



TARGET MARKET DETERMINATION

Issue Date: 5 October 2021

This Target Market Determination (**TMD**) is made in accordance with Gippsreal's Design and Distribution obligations under the Corporations Act 2001. It sets out the class of investors that comprise the defined Target Market for Gippsreal's first mortgage investment product (**Product**) and matters relevant to the Product's distribution and review.

The information contained in this TMD is not intended to constitute general or personal advice, and is not a summary of the features, terms or conditions of the Product. This TMD does not consider any person's individual objectives, financial situation or needs.

Investors interested in acquiring the Product should carefully read Gippsreal's Product Disclosure Statement (**PDS**) for the Gippsreal Mortgage Investment Scheme (**Scheme**) before deciding whether to invest in the Scheme. A copy of Gippsreal's PDS can be found on its website: www.gippsreal.com.au.

If after reading the PDS an investor is unsure whether the Product is suitable for their individual objectives, financial situation or needs they should seek independent financial advice.

Product Description

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| Product | Contributory first mortgage investments |
| Scheme Name | Gippsreal Mortgage Investment Scheme |
| Scheme ARSN | 091 849 482 |
| Responsible Entity & Product Issuer | Gippsreal Limited ACN 005 443 292 (Gippsreal) |
| AFSL | 219612 |
| TMD Version | 1 |

Target Market

Investor Type This Product is likely to be suitable for the following investor types:

- Individuals;
- Companies;
- Trusts;
- Partnerships;
- Self-managed super funds; and
- Associations & not for profits.

Likely Objectives and Needs This Product is likely to be suitable for investors seeking:

- regular monthly interest income;
- low volatility of returns;
- capital preservation;
- ability to invest a minimum of \$5,000; and
- 6 to 36 month investment timeframes.

Risk Profile This Product is likely to be suitable for investors who are able to bear the following kinds of risks:

- No guaranteed return of capital or payment of interest;
- Variable rates of return;
- Investments in which returns depend on the performance of the underlying assets and counterparties; and
- Investments in which investors may not be able to access their capital at maturity.

Likely Financial Situation

This Product is likely suitable for investors whose financial situation enables an investment with:

- Returns that may vary monthly;
- A time horizon subject to the term of the specific investment selected by the investor; and
- No capital, income or liquidity guarantee requirement.

Appropriateness of Target Market

Based on an analysis of the key terms, features and attributes of its Product, Gippsreal has concluded that its Product is likely to be consistent with the likely objectives, financial situation and needs of the class of investors identified in its Target Market. As part of its analysis Gippsreal does not assume that investors will hold its Product as part of a diversified portfolio.

The table below sets out the key attributes of the Product, along with a corresponding explanation of why the Product is likely to be consistent with the likely objectives, financial situation and needs of investors in the Target Market (as summarised above).

| Key attributes of the Product | | Consistency with likely Objectives, Financial Situation & Needs of the Target Market |
|-------------------------------|--|---|
| Monthly income | The Product pays monthly distributions, which can be taken as income or reinvested as per the terms of an investor's Offer to Invest. | Accordingly, Gippsreal's Product is likely to be suitable for investors looking for a monthly return. |
| Choice | Individual mortgage investments are approved by investors, to suit the investor's own risk appetite. Each loan is subject to Gippsreal's strict credit assessments and property valuation policy. Loan terms generally range from 6-36 months. | Accordingly, Gippsreal's Product is likely to be suitable for investors looking to select their investments to align with their own investment appetite and timeframes. |
| Diversification | Investors are able to achieve diversification within Gippsreal's contributory mortgage Scheme by investing in a number of individual loans to different borrowers secured against a variety of properties. | Accordingly, Gippsreal's Product is likely to be suitable for investors looking to diversify across various mortgage investments. |
| Mortgage Security | Gippsreal's Product allows investment into first mortgage loans. | Accordingly, Gippsreal's Product is likely to be suitable for investors looking for access to investments in individual loans secured by registered first mortgages. |
| Low income volatility | Gippsreal's Product aims to provide investors with regular income over a fixed period on a monthly basis. Distribution of interest is subject to the borrowers paying interest when due. | Accordingly, Gippsreal's Product is likely to be suitable for investors looking for investments with low volatility of returns. |

Low liquidity

Investors do not have a right of early withdrawal prior to maturity of the particular mortgage investment loan or their investment term specified in the Offer to Invest, whichever is the later. Redemption of investment funds is also subject to the borrower repaying the loan at maturity.

Accordingly, Gippsreal's Product is likely to be suitable for investors looking for the ability to select investments which suit their own preferred liquidity profile and who are able to bear the risk that they will only be entitled to withdraw from a particular mortgage investment once the loan has been repaid in full by the borrower or alternatively subject to Gippsreal arranging substitute investor funds.

Distribution

The Product is distributed directly by Gippsreal to investors who can apply to invest in the Scheme directly via post, email or in person. From time to time third party introducers (**Referrers**) may refer potential investors to Gippsreal following which the Product is distributed directly by Gippsreal to those investors. Referrers are not engaged to recommend or market Gippsreal's Product, and this arrangement is made clear in writing by Gippsreal to Referrers. Otherwise Gippsreal does not engage any Authorised Representatives or Financial Advisers to sell or distribute its Product.

Investors in the Product may be from various segments of the overall investor market in light of the broad suitability of the Product as outlined above. For the reasons set out in this section, Gippsreal considers that there are no distribution conditions and restrictions necessary other than those required at law, and that these distribution conditions and restrictions are appropriate to make it likely that investors who purchase the Product are in the Target Market.

Reviews

Gippsreal will review this TMD within 12 months of its Issue Date. Thereafter, it will conduct ongoing annual reviews within 12 months of completion of the initial/previous review.

Gippsreal will also review this TMD in the event that one of the following triggers occurs:

- material change to the terms, conditions or key attributes of the Product;
- where and when the Product is not being distributed and purchased as envisaged by this TMD;
- significant market, economic or legal events transpiring which may impact on the Scheme;
- Gippsreal considers a 'significant dealing' has occurred;
- 10 or more complaints made in a 3 month period about the suitability or distribution of the Product; and/or
- inquiry or action by ASIC or another regulator as to the design or distribution of the Product.

This TMD is available to download from Gippsreal's website (see below). Alternatively, you can phone our investment team on 03 5662 2529 to request a hard or electronic copy which will be sent to you free of charge.

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