

Target Market Determination

This Target Market Determination (**TMD**) is made in accordance with Ascent Funds Management Limited’s ACN 089 245 330 (**Manager**) obligation to comply with the Design and Distribution Obligations (**DDO**) under the Corporations Act 2001 as the Manager and responsible entity of the Ascent First Mortgage Fund (**Fund**) ARSN 091 921 827.

The information contained in this TMD is not intended to be general or personal advice and is not a Product Disclosure Statement (**PDS**) – a copy of the Fund’s PDS and TMD are able to be viewed and downloaded at www.ascentfin.com.au or alternatively by contacting the Manager to request this information.

Investors should read the PDS in conjunction with this TMD in full, before deciding to invest in the Fund. We also recommend you consult a licensed financial adviser or other professional adviser if you are unsure if the Fund is suitable for your objectives, financial situation and particular needs.

A reference to an investor in this TMD is a reference to both prospective and actual investors in the Fund.

Issuer and Fund Details

Issuer:	Ascent Funds Management Limited ACN 089 245 330
Issuer AFSL Number:	234763
Fund Name:	Ascent First Mortgage Fund
Fund ARSN:	091 921 827
TMD Approval Date:	5 October 2021
TMD Version:	1

Summary of Fund

The Fund offers investment in specific First Mortgage loans, which are secured by registered first mortgages over legal interests in Real Property in Australia. Each First Mortgage approved by the Manager is a sub-scheme and is separate from other First Mortgages in the Fund. The mortgages are registered in the name of the Manager as Responsible Entity for the Fund and the Manager holds the mortgage on trust for the investors in that specific First Mortgage. Each investor may contribute their funds to one or more First Mortgages.

As the Fund is not a “pooled fund”, investors entitlement to income or capital is based only on their investment in a specific First Mortgage and have no right to the income or capital of other First Mortgages in the Fund.

Target Market Summary

An investment in the Fund is likely to be appropriate for investors seeking a high yielding, fixed term investment that delivers regular income. It is particularly suited to retail investors with a short to medium timeframe of between 3 months to 3 years. In some instances the First Mortgage maybe varied or extended for a further term. Investors will be given 14 days to decide if they do not wish to participate in the variation of the First Mortgage.

A minimum initial investment amount of \$5,000 is required (unless otherwise agreed by the Manager). There is no maximum investment limit.

Excluded Target Market

The Fund is **not suited** to those Investors seeking:

- an “At Call” investment;
- capital growth; or
- guaranteed capital or income.

Target Market

INDICATOR	In Target Market	Maybe in Target Market	Not in Target Market
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Investor objectives, needs and circumstances	Target Market Indicator	Comments including Fund Attributes
INVESTOR TYPE – what type of entity is the investor intending to use to invest in the Fund?		
Individual	In Target Market	The Fund is suitable for and open to all Australian residents over 18 years of age, partnerships, companies, superannuation funds, pension funds, clubs and other non-profit organisations.
Partnership	In Target Market	
Company & or Trust	In Target Market	
Superannuation and Pension Fund	In Target Market	
Clubs and Associations	In Target Market	
INVESTOR OBJECTIVES – what does the investor want to achieve from their investment?		
Capital Growth	Not in Target Market	The Fund’s attributes are a high yielding, fixed term investment that delivers regular income. The Fund is not designed to achieve capital growth.
Capital Preservation	In Target Market	
Capital Volatility	Not in Target Market	An investment in the Fund will be allocated to a specific First Mortgage secured by real property. Upon settlement of a First Mortgage the investor will be notified of the terms of the First Mortgage (Interest rate and Term) by Summary of Mortgage. Investors have 14 days upon receipt of the Summary of Mortgage to notify the Manager they DO NOT wish to invest in this First Mortgage. If the Manager does not receive such a notice, then the investment is fixed for the term of the First Mortgage. (Continued Next Page)
Capital Guaranteed	Not in Target Market	
Withdrawal of capital	In Target Market	

Regular Income distribution	In Target Market	<p>The investment capital is not guaranteed.</p> <p>The First Mortgage amount is limited to 66.67% of the security property valuation which is not more than 3 months old at the time of settlement.</p> <p>Interest is also not guaranteed and is dependent the borrower's payment of interest on the First Mortgage to the Manager.</p> <p>Investors exposure to risk of capital loss or interest is limited to the specific First Mortgage in which they are invested in. The Fund is not a pooled fund.</p> <p>Upon receipt of interest from the borrower, normally monthly, the Manager will distribute regular interest income to each investors nominated bank account. Investors may choose to reinvest interest into the Fund.</p> <p>Upon the due date of a First Mortgage and repayment of the First Mortgage by the borrower the investors capital may be withdrawn from the Fund or alternatively remain in the Fund for investment in a new First Mortgage.</p> <p>If the maturing First Mortgage is to be extended or varied the investor will be notified and receive a new Summary of Mortgage informing them of the terms (interest rate and term). Again, the investor will have 14 days to notify the Manager if they DO NOT wish to invest in the extended or varied First Mortgage.</p> <p>Please note: All of the above is always, subject to the borrower not being in default.</p>
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Investor objectives, needs and circumstances	Target Market Indicator	Comments including Fund Attributes
INVESTOR DIVERSIFICATION NEEDS – whether an investment in the Fund is the Investor’s only investment or part of a diversified portfolio of investment		
Single investment	Maybe in Target Market	A minimum investment amount of \$5,000 is required. There is no maximum amount of investment.
Large percentage of overall investment	In Target Market	Investing solely in the Fund or a single First Mortgage may be suitable for an investor depending on their level of the investment. Investors may wish to diversify their investment in the Fund by investing in a diversified portfolio of First Mortgages to assist meet individual income and timeframe needs.
Small percentage of overall investment allocation	In Target Market	Investors should seek independent financial advice before investing money into the Fund
INVESTOR’S INVESTMENT TIMEFRAME – how long does the Investor want to invest their funds for before they require return of their capital?		
Less than 1 year	Maybe in Target Market	First Mortgage terms are generally between 3 months and 3 years. Upon the due date some borrowers may request the maturing First Mortgage to be extended and or varied for a further term of up to 3 years.
1 -2 years	In Target Market	
2 – 3 years	In Target Market	
3 - 5 years	In Target Market	<p>If the Manager grants an extension of the First Mortgage investors will be offered the opportunity to participate in the extended First Mortgage and each investor will receive a new Summary of Mortgage detailing the interest rate and term. If an investor does not wish to participate in the extended First Mortgage, they must notify the Manager within 14 days to withdraw their capital from the First Mortgage.</p> <p>In accordance with the Fund Constitution and PDS, once money is invested into a First Mortgage and after expiration the 14 day cooling off period, an investor will only be able to withdraw capital if a borrower repays the First Mortgage.</p> <p>In limited circumstances upon receipt of a request to withdraw during the term of the First Mortgage, the Manager has the discretion to consider the withdrawal provided the First Mortgage is not in default.</p> <p>Any approved withdrawal is subject to the Manager being able to arrange a replacement investor to substitute investment in the First Mortgage as well as the replacement investor completing all of the required Fund investment documentation.</p> <p>Investors are encouraged to inform the Manager of their investment timeframe when applying to invest in the Fund so their timeframe maybe considered when allocating their funds to specific First Mortgage investments.</p>
5 years plus	In Target Market	

Investor objectives, needs and circumstances	Target Market Indicator	Comments including Fund Attributes
INVESTOR'S RISK PROFILE – what is the Investor's ability or tolerance to suffer a capital loss?		
Very high	In Target Market	<p>The Fund is likely to be appropriate to a range of investors seeking a higher yielding income producing investment secured by registered first mortgage over real estate. The attributes of suitable target market are investors with some tolerance to suffer a capital loss.</p> <p>Investors with low tolerance to suffer a capital loss would not be considered a suitable target market.</p> <p>The Manager, nor its associates, directors or related parties guarantee the repayment of capital or income. An investor's right to repayment of their capital is linked to:</p> <p>(a) the Borrower repaying the First Mortgage amount; or</p> <p>(b) the investors entitlement pertaining to the net settlement proceeds available to the Manager after enforcing its rights to the sale of the property securing the specific First Mortgage.</p>
High	In Target Market	
Medium	In Target Market	
Low	Not in Target Market	

Investor objectives, needs and circumstances	Target Market Indicator	Comments including Fund Attributes
INVESTOR'S LIQUIDITY REQUIREMENTS – how quickly does the Investor need to be able to withdraw their investment?		
Daily	Not in Target Market	Investor withdrawal of money is available upon: (a) if a Borrower repays the First Mortgage; or (b) at the discretion of the Manager; or (c) money held in the Managers Trust account pending allocation to a First Mortgage maybe withdrawn at any time.
Weekly	Not in Target Market	Upon investment, investors funds will be held in the Fund's trust account pending allocation to a First Mortgage and may be withdrawn at any time, prior to allocation to a First Mortgage, upon written request to the Manager. All unallocated funds are held in the Fund's trust account with an Australian bank.
Monthly	Not in Target Market	The Fund offers investments in First Mortgages for a fixed term. The term of investment will depend on the term of the First Mortgage in which you have invested, which will be specified in the Summary of Mortgage.
Quarterly	Not in Target Market	When the term of the First Mortgage ends, the Manager will contact the borrower who may elect to either repay, vary or extend the term of the First Mortgage.
Yearly	Maybe in Target Market	If the borrower repays the First Mortgage, investors may withdraw their money from the Fund or leave it in the Fund's trust account pending allocation to the next available First Mortgage. If the Manager agrees to vary or extend the First Mortgage, (which is subject to the Manager's approval being granted in accordance with the Lending Criteria and Valuation Policy), investors will be provided with a new Summary of Mortgage and given 14 days to decide if they do not wish to participate in the extended First Mortgage.
Upon Repayment of the specific First Mortgage	In Target Market	In limited circumstances your funds may be permitted to be withdrawn prior to the expiration of the term or repayment of the First Mortgage, where the First Mortgage is not in default.
		Investors wishing to withdraw in these circumstances must submit a written request to the Manager, the approval of which is subject to the discretion of the Manager and the availability of replacement funds from a replacement investor. The Manager cannot guarantee this and is under no obligation to do so. You may be liable for costs associated with the withdrawal of money including any interest adjustment made by the Manager as a consequence of finding a replacement investor. A withdrawal fee of \$150 may also be charged. IMPORTANT: Where there is a delay between the Due Date of the First Mortgage and either full repayment, variation or extension of the First Mortgage, caused by a delayed property settlement, refinance or obtaining a new valuation, the Manager may extend the First Mortgage on a monthly basis for up to 6 months, providing the borrower continues to pay interest each month. Investors will continue to receive interest until full repayment or variation of the First Mortgage is concluded. Investor's capital will be returned once full repayment of the First Mortgage has been received from the borrower.

Appropriateness

The Manager has considered its Fund and formed the view that the Fund, including its key attributes, is likely to be consistent with the likely objectives, financial needs and circumstances with the likely objectives, financial needs and circumstances of investors in the target market as set out in the Detailed Description of the Target Market tables in this TMD.

Distribution Conditions

The Manger has considered its current distribution channels, which include direct distribution resulting from word of mouth, existing investors, the Managers website and distribution through licensed financial advisers who have long standing relationships with the Manager and sound knowledge of the Fund.

Having regard to the history and nature of this proven distribution network, the Manager is confident that continuing to distribute the Fund through this network will concentrate distribution to the Target Market. Therefore, no further distribution conditions apply to the Fund.

Significant Dealings

In the context of the Fund and it's attributes, the Manager considers a significant dealing would be more than **20 Investors** acquiring an interest in the Fund, **in a 3-month period**, that are **in the Excluded Target Market**.

Reviews of the TMD

The Manager will review this TMD on at least an annual basis. The maximum period of time from the date of issue/last review within which a TMD must be reviewed again is each September before the 5 October.

Other triggers for review of this TMD include:

- material changes in the law affecting the Fund and its suitability for the Target Market;
- events affecting similar products as the Fund in the market which may impact on the Fund;
- major impacts in the real estate market which may impact on the Fund;
- 10 or more dealings in the Fund to Investors in the Excluded Target Market, within a three-month period.

Distributor Reporting Requirements

All Distributors of the Fund are required to report the following information to the Manager by emailing the information to enquiries@ascentfin.com.au within the specified timeframes below:

Reporting Matter	Reporting Timeframe
Complaints: a complaint about the Fund product (design, availability or distribution), as distinct from any complaint about financial advice provided or in connection with management of the Fund.	Within 10 business days of the end of each quarter (March, June, September and December).
Significant Dealings: where the Distributor has recommended to 20 investors in a 3-month period who are not in the Target Market that they acquire an interest in the Fund or provide a Fund PDS and TMD to 20 investors in a three-month period who are not in the Target Market.	As soon as practicable, but no later than 10 business days after the distributor becoming aware of the significant dealing.

<p>Request for additional product information:</p> <p>Distributors retail clients seeking additional information about the Fund product, if more than 10 enquiries annually.</p>	<p>Each 12 month period expiring on 30th September.</p> <p>The Manager will consult with the distributor to review and update product knowledge to ensure comprehensive product information is informed to the Target Market.</p>
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Legal Disclaimer

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (the Act). It sets out the class of consumers for whom the Fund, including its key attributes, would likely be consistent with their likely objectives, financial needs and situation. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of the Managers design and distribution arrangements for the Fund.

This TMD is not a PDS, it should be read in conjunction with the PDS. The TMD does not take into account any potential or current investors likely objectives, financial needs or circumstances.

Investors interested in acquiring an interest in the Fund should carefully read the PDS and this TMD in full. We also recommend that before making a decision to invest in the Fund you should consult a licensed financial advisor or other professional advisor.

The PDS and TMD may be viewed at www.ascentfin.com.au