives of the Company that have undergone internal training and have demonstrated competence are able to promote and distribute this product.

The Company does not provide financial advice. The Company ensures that its representatives provide consumers with factual information only, and make no recommendation or suggestion that consumers invest in the Company's products or in any other investment, and that any investment should be made on the basis of the prospectus and any independent financial advice the consumer may seek.

The Company does not employ any third party distribution channels.

It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the Notes are in the class of consumers for whom it has been designed. We consider that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

5. **Review Triggers**

The Company will monitor and review the outcomes produced by the design and distribution of its products and consider whether changes are required to the products, to the way they are distributed and to whom they are being sold (**Review**).

The Company will conduct a Review:

- (a) prior to the issue of a prospectus;
- (b) prior to the issue of a supplementary prospectus;
- (c) upon determination of an ASIC reportable significant dealing (as described in paragraphs RG 274.158 – RG 264.161 of ASIC Regulatory Guide RG 274 *Product design and distribution obligations*);
- (d) within 10 business days of becoming aware of any event that suggests this TMD is no longer appropriate;
- (e) within 10 business days if:
 - (i) there is a failure by the Company to comply with the terms on which its products were issued, the provisions of the Trust Deed between the Company and The Trust Company (Australia) Limited (**Trust Deed**), or Chapter 2L of the Corporations Act 2001;
 - (ii) an event occurs which causes or could cause the monies outstanding on the Company's products or any of them to become immediately payable or the terms or the terms of the product to become immediately enforceable, or any other right or remedy under the terms of the products or the Trust Deed to become immediately enforceable;

- (iii) a circumstance occurs that materially prejudices the Company or any of its subsidiaries or any security or charge included in or created by the products or the Trust Deed;
- (iv) there is a substantial change in the nature of the Company's business;
- (v) the Company sustains a material trading or capital loss;
- (vi) the Company elects to employ any third party distribution channel; or
- (vii) the Company receives a complaint that concerns the design or distribution of its products.

Upon becoming aware of a Review Trigger, or a potential Review Trigger, the Managing Director must within 5 business days provide to the Board all such information necessary for the Board to determine whether this TMD is no longer appropriate.

6. Periodic Review

In addition to any Review conducted as a result of the occurrence of a Review Trigger, the Company must conduct an annual review, to finish:

- (a) for the first review, on the day which starts 12 months from the date this TMD is made; and
- (b) for each subsequent Review, on the day which starts 24 months from the day the prior Review was finished.

7. Review Trigger Information Requirements

Complaints

Complaints received about the Company's products must be escalated in accordance with the Company's internal dispute resolution policy. The Managing Director must, within 10 business days following the end of each quarter in a financial year report to the Board:

- (a) whether the Company received complaints in relation to the Company's products during the quarter; and
- (b) the number of complaints received (if any).

Significant dealings outside the target market

Representatives must notify the Managing Director if they become aware of a significant dealing in relation to the product that is inconsistent with this target market determination as soon as practicable but no later than 10 business days after they become aware of the significant dealing.