



# Target Market Determination

For Australia Pacific Income Fund ARSN 159 529 530

## 1. About this document

This target market determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**). This TMD seeks to provide consumers and distributors with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market. Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD, unless the distribution is excluded conduct.

This document is **not** to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Product Disclosure Statement (**PDS**) and any supplementary documents which outline the relevant terms and conditions of the product when making a decision about this product.

Australia Pacific Income Fund Ltd, AFSL No. 416441, ACL 463964, ABN 32 140 213 690 (**Responsible Entity**) is the responsible entity of the Australia Pacific Income Fund ARSN 159 529 530 (**Fund** or **APIF**). This TMD relates to interests in the Fund. The Responsible Entity is the issuer of this TMD. This TMD is dated April 9<sup>th</sup> 2026.

## 2. Class of consumers that comprises the target market

The information below summarises the overall class of consumers that fall within the target market for APIF.

This product has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes).

Investment in this product is for those who:

- **Investment objective:** seek to receive stable income distributions;
- **Investment term:** seek a short to medium investment term between 6 months and 24 months;
- **Portfolio allocation:** seek an investment that comprises of a minor (up to 25%) allocation in their investment portfolio;
- **Risk tolerance:** have a high risk tolerance (with risk tolerance defined as the level of financial uncertainty and potential loss an investor is willing and able to accept when pursuing financial goals); and
- **Liquidity needs:** are unlikely to need access to their invested funds whilst they are invested.

### 3. Product description and key attributes

| Objectives, financial situation and needs of an investor  | Product description and key attributes  |
|---|---|
| Investment objective:<br>Income distributions             | <p>The Fund is a contributory mortgage fund. The investment objective of the Fund is to provide investors with direct and/or indirect exposure to loans secured by first-ranking mortgages over residential and commercial property located in Australia (<b>Mortgage Investments</b>). Loans generally must not exceed a set loan-to-valuation ratio of 80%.</p> <p>The Fund is an Australian unit trust and is a registered management investment scheme. Investors are entitled to receive income or capital distributions in proportion to the amount they contributed to the Fund (or a class within the Fund). The Responsible Entity anticipates making fixed distributions of income to investors on a monthly basis.</p> |
| Investment term: Short to medium (6 months to 24 months)  | Anticipated timeframes for Mortgage Investments will generally range from 6 months to 24 months.  |
| Portfolio allocation:<br>Satellite allocation (up to 25%) | An investment in a particular Mortgage Investment provides very low diversification by geographic locations, sectors and asset class and is therefore only suitable as a satellite allocation of an investor's entire portfolio.  |
| Risk tolerance: High                                      | <p>The risks associated with a specific Mortgage Investment will vary due to, for example:</p> <ul style="list-style-type: none"> <li>• the type of security property;</li> <li>• the location of the security property;</li> <li>• the priority of the mortgage security;</li> <li>• the term of the investment; and</li> <li>• the likelihood of early repayment by the borrower.</li> </ul> <p>A Mortgage Investment is generally high risk in nature and is likely suitable for an investor seeking high returns with an ability to bear capital loss.</p> <p>It is important that investors consider this in light of their acceptable risk and return profile for their entire portfolio.</p>                               |
| Liquidity needs: No access to funds                       | Due to the illiquid nature of the Fund's assets, the Responsible Entity is unlikely to accept withdrawal requests or make any withdrawal offers during the term of a Mortgage Investment. Therefore, this product is not suitable for consumers that may require access to their invested funds, other than interest income, during the term of the investment.   |

### 4. How this product is to be distributed

#### Distribution channels

This product is designed to be distributed through the following means:

- Online marketing – generally via direct e-mails and via the website of the Responsible Entity at [www.austpacific.com.au](http://www.austpacific.com.au);
- Financial advisers; and
- By third party distributors including by a related party distributor (Australia Pacific Funds Management Pty Ltd).

#### Distribution conditions

This product should only be distributed under the following circumstances:

- To individuals and/or companies that meet the eligibility requirements in accordance with this TMD and any relevant legislation; and
- All retail clients must complete a questionnaire of filtering questions contained within the application form.

### Adequacy of distribution conditions and restrictions

Distribution is based on an assessment of the distribution conditions and restrictions, including that they are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed. In particular:

- **Personal advice:** this distribution condition is likely to assist in distribution being directed towards the target market for whom the product has been designed because financial advisers providing the advice must consider the investor’s individual circumstances and comply with their best interests duty and related obligations under Part 7.7A of the Corporations Act.
- **Filtering questions:** this distribution condition is likely to assist in distribution being directed towards the target market for whom the product has been designed because it assists the Responsible Entity in determining whether the product is suitable for an investor.

### 5. Reviewing this target market determination

We will review this target market determination in accordance with the below:

|                         |   |
|-------------------------|---|
| <b>Initial review</b>   | The initial review occurred on 15 February 2024.  |
| <b>Periodic reviews</b> | Annually from the initial review.   |
| <b>Review triggers</b>  | <ul style="list-style-type: none"> <li>● A material change to the design or distribution and key attributes of the product, including related documentation;</li> <li>● The Responsible Entity believes a ‘significant dealing’ has occurred;</li> <li>● Material changes to the frequency and payment amounts of distributions to investors;</li> <li>● External events such as adverse media coverage or regulatory attention;</li> <li>● Significant regulatory changes negatively impacting the capability of the Responsible Entity to adequately and efficiently maintain the product or target market;</li> <li>● Material events (e.g. complaints, breaches, performance issues, loan defaults) affecting the Responsible Entity’s capacity to meet the requirements of the Fund’s investors; and</li> <li>● Inability to obtain sufficient insurance at reasonable cost, leading to the Responsible Entity being unable to issue units in the Fund to retail investors.</li> </ul> |

‘Significant dealing’ is not defined in the Corporations Act. The Responsible Entity will consider (amongst other things) the following factors when determining whether a significant dealing has occurred:

- the proportion of consumers who acquire the product outside the target market;
- the actual or potential harm to consumers arising as a result of consumers acquiring the product who are outside the target market;
- the nature and extent of the inconsistency of distribution with the TMD;
- proportion of gross income obtained in respect of consumers who are not part of the target market acquiring the product; and
- the time period in which the acquisition of the product by consumers outside the target market occurred.

The following criteria are indicative of a significant dealing:

- a consumer intending to use the Fund as a ‘standalone’ allocation for their portfolio acquiring the product;
- a consumer with a low risk/return profile acquiring the product; or
- a consumer making repeated requests for redemptions from the Fund prior to expected redemption date.

Where a review trigger has occurred, or any event or circumstance occurs that suggests the TMD is no longer appropriate, this target market determination will be reviewed within 10 business days.

## 6. Reporting and monitoring this target market determination

Distributors of this product must report the following information to the Responsible Entity:

|                             |   |
|-----------------------------|---|
| <b>Complaints</b>           | All distributors will report all complaints (as defined in section 994A(2) of the Corporations Act) in relation to the product(s) covered by this TMD. This will include the number of complaints and written details of the complaints, including general feedback provided regarding the performance of the product.<br>This information must be reported to the Responsible Entity within at least 10 business days of receipt of the complaint. |
| <b>Significant dealings</b> | All distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days of the occurrence of such event or dealing.  |