



Target Market Determination – Landen Mortgage Fund

Legal Disclaimer

This Target Market Determination (TMD) is mandated under section 994B of the Corporations Act 2001 (Cth) (the Act). It delineates the consumer segment for whom the product, along with its primary attributes, would likely align with their probable objectives, financial situation, and needs. Furthermore, the TMD specifies the triggers for reviewing the target market and includes additional pertinent information. It is an integral component of Landen Funds AFSL Ltd.'s design and distribution framework for the product.

This document is **not** a product disclosure statement (**PDS**) and does **not** summarize the product's features or terms. It does not consider any individual's objectives, financial situation, or needs. Interested individuals should meticulously review the Product Disclosure Statement (PDS) for Landen Mortgage Fund ARSN 678 194 146 and the Supplementary Product Disclosure Statement for the Class A Units in Landen Mortgage Fund referable to the investment by Specific Investment Fund – Bella Vista (**SPDS**) before deciding to invest in Landen Funds.

Terms used in this TMD are defined in the TMD Definitions, which supplement this document. Capitalized terms have the meanings given to them in the PDS and SPDS, unless otherwise defined. The PDS and SPDS can be obtained by contacting us on 1300 526 336 or are available at www.landen.com.au/funds/.

Target Market Summary

This product is likely to be suitable for consumers aiming to diversify their investment portfolio to encompass indirect exposure to secured loans with a target rate of return proportionate to the associated risk. The class of investments will include indirect interests in loans secured against the borrower's assets, which may potentially include Australian real property. It is likely to be consistent with the financial situation and needs of a consumer with a medium-term investment horizon, a moderate risk tolerance, and limited liquidity needs. The product is designed to provide regular income distributions.

Fund and Issuer identifiers

Issuer	Landen Funds AFSL Ltd	APIR Code	
Issuer ACN	662 073 967	Date TMD approved	3 September 2024
Issuer AFSL	548392	TMD Version	1
Fund and class	Landen Mortgage Fund – Class A (Bella Vista Class of Units)	TMD Status	Current
ARSN	678 194 146		

Description of Target Market

This part is required under section 994B(5)(b) of the Act

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/green rating methodology with appropriate colour coding:

In target market	Not considered in target market
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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.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating,

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio, typically with an intended product use as a satellite/small allocation or a core component. In such instances, the product should be evaluated against the consumer's attributes relevant to that specific portion of the portfolio, rather than against the consumer's entire portfolio. For example, a consumer may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this scenario, a product with a High or Very High risk/return profile may be consistent with the consumer's objectives for that specific allocation, even if the overall risk/return profile of the consumer is Low or Medium. When making this assessment, distributors should consider all features of the product, including its key attributes.

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	Not considered in target market	The Bella Vista Class of Units invests in a Specific Investment Fund which will advance secured loans for a fixed term to a borrower related to the Investment Manager. There is a risk that in the event of a borrower default, the amount realised on the enforcement of the security will be insufficient to return all of investors' capital or may take longer than anticipated to do so. Distributions are expected to be paid monthly. An investment in the Bella Vista Class of Units is not capital guaranteed.
Capital Preservation	In target market	
Capital Guaranteed	Not considered in target market	

Consumer Attributes	TMD Indicator	Product description including key attributes
Income Distribution	In target market	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	Not considered in target market	The Bella Vista Class of Units invests in one Specific Investment Fund that intends to make a loan to one borrower developing (via subdivision) one Australian property. We consider an investment in the Bella Vista Class of Units is most likely suitable for investors seeking a core component (Up to 50%) allocation. The fund is a master fund & Sub-fund structure which offers different classes of units which are investing in separate Specific Investment Funds with exposure to different types of loans and security. Each Specific Investment Fund is referable to one class of units and is not considered a diversified investment. Investors can, however, diversify their secured loan investment allocation by selecting exposure to a number of different types of loans available through different classes of units on offer by the Fund and accordingly investment in the Fund as a whole may be suitable for certain investors allocating a core component, up to 50%, of their investable assets.
Major Allocation (Up to 75%)	Not considered in target market	
Core Component (Up to 50%)	In target market	
Minor Allocation (Up to 25%)	In target market	
Satellite allocation (Up to 10%)	In target market	
Consumer's investment timeframe		
Short (\leq 3 years)	In target market.	The Bella Vista Class of Units invests in one Specific Investment Fund that will make a fixed term loan of 18 months to the Borrower. The loan may be extended in certain limited circumstances. If there is a default, the loan will not be repaid until the security is enforced and the assets realised. An investment in the Bella Vista Class of Units is illiquid and no liquidity event will be available to an investor before the expiry of the loan or enforcement of the security (if applicable).
Medium ($>$ 3 years)	Not considered in target market	
Long ($>$ 5 years)	Not considered in target market	
Consumer's Risk (ability to bear loss) and Return profile		

Consumer Attributes	TMD Indicator	Product description including key attributes
Low	Not considered in target market	The Bella Vista Class of Units invests in one Specific Investment Fund that will make a loan to a borrower where the borrower will acquire the title to the development land upon settlement. The loan to value ratio will be no more than 80% of the as if complete value of the project being undertaken on the land being acquired however the loan will be advanced prior to the date that this land will form part of the security. There is a risk of a default by the borrower both before and after security is provided over the land and if the proceeds realised from the security is insufficient at the time it is enforced, there is a risk that investors will suffer a loss.
Medium	In target market	
High	In target market	
Very High	Not considered in target market	
Extremely High	Not considered in target market	
Consumer's need to access capital		
Daily	Not considered in target market	The Bella Vista Class of Units invests in one Specific Investment Fund that will make made a fixed term loan of 18 months to the Borrower. The loan may be extended in certain limited circumstances. If there is a default, the loan will not be repaid until the security is enforced and the assets realised. An investment in the Bella Vista Class of Units is illiquid and no liquidity event will be available to an investor before the expiry of the loan or enforcement of the security (if applicable). We also note that whilst investors can transfer their units, however there is no readily available secondary market to facilitate the sale of units.
Weekly	Not considered in target market	
Monthly	Not considered in target market	
Quarterly	Not considered in target market	
Annually or longer	In target market	

Appropriateness

Note: This section is required under RG274.64-66

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 described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

Distribution Condition	Distribution Condition Rationale
There are no distribution conditions for investors who have received personal financial product advice or are wholesale clients.	Not applicable.
<p>Investors will only be admitted to the Fund on completion of an approved application form:</p> <ul style="list-style-type: none"> (Paper Application) for those investors that are Retail clients, the paper application form includes certain filtering questions and alerts relevant to the distribution conditions, in certain circumstances, prompting investors to seek further advice before progressing with the application. The Issuer will monitor this. 	Given that the investment does not offer regular liquidity, filtering questions will be assessed to ensure that unitholders fit within the target market.
The Issuer conducts periodic review and training on its business development team to ensure the team has appropriate product governance procedures in place	It is not anticipated that an investment in the Bella Vista Class of Units will result in significant harm to investors. However, periodic reviews of any distributions through platform providers will be conducted to assist in monitoring this.

Review triggers This part is required under section 994B(5)(d) of the Act.
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 review periods This part is required under section 994B(5)(e) and (f) of the Act.	
Review period	Maximum period for review
Initial review	1 year from the date of issue
Subsequent review	2 years from the date of issue

Distributor reporting requirements		
This part is required under section 994B(5)(g) and (h) of the Act.		
Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under s994F(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
To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to Landen Funds AFSL Ltd using the email address funds@landen.com.au [. Contact details relating to this TMD can be found at www.landen.com.au/funds/

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.

Term	Definition
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, 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.
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.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
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).

Term	Definition
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	
Short (≤ 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (> 2 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long (> 5 years)	The consumer has a long investment timeframe and is unlikely to redeem within five years.
Consumer's Risk (ability to bear loss) and Return profile	
<p>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). 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.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	<p>The consumer is conservative or low risk in nature, 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.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>
Medium	<p>The consumer is moderate or medium risk in nature, seeking low volatility and to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
High	<p>The consumer is higher risk in nature and 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)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>

Term	Definition
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept significant volatility and potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 6 or 7) and possibly other risk factors, such as leverage) and seeks to maximise returns (typically over a medium or long timeframe).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
Extremely high	<p>The consumer has an extremely high risk appetite, can accept significant volatility and losses and seeks to obtain accelerated returns (potentially in a short time frame).</p> <p>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).</p>
Consumer's need to access capital	
<p>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 in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. 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..</p>	
Daily/Weekly/Monthly/Quarterly/ Annually or longer	The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.
Distributor Reporting	
Significant dealings	<p>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.</p> <p>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.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • 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).

Term	Definition
	<p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • 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 or amber ratings attributed to the consumer). <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, • the consumer's intended product use is <i>Solution / Standalone</i>, or • the consumer's intended product use is <i>Core component</i> and the consumer's risk (ability to bear loss) and return profile is <i>Low</i>.

Disclaimer

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