

# TARGET MARKET DETERMINATION

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<b>Product:</b>	ASAG Reverse Mortgage
<b>Made by:</b>	Panthera Leo Pty Ltd trading as Australian Seniors Advisory Group ABN: 55 604 197 275 Australian Credit Licence Number 481816
<b>Version No.:</b>	1.1
<b>Date Made:</b>	18 October 2021
<b>Last Review Date:</b>	-
<b>Ceased Date:</b>	In Use

## Target Market

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Clients in the ASAG Reverse Mortgage target market are clients who are at least 60 years old and looking to access the wealth in their residential property and one or more of the following applies:

- the client wishes to retain possession and the ability to remain living in the property;
- the client wishes to fund a more comfortable retirement or lifestyle while benefitting from any potential increase in the property value;
- the client does not want to make regular loan repayments;
- the client is unable to access other loan products due to their age or other suitability issues;
- the client is looking for flexible drawing and repayment options and the ability to re-draw on any voluntary repayments;
- the client wants the benefit of the protections and safeguards afforded by a reverse mortgage (including, occupancy for their lifetime or until such time as they enter into a retirement or aged care facility and no negative equity guarantee);
- the client has a low level of savings;
- clients who are residing in or planning to move to permanent long-term care or at-home care and wish to retain their current residence;
- clients who own a holiday or investment property and would like to use it as security;
- clients who require a reverse mortgage as part of their investment strategy or finance structure; or
- clients who have financial needs that can be satisfied by an ASAG Reverse mortgage.

The following eligibility characteristics apply to the ASAG Reverse Mortgage:

- the borrower/s are at least 60 years old;
- the borrower/s own a residential property which is either their primary place of residence or their non-owner-occupied property (holiday home or investment property);
- the borrower/s have obtained independent legal advice to allow them to understand the nature of their obligations under an ASAG Reverse Mortgage and provided a certificate of independent legal advice to demonstrate that they have received the advice; and

- the borrower/s have had the opportunity to and if deemed appropriate, obtain suitable financial advice considering the suitability of an ASAG Reverse Mortgage for the customers individual circumstances including the implications on Centrelink entitlements, any potential bequest, and future aged care needs.

The ASAG Reverse Mortgage is considered unsuitable for consumers where:

- the consumer is under the age of 60;
- the consumer does not own any residential property;
- the consumer does not have sufficient equity available in their property;
- the consumer does not wish for their property to have a mortgage registered over it;
- the consumer will likely require the full proceeds of a sale of their property to fund their financial needs in retirement; or
- the consumer is likely to suffer either a loss of eligibility or a reduction in the aged pension as a result of the ASAG Reverse Mortgage and is unable or unwilling to take measures to ensure that the consumer is not significantly impacted as a result.

## Distribution Conditions

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### Advertising

The product is advertised via the following mediums:

- online marketing linking to the ASAG website targeted at consumers and relatives of consumers that are reasonably likely to fall within the Target Market;
- print advertising in media that maintains a large readership of consumers that are reasonably likely to fall within the Target Market; and
- radio advertising on channels that target consumers that are reasonably likely to fall within the Target Market.

All advertising content is designed specifically to target the Target Market.

### Distribution Channel

Regardless of the advertising medium that introduced the consumer to ASAG, the consumer must complete the same application process either via the ASAG Website and/or over the phone with an ASAG staff member.

All ASAG staff members who deal with consumers receive regular training in relation to the ASAG Reverse Mortgage including the key attributes of the product and how to recognise and deal with vulnerable customers and elder financial abuse.

All documentation is delivered to the customer by email unless the customer requests an alternative delivery method or an alternative delivery method is required in order to comply with relevant regulation (eg. delivery by post). All documentation must be reviewed by an independent legal advisor.

## Review Triggers

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The following review triggers apply for the ASAG Reverse Mortgage:

- a material change to the ASAG Reverse Mortgage Terms and Conditions
- a material change to the key attributes of the ASAG Reverse Mortgage that is likely to result in it no longer remaining consistent with the likely objectives, financial situation and/or needs of the consumers in the Target Market.
- a material change to the Distribution Conditions associated with an ASAG Reverse Mortgage.
- If there are less than one hundred (100) active ASAG Reverse Mortgages, the receipt of more than three (3) customer complaints in any three (3) month period specifically alleging that the ASAG Reverse Mortgage was unsuitable for the customer.
- If there are one hundred (100) or more active ASAG Reverse Mortgages, the total customer complaints specifically alleging that the ASAG Reverse Mortgage was unsuitable for the customer received in any three (3) month period exceeds 3% of the total active ASAG Reverse Mortgages.
- the Australian Securities and Investments Commission (ASIC) uses its product intervention powers in Part 7.9A of the *Corporations Act 2001* to intervene in relation to the ASAG Reverse Mortgage.

## Review Period

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### Initial Review Period

An initial review period of this Target Market Determination will occur within 12 months from implementation of this Target Market Determination.

### Ongoing Review

This Target Market Determination will be regularly reviewed at least every 12 months from the previous review.

### Responsibility

The review process will be initiated at least one month prior to the end of each review period and will be carried out by the ASAG Compliance team and / or General Counsel.

## Information Reporting

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The following table sets out the information which we require to be reported to us in respect of the ASAG Reverse Mortgage by persons who engage in retail distribution conduct in respect of the ASAG Reverse Mortgage.

Unless otherwise stated, the first reporting period commences on the date this Target Market Determination is made and each subsequent reporting period commences at the end of the prior reporting period.

Information Required to be reported	Who is required to report	How frequently is a report required (Reporting Period)	How will the report be made
The number of complaints received in relation to the ASAG Reverse Mortgage during the reporting period (which may be 0)	The ASAG Operation Manager; and  All regulated persons who distribute the Product.	Monthly	By email to the ASAG Compliance Team. compliance@ASAGFirst.com.au
Any change made to the following: <ul style="list-style-type: none"> <li>ASAG Reverse Mortgage Terms and Conditions</li> <li>Key attributes of the ASAG Reverse Mortgage</li> <li>Distribution Conditions of the ASAG Reverse Mortgage</li> </ul>	The ASAG Operation Manager; and  Any person who makes a change	Within 7 days from the date of change	By email to the ASAG Compliance Team. compliance@ASAGFirst.com.au

## Revision Management

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Date	Action	Current Version	Approved by	Additional Comments
18 Oct 2021	Voluntary Review	1.1	J Martin	External Legal Advisor Review
5 Oct 2021	TMD made	1.0	J Martin	TMD made
4 Oct 2022	Review completed			