

Rate Money Pty Ltd (Australian Credit Licence 519912), and our related entities and any agent(s) is distributing 'Elevate Construction' on behalf of 'BNY Trust Company of Australia Limited'.

As requested, please find enclosed the Target Market Determination relating to 'Elevate Construction', otherwise known as 'Residential Construction Loan'.

### **What is a Target Market Determination (TMD)?**

- A TMD is a document which describes:
  - the persons for which the product has been designed
  - the conditions around the product's distribution
  - when this TMD will be reviewed, and record keeping and reporting obligations of distributors

### **Why does Rate Money Require TMDs?**

- The Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 introduced the design and distribution obligations as an amendment to Ch 7 of the Corporations Act.
- This law requires Rate Money to have TMDs from the 5th October 2021 for all our financial products.
- The purpose of this law is to ensure that we design and promote our financial products to specified customer types which are suitable for their needs.

### **Is the TMD the same as the Product Terms & Conditions (T&Cs)?**

- No. The TMD does not provide a full description of the T&Cs applying to our products and is not intended to act as financial advice. Its purpose is to describe the type of customer the product was designed for.

# Target Market Determination – Residential Construction Loan

#	Criteria	Residential Construction Loan	
A	Entity responsible for preparing this TMD	BNY Trust Company of Australia Limited – ABN 49 050 294 052 (“Issuer”)	
B	TMD effective date	8 April 2024	
C	Product name	Residential Construction Loan	
D	Customer knowledge	Low complexity	
E	Version Number	V2.0	
F	Review Date	25/08/2025	
1	Product features & Target market description	<b>Key Features</b> <ul style="list-style-type: none"> <li>Construction period up to 18 months</li> <li>Fixed price building contract only</li> <li>Variable rate interest only during construction with progressive drawdown capability. No capitalisation of interest facility, interest payments must be made during the construction loan term</li> <li>At least 4 progressive inspections prior to releasing progressive drawdown funds including: Slab, Lock-Up, Fit Out and Completion</li> <li>Loan can be converted to a standard residential loan after construction completed with a maximum term of 30 years</li> <li>Loan secured against residential properties or vacant land</li> <li>Can be used for construction or renovation of residential properties</li> </ul>	<b>Description of the retail class that comprises the target market</b> <ul style="list-style-type: none"> <li>This product is suitable for retail clients (individuals, trusts, or companies) who are seeking a loan for the construction or renovation of a residential owner-occupied or investment property with interest only repayment during the construction period.</li> <li>Have a fixed price building contract and are ready to start construction within 6 months.</li> <li>Are comfortable with the risk that their interest rate and repayments may go up or down over the construction period of the loan (there is no fixed rate option for the construction period).</li> <li>Are aware that after construction is completed, the loan will be converted to a standard residential loan amortising over the term where the customer can provide security over one or more residential properties and can afford to repay the loan (suitability assessment)</li> </ul>

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		<ul style="list-style-type: none"> <li>Minimum loan amount is \$100,000. Maximum loan amount is \$1,500,000 for a loan secured by a single property, and up to \$3,000,000 group exposure for loans secured by two or more properties. The maximum amount of the loan is further limited by the location and serviceability assessment.</li> <li>Minimum collateral value is \$200,000</li> <li>The amount of the loan will also depend on the loan-to-value ratio</li> <li>Loans to build or improve existing property to NatHERS star rating 7 or more may receive a discount relative to standard construction loan during the term of the construction loan.</li> <li>NCCP and non-NCCP loan purpose scenarios permitted</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to pay a higher rate of interest to construct or renovate a property for investment purposes</li> <li>Are able to service interest payments during the period of construction.</li> </ul> <p>This product would not be suitable for customers who:</p> <ul style="list-style-type: none"> <li>Require certainty of repayments through a fixed interest rate during construction.</li> <li>Do not have a fixed-price building contract or are not ready to commence construction within 6 months.</li> <li>Are unwilling or unable to make interest-only repayments during the construction period.</li> <li>Do not intend to transition to a standard amortising loan after construction.</li> <li>Are not comfortable with construction-related risks, including delays, cost overruns, or changing financial circumstances.</li> </ul>
2	Description of distribution conditions and restrictions	<p><b>Distribution Conditions</b></p> <p>Loans are not distributed by the Issuer directly, and are only distributed via Think Tank Group Pty Ltd ("<b>Think Tank</b>") as agent through the following third parties:</p> <ul style="list-style-type: none"> <li>Brokers</li> <li>Aggregators representing individual brokers</li> <li>Aggregators who have entered into a White Label agreements with Think Tank allowing the Aggregator to distribute the Issuer's products.</li> </ul> <p>(together, the "<b>Distributors</b>").</p> <p>These distribution conditions are appropriate because they are documented agreements with the relevant parties ("<b>Distributor Agreements</b>") which include provisions that:</p> <ul style="list-style-type: none"> <li>Think Tank may accept or reject an Application at its absolute discretion</li> <li>The Distributor agrees to comply with the Distributor Service Procedures and to use reasonable endeavours to ensure that members comply with the Distributor Service Procedures. The Distributor Service Procedures are procedures that Think Tank requires the Distributor and its members to follow as agreed in writing between the parties from time to time</li> </ul>	

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		<ul style="list-style-type: none"> <li>The Distributor must advise members of any reasonable training requirements specified by Think Tank from time to time</li> <li>Think Tank reserves the right to accredit each member in accordance with its specified accreditation process. Think Tank may refuse to accept Applications from any members that have not been accredited in accordance with its required accreditation process.</li> </ul>
3	<b>Review triggers (events and circumstances that reasonably suggest that the determination is no longer appropriate)</b>	<p>This determination will be reviewed whenever there are indications of a need for change to any aspect of the product or product delivery. This includes:</p> <ul style="list-style-type: none"> <li>Internal decisions to amend or modify the product, its features and/or its distribution</li> <li>Any regulatory changes, including court decisions, AFCA determinations and regulatory guidance</li> <li>Changes to economic conditions</li> <li>An unexpected volume of loans in arrears</li> <li>Significant change in customer complaints and/or feedback relating to the product.</li> <li>An unexpected, significant increase in early termination of the product.</li> <li>Any other event that occurs or information received that reasonably suggests the determination is no longer appropriate.</li> </ul>
4	<b>Maximum period from the start of the day the determination is made to the start of the day the first review of the determination is to finish</b>	6 months
5	<b>Maximum period from the date the previous review finished to the start of the day the next review of the determination is to be undertaken</b>	6 months
6	<b>Reporting period for reporting information about the number of complaints about the product received</b>	Distributors are required to provide information about complaints received in relation to the Residential Construction Loan within 10 Business Days after the end of each calendar quarter.

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7	<p>Information needed to enable prompt identification of whether a review trigger, or another event or circumstance that would reasonably suggest that the determination is no longer appropriate, has occurred.</p> <p>For each type of information, specify:</p> <ul style="list-style-type: none"><li>- the regulated persons are required to report the Issuer; and</li><li>- a reporting period for reporting the information under section 994F(5) of the Corporations Act.</li></ul>	<p>The Issuer will collect the following information from each Distributor:</p> <table><tr><th>Complaints &amp; Feedback</th><th>Reporting Period</th></tr><tr><td><p>For each complaint received:</p><ul style="list-style-type: none"><li>• The time and date the complaint was received</li><li>• the substance of the complaint</li><li>• which products the complaint relates to</li></ul><p>Any other general feedback in relation to the product or its distribution</p></td><td>Within 10 Business Days of the end of each calendar quarter.</td></tr><tr><th>Communications from regulators</th><td></td></tr><tr><td><p>Any feedback from any regulator or other industry or consumer body which relates to the product or its distribution</p></td><td>As soon as practicable and in all cases within 10 business days of receipt.</td></tr><tr><th>Significant dealings</th><td></td></tr><tr><td><p>Details of any significant dealings outside the target market including information on:</p><ul style="list-style-type: none"><li>• the volume of the dealing</li><li>• why it is not consistent with the TMD</li><li>• how it was identified</li><li>• any steps taken in relation to the significant dealing outside the target market.</li></ul></td><td>As soon as practicable, and in all cases within 10 business days of becoming aware of the significant dealing.</td></tr></table>		Complaints & Feedback	Reporting Period	<p>For each complaint received:</p> <ul style="list-style-type: none"><li>• The time and date the complaint was received</li><li>• the substance of the complaint</li><li>• which products the complaint relates to</li></ul> <p>Any other general feedback in relation to the product or its distribution</p>	Within 10 Business Days of the end of each calendar quarter.	Communications from regulators		<p>Any feedback from any regulator or other industry or consumer body which relates to the product or its distribution</p>	As soon as practicable and in all cases within 10 business days of receipt.	Significant dealings		<p>Details of any significant dealings outside the target market including information on:</p> <ul style="list-style-type: none"><li>• the volume of the dealing</li><li>• why it is not consistent with the TMD</li><li>• how it was identified</li><li>• any steps taken in relation to the significant dealing outside the target market.</li></ul>	As soon as practicable, and in all cases within 10 business days of becoming aware of the significant dealing.
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This target market determination is not a summary of the terms and conditions of the Residential Construction Loan, and it does not contain all of the conditions or regulations that the Issuer, Think Tank or any Distributor must adhere to in providing the product to any person. This target market determination does not set out the risks of the product and is not to be considered as an offer or invitation to apply for the product. This target market determination does not constitute an opinion, recommendation or advice that any person apply for or acquire the product and does not contain any opinion about any customers' suitability for the product.

For more information on the Residential Construction Loan please visit: <https://www.thinktank.net.au/brokers/residential-products/> The linked page is for general information only and does not form part of this Target Market Determination. It is not an offer, recommendation, or advice. Please consider your circumstances and seek advice if needed.