

Issue Date: 5 October 2022

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**Act**). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of La Trobe Financial’s design and distribution arrangements for the product.

This document is not a summary of the product features or terms of the product. This document does not consider any person’s individual objectives, financial situation or needs. Consumers interested in acquiring this product should carefully read the Letter of Offer (loan agreement) and other loan documents issued to them before deciding whether to proceed.

1. Product Description

Loan Product	La Trobe Financial Residential Everyday Heroes Loan [®] (Full Doc & Lite Doc [®])
Issuer	Perpetual Corporate Trust Limited as trustee for or custodian of a trust or managed investment scheme.
La Trobe Financial Services Pty Limited (ABN 30 006 479 572)	Under the terms of the Letter of Offer (loan agreement), La Trobe Financial is the Issuer’s representative.
TMD Version	2.0

2. Class of consumers that fall within the target market for this product

Consumer Type	<p>Suitable for consumers over the age of 18 who are currently employed by or who were previously employed or actively volunteering for:</p> <ul style="list-style-type: none"> • Australian Defence Force; • Fire and Emergency Service (SES); • Police; or • Emergency Medical Services, <p>and who are:</p> <p>Full Doc Loan</p> <ul style="list-style-type: none"> • PAYG employees; • Self-employed; • Self-funded retirees; or • Pensioners, <p>and able to provide evidence of taxable income (eg payslips and tax returns); or</p> <p>Lite Doc[®] Loan</p> <p>Suitable for consumers over the age of 18 who are self-employed and who prefer not to provide tax returns and instead verify their income with alternative methods such as an accountant’s certificate, Business Activity Statements (BAS) or trading statements.</p>
Likely Objectives and Needs	<p>This Loan Product is likely to be suitable for consumers seeking the following:</p> <ul style="list-style-type: none"> • a term loan secured by residential owner-occupied property; • redraw on the loan at no extra cost, subject to terms and conditions within the Letter of Offer; • flexibility of making additional repayments on their loan; • rate fluctuations through variable rates; • ability to pay principal & interest; and • the option for consumers to also seek the ability to earn Qantas Points (as set out below).

Likely Objectives and Needs <i>(continued)</i>	Qantas Points The consumer can apply for Qantas Points subject to eligibility for, and interest in, acquiring Qantas points. An interest rate loading may be applicable if the consumer wants to earn, and qualifies for, Qantas Points. Overall The purpose for which consumers with the above objectives and needs may seek to obtain this product include: <ul style="list-style-type: none"> • purchase a residential owner-occupied property; • refinance an existing residential property; • consolidate debt; • property renovation; or • release equity in existing residential property for cash out, or for business related purposes.
Likely Financial Situation	Suitable for consumers whose financial situation provides access to income to satisfactorily meet repayment obligations (subject to La Trobe Financial's credit assessment).

Responsible Lending Practices

Only trained and accredited staff with the required lending authority are able to assess loan applications. La Trobe Financial conducts a full credit assessment in line with relevant laws and its internal policies and procedures to ensure that the credit contract is appropriate for the consumer.

3. Consistency between target market and product

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and periodic reviews of the TMD to ensure that these continue to be consistent with the identified class of consumers.

The table below sets out the key attributes of the product, along with a corresponding explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market (as summarised above):

Key attributes of product		Consistency with likely Objectives, Financial Situation & Needs of the class of consumers in the target market
Acceptable security	Residential owner-occupied property within Australia that is able to be secured by a registered mortgage.	Consumers looking to refinance (including through a refinance of existing Issuer Financial debt) or purchase a residential security for owner occupied purposes. The consumer must be able to provide residential security to secure the loan.
Maximum LVR	The maximum LVR is met in accordance with the requirements notified by the Issuer from time to time.	Each Loan Product is likely to be suitable for consumers seeking a loan within the LVR limits listed for each Loan Product.
Loan term	Up to 30 years	This product is likely to be suitable for consumers looking for a loan term up to 30 years.
Loan amount	The loan amount meets the stated minimum and maximum loan amount requirements notified by the Issuer from time to time.	Each Loan Product is likely to be suitable for consumers seeking a loan within the loan amounts listed for each Loan Product.
Repayment type	Principal & interest	This repayment type is likely to be suitable for consumers who are looking to, and are able to, pay down the principal balance over the loan term while paying interest.
Interest rate	Variable	This product is likely to be suitable for consumers looking for rate fluctuations through variable rates. A variable interest rate means the applicable interest rate can increase or decrease during the loan term.
Additional repayments allowed	Yes	This product is likely to be suitable for consumers looking for flexibility with respect to making additional repayments at no additional cost.
Redraw available	Yes (subject to terms and conditions within the Letter of Offer).	The product is likely to be suitable for consumers requiring the ability to redraw at no extra cost.
Qantas Points available	Yes (interest rate loading applies).	The product is likely to be suitable for consumers wanting to obtain Qantas Points (subject to eligibility) and able to meet the additional servicing cost.

4. How this product is to be distributed

This product may only be distributed through one or more of the following channels:

Type of Distribution	Distribution channel	Distribution conditions and restrictions
Direct to Consumer	<p>La Trobe Financial may distribute this product to consumers through the following distribution channels:</p> <ul style="list-style-type: none"> • La Trobe Financial's website; and • by email from La Trobe Financial. 	<p>It is a condition that before the Loan Product is distributed, the distributor provides the loan application to La Trobe Financial for credit assessment.</p> <p>La Trobe Financial conducts a full credit assessment on every loan application ensuring that the objectives, financial situation and needs of the consumer are met.</p>
Third-Party Distribution	<p>La Trobe Financial may distribute this product through the following La Trobe Financial accredited third-party distributors:</p> <ul style="list-style-type: none"> • mortgage managers; • mortgage brokers; and • aggregators. <p>All third-party distributors have their own regulatory obligations.</p>	<p>By virtue of this assessment, those consumers who enter into a credit contract for the product are highly likely to be in the class of consumers for which it has been designed.</p> <p>It is an obligation of the borrower under the terms of the letter of offer and the mortgage to ensure that a level of insurance coverage acceptable to La Trobe Financial is maintained in relation to all secured (mortgaged) properties and La Trobe Financial is named an interested party. The borrower may obtain their policy of insurance via La Trobe Financial (as an authorised representative of Insurance Australia Limited trading as CGU Insurance) or an insurer/insurance broker.</p> <p>Third-party distributors</p> <p>Third-party distributors must hold an Australian Credit License or maintain an appointment as a Credit Representative authorised to engage in credit activities on behalf of a credit licensee.</p>

5. Reviewing this TMD

This TMD will be reviewed by La Trobe Financial on both:

- a scheduled basis (**Periodic Reviews**); and
- where a Review Trigger (as defined below) has occurred.

Periodic Review

La Trobe Financial will complete its first Periodic Review of this TMD within 12 months of the Issue Date. It will conduct subsequent reviews within 12 months of completion of the last review. Based on the outcome of the Periodic Review, it may be determined that a Material Issue has arisen. A **Material Issue** is an event or a circumstance which reasonably suggests that the TMD may no longer be appropriate.

Review Triggers

The events and circumstances described below (**Review Triggers**) will also require a review of this TMD:

- material change to the terms or attributes of the Loan Product;
- where and when the Loan Product is not being distributed and purchased as envisaged by this TMD;
- an event or circumstance that would materially change a factor considered in making the TMD for the Loan Product;
- reporting from multiple distributors of 'significant dealings' in the Loan Product or numerous reports from one distributor of 'significant dealings' in the Loan Product;
- the issuer considers a 'significant dealing' has occurred;
- a sudden and unexpected increase in complaints about the suitability of the Loan Product or distribution of the Loan Product;
- regulatory inquiry by AFCA, ASIC or another regulatory authority as to the design or distribution of the Loan Product; and/or
- the use by ASIC or other regulators of Product Intervention Powers, regulatory orders or directions that affect the Loan Product.

Where a Material Issue has been identified during a Periodic Review or where a Review Trigger (defined above) has occurred, La Trobe Financial will as soon as practicable, or within 6 business days review the TMD. There are several outcomes that can arise from this review:

1. **No action:** La Trobe Financial may determine that the TMD remains appropriate;
2. **Amend or replace the TMD:** An amended or new version of the TMD will be publicly available and provided to distributors within 10 business days of the Material Issue being identified or the occurrence of a Review Trigger;
3. **Cease Loan Product distribution:** If it is determined that the TMD is no longer appropriate within 10 business days of the Material Issue being identified or the occurrence of a Review Trigger, La Trobe Financial will issue an Immediate Cessation of Distribution Notice (**Notice**) to all people and entities distributing this Loan Product. La Trobe Financial and any distributor of the Loan Product must cease distribution of the Loan Product immediately on receipt of the Notice. Product distribution may only resume once a new or revised TMD has been published.

6. Reporting and monitoring this TMD

The following reporting requirements apply to all distributors:

Reporting requirements	Reporting period
Where the distributor is aware or ought to reasonably be aware, it should report on each 'significant dealing' (see guidance below) by completing the Notification of Significant Dealing Form and submitting it to: targetmarketdistribution@latrobefinancial.com.au .	As soon as practicable but no later than 10 business days after the distributor becomes aware of the 'significant dealing'.
Distributors must report to La Trobe Financial (at targetmarketdistribution@latrobefinancial.com.au): <ul style="list-style-type: none"> • if required by law, whether the distributor received complaints¹ in relation to the Loan Product during the reporting period; • the number of complaints it received; and • provide a copy of each complaint, or where this is not possible, report on the substance of the complaint received on the product and its performance. 	Within 10 business days of the end of each quarter.

In determining whether a 'significant dealing' has occurred, La Trobe Financial expects that the following non-exhaustive list of factors may be relevant for distributors:

- whether a customer outside of the target market has acquired the product; and/or
- the extent to which the acquisition of the product by the customer outside of the target market has the potential to harm or has caused harm (including the amount of any financial loss); and/or
- the nature and extent to which the distribution of the product is inconsistent with the TMD.

The above list is not exhaustive and distributors should consider, having regard to the circumstances of their business, whether other factors or events may suggest that a significant dealing has occurred. A significant dealing may be identified through the distributor's product governance arrangements, as a result of a consumer complaint or the occurrence of a Review Trigger. The purpose of having this information is to enable La Trobe Financial to identify promptly whether a Review Trigger, or another event or circumstance that would reasonably suggest that the TMD is no longer appropriate, has occurred.

7. Contact Us

Please contact La Trobe Financial at targetmarketdistribution@latrobefinancial.com.au with any questions or feedback with respect to this TMD.

Historical versions of this TMD and the Notice of Significant Dealing Form are available at <https://latrobefinancial.com.au/loans/residential-solutions/tmd/>.

1. A complaint is "An expression of dissatisfaction made to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required." RG 271.27.