Target Market Determination
Funding Investment Trust

Introduction

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). 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** a product disclosure statement (**PDS**) and is **not** a complete 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. Anyone interested in acquiring this product should carefully read the PDS for the product 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 on our website at https://www.funding.com.au/invest/investment-trust/

Target Market Summary

This product is intended for a consumer who is seeking low capital volatility and income distributions. The consumer is seeking to invest up to 10% of their Investable Assets and in certain circumstances may be investing up to 25% of their Investable Assets (see issuer instructions on Page 4) and has a medium risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a short to medium investment timeframe and who does not require access to their capital during the investment timeframe.

Fund and Issuer identifiers

Instructions to issuers for table below: Include all codes that are available and omit those that are not relevant to the issuer/product.

Issuer	Melbourne Securities Corporation
Issuer ABN	160 326 545
Issuer AFSL	428289
Fund manager	**Funding.com.au Pty Ltd**
Fund name	**Funding Investment Trust**
ARSN	616 185 276
TMD issue date	11 November 2026
TMD Version	V5.0
Distribution status of fund	Available

Description of Target Market

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red, green and amber rating methodology:

In target market	Not in target market	See product description

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.

Where an attribute is amber, see the description in Column 2 for further instructions.

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market, as the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of *minor allocation*). 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 balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a *High* risk/return profile may be consistent with the consumer's objectives for that *minor allocation* notwithstanding that the risk/return profile of the consumer as a whole is *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).



The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the FSC website.

Consumer attributes	TMD indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	Not in target market	The Fund provides investors access to participate in select loans which feature first-ranking mortgages over Australian real estate. By investing in the Fund, consumers are likely seeking a defensive asset which generates income style returns with little capital volatility. The Fund is not suitable for consumers seeking capital guarantees or capital growth.
Low Capital Volatility	In target market	
Capital Guaranteed	Not in target market	
Income Distribution	In target market	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	Not in target market	The Fund is not diversified by design and provides investors access to single loans. The Fund is suitable for investors looking to invest up to 10% of their Investable Assets.
Major allocation (up to 75%)	Not in target market	

Consumer attributes	TMD indicator	Product description including key attributes
Core component (up to 50%)	Not in target market	**Minor Allocations (up to 25%)** In certain circumstances, investors may seek to diversify their investment by participating in multiple loans. In these circumstances, the product may be suitable for investors seeking to invest up to 25% of their total Investable Assets.
Minor allocation (up to 25%)	See product description	
Satellite allocation (up to 10%)	In target market	
Consumer's investment timeframe		
Short (< 3 Months)	In target market	Investment options in the Fund vary depending on the underlying loan(s) investors elect to participate in. Loans generally vary in length from 1 month up to 2 years.
Medium (3 Months to 2 years)	In target market	
Long (2+ years)	Not in target market	
Consumer's risk (ability to bear loss) and return profile		
Low	Not in target market	The Fund's investment strategy provides investors access to a variety of loans secured by a registered first mortgage, with maximum loan-to-valuation ratios (LVR) of 70%. The current average LVR across the portfolio of loans is approximately 50%. Whilst each loan is secured by a registered first mortgage, there is still a risk of defaults which may result in capital loss or non-payment of target returns. Investors should refer to the PDS for a full description of the applicable risks.
Medium	In target market	
High	Not in target market	
Very high	Not in target market	
Extremely high	Not in target market	
Consumer's need to access capital		
At maturity of investment	In target market	Investors will have the opportunity to participate in a specific underlying loan for a specified term (usually between 1 month and 2 years). The Issuer does not allow withdrawal or redemption of capital (other than withdrawal of interest earned on the investment) during the term of an investment. Access to capital will only be available at the maturity of the underlying loan and is subject to the risk of repayment by the Borrower.
Within one week of request	Not in target market	
Within one month of request	Not in target market	
Within three months of request	Not in target market	
Within one year or more of request	Not in target market	

Consumer attributes	TMD indicator	Product description including key attributes
		The product is **not** intended for consumers who may require access to capital before the end of the applicable underlying loan term.

Distribution conditions/restrictions

Distribution methods	Distribution conditions	Distributors this condition applies to
Direct distribution (Retail Consumers)	The Fund is suitable for direct distribution to **retail** investors where: a) The distributor is reasonably satisfied that the consumer is within the Target Market of the product; and, b) The distributor has a process to validate the consumers intended product use matches that of this TMD, either via screening questions or similar; and, c) The distributor has arrangements in place with the Product Issuer to provide distribution reports.	All
Direct distribution (Wholesale Consumers)	The Fund is suitable for direct distribution to **wholesale** investors where: a) The distributor is reasonably satisfied that the consumer is within the Target Market of the product.	All
Platform/Wrap Providers	Not suitable for distribution.	All
Financial Advisors	Suitable for distribution where the product is being acquired under personal financial advice.	All

Review triggers

Material change to key attributes, fund investment objective and/or fees.
Material deviation from benchmark / objective over sustained period.
Key attributes have not performed as disclosed by a material degree and for a material period.
Determination by the issuer of an ASIC reportable Significant Dealing.

Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product.
The use of Product Intervention Powers, regulator orders or directions that affects the product.

Mandatory TMD review periods

Review period	Maximum period for review
Initial review	Within 12 months from the issue date
Subsequent review	At least annually following the initial review

Distributor reporting requirements

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under section 994F(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

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to the product issuer via compliance@msc.group or to the Fund Manager via invest@funding.com.au

Disclaimer

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 registered 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

https://www.funding.com.au/invest/investment-trust/. To the 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

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Low Capital Volatility	The consumer seeks to invest in a product designed or expected to have low volatility and minimise (but not guarantee against) capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Capital Preservation	The consumer seeks a guarantee or protection against the loss of any, or a defined portion, of the principal amount invested, subject to any express conditions or exclusions. Sometimes called capital protection.
Income Distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total *investable assets*. The consumer is likely to seek a product with *very high* portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total *investable assets*. The consumer is likely to seek a product with at least *high* portfolio diversification.

Term	Definition
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total *investable assets*. The consumer is likely to seek a product with at least *medium* portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total *investable assets*. The consumer is likely to seek a product with at least *low* portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total *investable assets*. The consumer may seek a product with *very low* portfolio diversification. Products classified as *extremely high* risk are likely to meet this category only.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home and money required for daily living expenses such bills and mortgage payments.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use) Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
Consumer's intended investment timeframe	

Term	Definition
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.
Consumer's risk (ability to bear loss) and return profile	
This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the **Standard Risk Measure Guidance Paper For Trustees** (note the bands in the SRM guidance differ from the bands used in this TMD): see https://www.fsc.org.au/web-page-resources/fsc-guidance-notes/2316-fsc-gn29. However, 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 (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; 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. A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.	
Low	For the relevant part of the consumer's portfolio, the consumer: • has a conservative or low risk appetite, • seeks to minimise volatility and 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. The consumer typically prefers stable, defensive assets (such as cash).
Medium	For the relevant part of the consumer's portfolio, the consumer: • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. The consumer typically prefers defensive assets (for example, fixed income).
High	For the relevant part of the consumer's portfolio, the consumer: • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). The consumer typically prefers growth assets (for example, shares and property).

Term	Definition
Very high	For the relevant part of the consumer's portfolio, the consumer: • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and • seeks to maximise returns (typically over a medium or long timeframe). The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).
Extremely high	For the relevant part of the consumer's portfolio, the consumer: • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).
Consumer's need to access capital	
This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. 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 aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.	

Term	Definition
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 and/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 quarter, • the consumer's intended product use is *solution/standalone*, • the consumer's intended product use is *core component* or higher and the consumer's risk/return profile is *low*, or • the relevant product has a green rating for consumers seeking *extremely high* risk/return.