TARGET MARKET DETERMINATION

ArtPay Pooled Mortgage Fund

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 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 Melbourne Securities Corporation Limited's and DomaCom Australia Limited's design and distribution arrangements for the product.

This document is **not** a 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 Product Disclosure Statement (**PDS**) for before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained at:
www.domacom.com.au

Fund and Issuer Identifiers:

Issuer	Melbourne Securities Corporation Limited
Issuer ABN	ACN 160 326 545
Issuer AFSL	428289
Manager	DomaCom Australia Limited
Manager ACN	153 951 770
Manager AFSL	444365
Issuer	DomaCom Australia Limited
Issuer ABN	ACN 153 951 770
Issuer AFSL	444365
Fund	DomaCom Fund
ARSN	167 020 626

DomaCom

APIR Code	DMC6070AU
ISIN Code	AU60DMC60709
Effective Date	19th May, 2022
TMD Version	V1.0
TMD Status	Current

Product Description	The ArtPay Pooled Mortgage Fund is a form of Loan Sub-Fund that holds a series of loan investments, rather than a single loan, as its underlying assets. It will primarily deliver an interest rate return by lending money to art buyers in return for monthly capital and interest payment and has several particular features. Loans will only be made available to approved corporate entities, self-managed superannuation funds or trusts. The Sub-Fund will have the following characteristics: • Mitigation of borrower default risks by securing loan monies through first or second ranking mortgages registered on the title of real property owned by the borrower. • Charges registered on the Personal Property Securities Register (PPSR) over the artwork, business assets and receivables of borrowers. • The requirement that borrowers will be required to take out and maintain insurance against theft and damage over artwork purchased for the duration of the Underlying Loan. DomaCom Fund will be noted as an interested party on the insurance policy. • A maximum Loan to Value Ratio (LVR) of 75% against the mortgage. This means the borrower's debt cannot exceed 75% of the current value of the real property secured by the first or second ranking mortgage. Typically, it is expected the LVR on most Underlying Loans will be 70%. Note however that the Lender (DomaCom Loan Pty Ltd) may, at its discretion (on the recommendation of ArtPay) impose a lower maximum LVR where it believes that a lower rate is required to further mitigate the investment risk or may at its discretion decide to raise the LVR for an Underlying Loan to 75% depending on the locality of the security. • The minimum target interest rate on loans will be 9% per annum (plus an adjustment for fees associated with the Sub-Fund). • Investment funds will only be utilised to provide loans to purchasers of artwork through the ArtPay Lending Process (refer to section 3.3 "Investment Criteria" of the SPDS). • The maximum loan term for each Underlying Loan will be 12 months. Underlying Loans are to be repaid in equal monthly instalments. • All prospective Underlying Loans are subject to a due diligence and credit process conducted by ArtPay on behalf of the Sub-Fund.
Target Market	**Needs, Objectives and Financial Situation of the Target Market** **Class of Customer** This product is targeted at the class of customer which meets the below needs, objectives and financial situation. **Needs and Objectives** This product is designed for individuals or entities who: - Want to invest in loan assets that will usually offer higher yields than comparable-maturity government bonds, term deposits or bank deposits. - the objective of security is received by a first or second registered mortgage security not exceeding 75% of Loan to valuation. - Wants to manage their risk by investing in a pool of loans - Seek an opportunity to gain an exposure to an additional asset class which will assist in diversifying their investment portfolio. **Financial Situation** This product is designed for individuals or entities who: - May not have the capacity to fund a whole loan as an investment.

- Are willing to tolerate borrower default risk in order to receive a high yield against a secured loan.
- Understand the liquidity options available to them to exit their investment either through the expiry of the investments term, wind-up of an investment through unitholder vote or the sale of units via the DomaCom liquidity facility.

Term
The initial term of this Sub-Fund is 10 years.

Within the SPDS there is a quarterly ‘redemption’ option, which is not guaranteed and at the discretion of the Trustee.

Note: DomaCom operate an online liquidity facility which may enable unitholders to sell their units.

TMD Indicator

Based on the Product Description and Target Market described above, the TMD Indicator, indicates whether a consumer meeting the following attributes is likely to be in the target market for this product:

In target market Potentially in target market Not in target market

Consumer Attributes			
Investment Objective	TMD	Intended Product Use	TMD
Capital Growth		Solution/Standalone (>75%)	
Capital Preservation		Core Component (25-75%)	
Capital Guaranteed		Small Allocation (<25%	
Income Distribution			
Investment Timeframe	TMD	Risk and Return Profile	TMD
Short (<2years)		Low	
Medium (>2years & <8years)		Medium	
Long (>8years)		High	
		Very High	
Need to withdraw money	TMD	Other (Specify)	TMD
Daily			
Weekly			
Monthly			
Quarterly			
Annually or longer			

Distribution Conditions

This product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the Product Disclosure Statement (as amended from time to time) and is subject to the following further Distribution Conditions:

- Can be distributed to retail investors via the DomaCom Fund Product Disclosure Statement
- Consumer must accept the Supplementary Product Disclosure Statement for a specific investment opportunity
- Consumer must acquire the product through a financial adviser under Personal or General Advice or directly from DomaCom.

Initial Review	Within one (1) year of the effective date
Periodic Reviews	At least every two (2) years from the initial review
Review Triggers & Information Requirements	Where the issuer or DomaCom determines that any of the below triggers has occurred, this TMD will be reviewed:

	Review Trigger	Information Requirements	Provider	Reporting Frequency
	Changes	Material change to key attributes, investment objective and/or fees	Chief Compliance and Risk Officer	As required
	Complaints	The number, nature and outcomes of complaints received.	Chief Compliance and Risk Officer	Bi-Monthly
	Significant dealing outside the target market	The nature and circumstances of the significant dealing, the number of consumers affected and report whether consumer harm or detriment has or is likely to occur.	Head of Platform and Client Service	Bi-Monthly
	Dealings outside the market	A financial adviser must confirm, within the product application form, whether: -they believe the consumer is in the Target Market, -the product application supports the implementation of personal product advice, and -where applicable, the reasons why the consumer is not in the Target Market.	Distributor/Adviser	Bi-Monthly

Distributor Reporting Requirements This part is required under section 994B(5)(g) and (h) of the Act.		
Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A (1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under s994F (6) of the Act. See Definitions for further detail.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.	All distributors
To the extent a distributor is aware of dealings outside the target market these should be reported to the issuer, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the Issuer. Distributors must report to the Issuer using the quarterly compliance report or other method specified by the issuer and should send reports to the issuer via email to trustee@msc.group with the subject line 'DDO Reporting – DomaCom Fund'. The Issuer can also be contacted in relation to this TMD on 1300 190 198.

This TMD is issued by Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289 in its capacity as the responsible entity and issuer of the interests in the managed investment scheme referred to in this TMD. This TMD includes general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and read the product disclosure statement for the product. The PDS can be obtained at www.domacom.com.au.

To the maximum extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This TMD does not constitute a financial product recommendation or an offer or solicitation with respect to the purchase or sale of the product in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Definitions	
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 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 Investible 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 investable assets (see definition below). The consumer typically prefers exposure to a product with at least High *portfolio diversification* (see definitions below).
Core component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total investable assets (see definition below). The consumer typically prefers exposure to a product with at least Medium *portfolio diversification* (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 investable assets (see definition below). The consumer is likely to be comfortable with exposure to a product with Low *portfolio diversification* (see definitions below).
Investible Assets	Those assets that the investor has available for investment, excluding the family home.
Consumer's intended investment timeframe	

Short (≤ 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (> 2 years)	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	
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. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	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. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
High	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. 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.
Very High	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). Consumer typically prefers growth assets such as shares, property and alternative assets.
Consumer's need to withdraw money	
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. 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. Dealings outside this TMD may be significant because: • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or

	• 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). In each case, the distributor should have regard to: • the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), • 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 • 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). Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if: • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, • the consumer's intended product use is Solution / Standalone, or • the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is Low.