

This Target Market Determination [**TMD**] is a document of Unity Bank Limited.

This TMD seeks to give our members, staff, product distributors, and other interested parties an understanding of the class of Retail clients for whom the product described has been designed, how the product is distributed, and related matters.

This TMD is not, and should not be construed as, a full summary of the product's terms and conditions. Nor is it a substitute for the provision of financial advice.

Any or information on this TMD does not take into account your personal objectives, financial situation or needs and you should consider whether it is appropriate for you. Please review our Disclosure Documents before acquiring any product.

Additional features, fees, charges, or conditions other than those displayed in this document may be available or applicable. You will need to refer to the Account and Access Facility Conditions of Use, Summary of Accounts and Availability of Access Facilities, Fees and Charges documents, and relevant interest rates for full information.

<b>Product</b>	Self-Managed Super Fund Loan (SMSF Loan)
<b>Issuer</b>	<p>Unity Bank Limited            ABN/ACN 11 087 650 315            AFSL/Australian Credit Licence 240399</p> <p>Reliance Bank is a division of Unity Bank Limited.</p>
<b>Effective Date of TMD</b>	15 <sup>th</sup> December 2023
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>Retail clients who are trustees of a SMSF (which SMSF must have a balance of at least \$250,000) and who are seeking a limited recourse fixed sum loan to:</p> <ul style="list-style-type: none"> <li>• purchase as an investment, real property which qualifies as an “acquirable asset” under the <i>Superannuation Industry (Supervision) Act</i> (SIS Act); or</li> <li>• refinance an existing limited recourse loan which complies with the SIS Act.</li> </ul> <p><b>Description of product, including key attributes</b></p> <p>This loan is only available to trustees of SMSFs where the SMSF has a balance of at least \$250,000. It is a limited recourse facility in accordance with the SIS Act and must be secured over investment real property which qualifies as an “acquirable asset” under that Act.</p> <p>The product's key attributes are:</p> <ul style="list-style-type: none"> <li>• Loan amounts of between \$150,000 and \$2,000,000.</li> <li>• Maximum LVR 70% of the loan value (can use the equity from a current property if it qualifies).</li> <li>• Loans can be variable rate, fixed rate or a split between the two (conditions apply to split loans).</li> <li>• For variable rate loans:             <ul style="list-style-type: none"> <li>○ terms of up to 20 years;</li> <li>○ early repayments permitted; and</li> <li>○ redraw of early repayments not permitted.</li> </ul> </li> </ul>

- For Fixed rate loans:
  - terms of up to 5 years;
  - early repayment permitted up to a maximum of \$10,000 per annum (above which an early repayment fee applies); and
  - redraw of early repayments not permitted.
- Repayments can be principal and interest reducing or interest only.
- Monthly account keeping/service fee.
- Mortgage offset facility not available

**Description of likely objectives, financial situation and needs of Retail clients in the target market**

The product has been designed for retail clients who are trustees of a SMSF:

- Have a complying SMSF with a minimum \$250,000 in the fund.
- Are looking to invest in residential, commercial or rural property that satisfies the requirement under the SIS Act to be an “acquirable asset”
- Are looking to refinance an existing facility which complies with the SIS Act.
- Are seeking the flexibility to make extra repayments (\$10,000 per year cap for fixed rates)
- Meet Unity Bank’s credit assessment requirements and receive sufficient regular income.
- Are seeking the ability to switch the repayment type from principal and interest to interest only.
- Are seeking the ability to switch the loan type from a variable to a fixed rate (up to five years)
- Are seeking the ability to split the loan balance into fixed and variable rate home loans
- Can provide real property which qualifies as an “acquirable asset” under the SIS Act to secure the loan.

**Classes of retail clients for whom the product is clearly unsuitable.**

Retail clients who:

- Are not the trustee of a SMSF.
- Are the trustees of a SMSF but the balance is less than \$250,000.
- Do not meet Unity Bank Limited’s credit eligibility criteria.
- Want to purchase an owner-occupied property.
- Want a loan term greater than 20 years.
- Want a line of credit facility.
- Want an offset facility.
- Want a redraw facility.
- Have defined goals and objectives and are not met by this product.

**Distribution**

**Distribution channels**

The product is designed to be distributed through the following means and in accordance with Unity Bank process requirements:

- Direct distribution by Unity Bank employees via branch, online (including social media) and phone.
- Unity Bank accredited mortgage brokers.

**Distribution conditions and restrictions**

The distribution of the product is subject to the following conditions and restrictions:

- Retail client is a corporation (registered in Australia) or a natural person (Australian citizen or permanent resident) aged over 18 years.
- Retail client is the trustee of an SMSF under the SIS Act and the SMSF has a balance in excess of \$250,000.
- Retail client meets the credit eligibility criteria.
- Be a shareholder (or become a shareholder) of Unity Bank
- Unity Bank to ensure staff are accredited and authorised as product distributors.

	<ul style="list-style-type: none"> <li>• Unity Bank to ensure Third Party distributors are industry qualified and fully accredited.</li> </ul> <p><b>Why the distribution conditions and restrictions will make it more likely that the Retail clients who acquire the product are in the target market.</b></p> <p>All applications for this product are subject to Unity Banks credit assessment and loan eligibility criteria. In addition, Unity Bank completes further upfront evaluations, ongoing due diligence, and monitoring of product training to our staff.</p>
<p><b>Reviews Triggers</b></p>	<p>We will undertake a review of this TMD in the following circumstances:</p> <p><b>Complaints</b></p> <ul style="list-style-type: none"> <li>• Complaints (in number or significance) within a 3 month period regarding understanding of risks, key terms, conditions or features of this product.</li> </ul> <p><b>Feedback from Third Party distributors</b></p> <ul style="list-style-type: none"> <li>• Reporting received, or consistent feedback from Third Party distributors which suggests that the target market may no longer be appropriate.</li> </ul> <p><b>Substantial product change</b></p> <ul style="list-style-type: none"> <li>• When a substantial change is made to the product terms, conditions, or key attributes.</li> <li>• If we make a material change to the design or distribution of the product.</li> </ul> <p><b>Product performance</b></p> <ul style="list-style-type: none"> <li>• Evidence that Retail client usage is significantly different from original expectations and contrary to the design of the product.</li> <li>• Evidence that product is no longer meeting the financial situation, needs and objectives of the target market.</li> <li>• Evidence of substantial sales outside of the target market.</li> <li>• If the product's design or distribution receive adverse media coverage.</li> </ul> <p><b>Significant change to the external environment</b></p> <ul style="list-style-type: none"> <li>• Regulatory or legislative environment for this product.</li> <li>• Economic and market conditions.</li> </ul> <p><b>Notification from ASIC and/or AFCA</b></p> <ul style="list-style-type: none"> <li>• ASIC request immediate cessation of product distribution, or cessation of particular conduct in relation to the product.</li> <li>• If ASIC raises concerns about the product's design or distribution.</li> <li>• If the Australia Financial Complaints Authority or a Court raise concerns about the product's design or distribution.</li> </ul> <p><b>Significant dealings</b></p> <ul style="list-style-type: none"> <li>• A significant dealing of the product to Retail clients outside the target market occurs.</li> <li>• If any other event or circumstance occurs indicating that this TMD may no longer be appropriate.</li> </ul> <p>Where a review trigger or event occurs, we will review this TMD within 10 business days.</p>
<p><b>Review Period</b></p>	<p><b>Initial review</b></p> <p>We will undertake a review of this TMD within 12 months of the effective date.</p> <p><b>Periodic review</b></p> <p>We will undertake periodic reviews of this TMD at least every 2 years from the initial review.</p>

<b>Distributors Reporting Requirements</b>	<b>Complaints</b>	<p>Distributors must report any complaints to Unity Bank Limited within 10 business days (in writing) if they become aware of a complaint related to risks, key terms, conditions or features of this product.</p> <p>All complaints in relation to this product will be reviewed and reported accordingly.</p>
	<b>Significant dealings</b>	<p>Unity Bank Limited will report to those required if it becomes aware of a significant dealing that is not consistent with this TMD.</p>