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Australian Credit Licence Number 386803

Target Market Determination

This Target Market Determination (**TMD**) is made by Rivwest Finance Limited (**Company**) and is required under section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**). It sets out the class of consumers for whom the Company's products, including their key attributes, would likely be consistent with the consumer's 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 Rivwest Finance Limited design and distribution arrangements for the product.

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

Capitalised terms have the meaning given to them in Prospectus 24 dated 15th March 2024 (**Prospectus**), unless otherwise defined. The Prospectus can be obtained by contacting the Company on 02 6882 0090 or by email on admin@rivwest.com.

1. Product description

The Company offers investors the opportunity to purchase 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 three months and 60 months). Details of the interest rates current at any given time are available on the application form.

For all investments with a term of 12 months or more, if the questionnaire is not returned, the Company will endeavor to make contact with the investor (whether in person, by phone or by email) to either ensure the return of the questionnaire, or to enable the Company to complete the questionnaire in accordance with the investor's instructions.

For investments with a term between three months and 12 months, the Company will make an assessment of the risk of the investor no longer being in the target market, partly in reliance on the currency of the most recent questionnaire provided by the investor (provided the questionnaire is not more than 12 months old) in conjunction with any personal knowledge of an investor's circumstances, to determine whether the investor should be excluded from the target market.

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 secured by a second ranking charge over the assets of the company.

2. Target Market Summary

The class of consumers that comprises the target market for the products are consumers who want a fixed interest, fixed term investment, where the assets of the Company consist primarily of a loan portfolio secured by real estate, plant and equipment, and insurance policies, and where a trustee approved under the Corporations Act has been granted security over the assets of the Company to hold for the benefit of the consumers.

The Notes are likely to be appropriate for investors who, having regard to their likely objectives, financial situation and needs:

- are seeking regular income distributions;
- are prepared to commit their funds for a fixed term over a short or medium timeframe, with only a very limited opportunity to redeem their funds early in the case of hardship and at the absolute discretion of the Company; and
- have a high to medium ability to bear the loss of the funds invested (risk profile), as while a trustee holds security on behalf of investors, there is no guarantee that the security will ultimately be sufficient to ensure all the monies invested with the Company are repaid.

The Notes are not appropriate for investors who seek, (and such investors do not form part of the target market):-

- a guaranteed return of capital or capital preservation, as while the Company is satisfied that the security held by a Trustee on behalf of investors is reasonably likely to be sufficient to repay investors, there is no guarantee that the assets will be sufficient to guarantee that investors will be repaid in full;
- capital growth, as investors will receive on the maturity of their investments only the amount invested on a dollar for dollar basis;
- ready access to their funds, as funds are invested for a fixed term and can only be redeemed earlier at the discretion of the Company;
- a longer term "set and forget" investment, as the terms of the investments offered by the Company are comparatively short, with a maximum of 60 months, and require investors prior to the maturity of their investment to elect whether to have their funds redeemed or to re-invest them with the Company;
- a no-risk, or very low risk investment, as the Company's products are not comparable to bank deposits, and while a trustee holds security for the repayment of the funds invested with the Company, there is no guarantee that the security will be sufficient to ensure all investors are repaid in full; and
- a product suitable as an investment to form all or the greater part of their investment and asset portfolio, as the risk profile of the Company's products means that they are best suited as part of a diversified asset and investment portfolio.

3. Fund and Issuer identifiers

Issuer	Rivwest Finance Limited
Issuer ACN	073 358 666
Issuer AFSL	497169
Date TMD approved	9 th November 2023
TMD Version	Version 2
<i>TMD Status</i>	<i>Current</i>

4. Description of Target Market

This part is required under section 994B(5)(b) of the Act.

Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, a consumer is unlikely to be in the target market for the product if **one or more** of their Consumer Attributes correspond to a **red** rating.

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/green rating methodology with appropriate colour coding:

In target market	Not considered in target market
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Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a *High* or *Very High* risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is *Low* or *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

Consumer attribute	TMD Indicator	Product description including key attributes
Investment objective		
Income distribution	In target market	Interest on fixed term Notes is payable either at maturity or at regular intervals of monthly, quarterly, half-yearly or annually, based on client instructions.
Capital preservation	Not in target market	The Company has granted to the trustee for the noteholders security over all of the Company's assets. While the Company is satisfied that the security is reasonably likely to be sufficient to repay investors, there is no guarantee that the assets will be sufficient to ensure that investors will be repaid in full.
Capital guarantee	Not in target market	As stated above, there is no guarantee that investors will be repaid. The Notes are not covered by the depositor protection provisions of the <i>Banking Act 1959</i> (Cth).
Capital growth	Not in target market	The Notes are redeemed at their issue price.

Consumer attribute	TMD Indicator	Product description including key attributes
Intended product use		
Small allocation (<25% of portfolio)	In target market	The Company's assets consist primarily of loans on the security of first mortgages of real-estate in diverse sectors and with diverse geographical locations. However the Notes themselves represent a single asset class, and are therefore not suitable for a core or standalone allocation of a consumer's investable assets.

Core allocation	Not in target market	Investors should consider the Notes as part of a diversified portfolio when investing in the Notes.
Standalone allocation	Not in target market	

Consumer attribute	TMD Indicator	Product description including key attributes
Investment timeframe		
Short	In target market	The Company offers Notes for terms of 3, 6, 9 and 12 months.
Medium	In target market	The Company offers Notes for terms of 18 months and up to 60 months.
Long	Not in target market	The Company does not offer any products for investors seeking an investment for a longer term than 60 months.

Consumer attribute	TMD Indicator	Product description including key attributes
Need to withdraw funds		
At maturity	In target market	Noteholders may prior to the maturity date of their investment give notice that they wish to redeem their Notes on the maturity date.
During the term	Not in target market	The Company may in its absolute discretion, allow early redemption of fixed term Notes in special circumstances, such as hardship or on compassionate grounds.
Daily, or at call	Not in target market	

Consumer attribute	TMD Indicator	Product description including key attributes
Risk profile		
Low	Not in target market	While the return of capital is not guaranteed, the Company expects that investors will be repaid in full upon maturity of their investment. As stated above, the Company is satisfied that as at the date of this Target Market Determination, the charge over the whole of its assets held by a trustee on behalf of noteholders is sufficient and is reasonably likely to be sufficient to meet the liability for repayment of all investors' funds.
Medium	In target market	
High	Not in target market	
Very high	Not in target market	

Appropriateness to the target market

The Company considers that its products, based on an analysis of their key terms, features and attributes, are likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market as outlined above.

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 offered to.

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 274.161 of ASIC Regulatory Guide 274 Product design and distribution obligation);
- (d) within 10 business days of becoming aware of any event that suggests this TMD is no longer appropriate; and
- (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 Melbourne Securities Corporation Limited (**Trust Deed**), or Chapter 2L of the Corporations Act;

- (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;
- (vii) the Company receives a complaint that concerns the design or distribution of its products; or
- (viii) external events such as adverse media coverage or regulatory attention.

Upon becoming aware of a Review Trigger, or a potential Review Trigger, the Company Secretary of the Company (**Company Secretary**) will 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. Distribution Conditions

The Company distributes the Prospectus for its products in hard copy in response to requests made directly to the Company.

Only select, experienced representatives of the Company that have undergone internal training and have demonstrated competence and knowledge in relation to the Company's products and the target market for the Notes (**Representatives**), are able to distribute the Notes. Representatives engage directly with applicants, either in person or over the phone, and ask questions designed to screen out applicants from outside the target market before accepting an application.

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. To the extent that investors are referred to the Company or Notes by a third party of their own volition, the Company will not compensate the referring party, and Representatives of the Company will undertake the screening process described above in full in respect of any such investors.

The Company will send a notice to investors whose investments are approaching maturity not less than 4 weeks before the maturity date of the investment, requesting the investor's instructions as to whether the investor wishes the investment to be repaid or to be reinvested for the same term, or into another product with a different term.

The notice will include a questionnaire designed to assist the Company in determining whether the investor remains within the target market for its products.

If the Company, having exercised reasonable diligence, is unable to obtain a new questionnaire from the investor, or to make personal contact with the investor, and having determined that it is reasonable to conclude that the investor remains within the target market, will rollover the investment for the same term at the then current interest rate, but on the basis that the investor will have the right to redeem the investment on 31 days' notice. If contact is subsequently made with the investor, who confirms the investment for the rolled over term, the right to redeem on 31 days' notice will lapse.

The Company has determined that the distribution conditions and restrictions described above will make it likely that consumers who invest in the Company's products are in the class of consumers for whom they are designed. The Company considers that the distribution conditions are appropriate and will assist distribution in being directed towards the target market.

7. Periodic Review

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

- (a) for the first review, on the day which starts 6 months from the date this TMD is made; and
- (b) for each subsequent Review, on the day which starts 6 months from the day the prior Review was finished.

8. Complaints Reporting

The Company Secretary must at the end of each quarter in a financial year report to the Board in writing:

- (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).

9. Significant dealings outside the target market

Representatives must notify the Company Secretary if they become aware of a significant dealing in relation to the products that is inconsistent with this target market determination as soon as practicable but no later than 7 business days after they became aware of such dealing.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).

Term	Definition
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
Short (≤ 1 year)	The consumer has a short investment timeframe and may wish to redeem within one year.
Medium (> 1 year)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long (> 8 years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.
Consumer's Risk (ability to bear loss) and Return profile	
<p>Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the Standard Risk Measure Guidance Paper For Trustees. SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.

Term	Definition
	Consumer typically prefers defensive assets such as cash and fixed income.
Medium	<p>The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
Consumer's need to withdraw money	
<p>Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in completing this section.</p>	
Daily, Weekly, Monthly, Quarterly, Annually or longer	The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.
Distributor Reporting	
Significant dealings	Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.

Term	Definition
	<p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> (a) they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or (b) they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer). (c) In each case, the distributor should have regard to: <ul style="list-style-type: none"> (i) the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), (ii) the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and (iii) the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer). (d) Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if: <ul style="list-style-type: none"> (i) it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, (ii) the consumer's intended product use is <i>Solution / Standalone</i>, or (iii) the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is <i>Low</i>.