Target Market Determination
for SMSF Residential Fixed Investment Loan

This Target Market Determination (TMD) is to make sure that our customers' objectives, financial situation and needs are considered when designing and distributing our credit products. This TMD describes the class of customers that the product is designed for (the Target Market), the class of customers for whom the product is not designed, and any conditions around how we allow the product to be distributed to our customers (Distribution Conditions). We have also included the events or circumstances that will cause us to review this TMD and ensure that it is still appropriate for our product (Review Triggers). This TMD has been prepared having regard to the product design and distribution obligations set out in Part 7.8A of the Corporations Act 2001 (Cth) and ASIC Regulatory Guide 274 Product design and distribution obligations. As set out under Regulatory Status below, this product is not regulated by the National Consumer Credit Protection Act 2009 (Cth) or the National Credit Code. Columbus has prepared and adopted this TMD voluntarily, and references in this TMD to retail product distribution conduct, significant dealings, product intervention power orders and notification to ASIC reflect the concepts used in Part 7.8A, which Columbus applies as a matter of good practice rather than as an admission that Part 7.8A applies to this product. It does not form part of and does not vary the product's terms and conditions and it is not a recommendation to acquire the product.

IMPORTANT: *This TMD is general in nature and should not be construed as or used to substitute for professional financial or legal advice. It is important to understand that this TMD does not consider the specific objectives, financial situation, or needs of any customer on an individual level. If you are considering acquiring the product(s) referred to in this TMD, to ensure that these product(s) align with your unique personal and financial circumstances, we strongly recommend that you carefully review the product(s) relevant* ***terms and conditions*** *and* ***credit guide*** *and seek independent financial and legal advice before making any decision.*

Product	**SMSF Residential Fixed Investment Loan**
Product Manager	Columbus Capital Pty Ltd ACN 119 531 252, Australian Credit Licence 337303.
Brand	This product is distributed under the Homestar Finance brand. Homestar Finance Pty Ltd ACN 109 413 498, Australian Credit Licence 390860, is a wholly owned subsidiary of Columbus Capital Pty Ltd. It is not the Issuer or the Product Manager of this product.
Issuer	This product will be issued by Perpetual Corporate Trust Limited ACN 000 341 533, Australian Credit Licence 392673 (Lender) and managed and serviced by the Product Manager, collectively (Columbus/we/us).
Regulatory Status	This product is provided to the corporate trustee of a self-managed superannuation fund for investment purposes in connection with a limited recourse borrowing arrangement. The borrower is a body corporate and not a natural person or a strata corporation and the credit is not provided for personal, domestic or household purposes. Accordingly, the National Consumer Credit Protection Act 2009 (Cth) and the National Credit Code do not apply to this product.
Responsibility for this TMD	This TMD is made and maintained by Columbus Capital Pty Ltd as Product Manager, on behalf of the Lender.
Effective Date of TMD	10 August 2026
TMD Version	2026.1

Availability	▪ Limited availability. ▪ From 10 August 2026, the product is available only for the refinance of an existing residential LRBA, or for a purchase where contracts were exchanged before 10 August 2026.
Next Review Due:	▪ **First review**: by 10 August 2027 (within 12 months of the Effective Date). ▪ **Periodic reviews:** at least every 12 months thereafter and earlier if a Review Trigger occurs.

Product Description and Key Attributes

Product Features	SMSF Residential Fixed Investment Loan
Purpose	▪ Purchase or refinance of a single residential investment property held as an asset of a complying Self-Managed Superannuation Fund (SMSF) under a limited recourse borrowing arrangement (LRBA) permitted by sections 67A and 67B of the Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act). ▪ The product is not available for owner-occupied purposes, for personal, domestic or household purposes, or for any new LRBA over residential real property entered into on or after 10 August 2026.
Interest Rate Type	▪ Fixed for a customer-selected term of 1 to 5 years, then reverting to the applicable variable rate unless a new fixed term or available loan type is selected.
Repayment Options	▪ Principal and Interest OR ▪ Interest-only, available for an agreed period of up to 60 months, subject to credit policy.
Redraw Facility	▪ Not available. Additional repayments made to the loan account permanently reduce the loan balance and cannot be redrawn. Funds held in the Offset Facility are not repayments of the loan and are dealt with under the Offset Facility terms below.
Loan Term	▪ Up to 360 months in total. Any interest-only period is available for up to 60 months within that total term, after which repayments revert to principal and interest.
Visa Debit Card	▪ Not Available.
Maximum LVR	▪ Up to 80% of the lower of the purchase price and property valuation for residential investment purchases in metro locations with principal and interest repayments. ▪ For all other SMSF lending purposes, repayment types and locations, the maximum LVR is 80%, subject to our credit policy and any Issuer requirements from time to time.
Loan Amount	▪ Minimum Loan Amount $150,000. ▪ Maximum Loan Amount $5,000,000. ▪ Loan amounts are subject to the minimum and maximum loan amount requirements notified by the Issuer from time to time.
Offset Facility	▪ An Offset Facility is available to reduce the interest payable on the loan, subject to the loan documents, the trust structure and applicable Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act) requirements. The Offset Facility is a sub-account of the loan held in the name of the SMSF trustee. Credit balances in the Offset Facility are offset against the loan balance for the purpose of calculating interest and are not applied in reduction of the loan. ▪ The SMSF trustee may make deposits to and withdrawals from the Offset Facility. Deposits are not repayments of the loan and withdrawals are not a redraw of amounts previously repaid. Deposits and withdrawals must comply with the SIS Act, the terms of the limited recourse borrowing arrangement and the loan documents and the SMSF trustee is responsible for ensuring that they do so. ▪ Offset benefits on a fixed rate loan are limited in line with the additional repayment allowance of $20,000 per annum
Cashout Facility	▪ Not Available.

Fees, Charges and Costs	▪ Establishment, valuation, legal, settlement, ongoing and default fees and third-party costs are payable, together with Lenders Mortgage Insurance where applicable. ▪ An early repayment adjustment (break cost) may apply where a customer breaks the fixed rate term early or repays the loan early. Full details are set out in the letter of offer and the product's terms and conditions.
Additional Repayments	▪ Up to $20,000 per annum may be repaid during the fixed rate period without break costs; higher or full repayments may attract break costs.
Guarantees	▪ Personal guarantees from the members of the SMSF, or the directors of its corporate trustee, may be required in accordance with our credit policy. Guarantors must obtain independent legal advice before providing a guarantee.
Repayment Frequency	▪ Monthly, by direct debit from a nominated account of the SMSF.
Security	▪ A first registered mortgage over the residential investment property, the legal title to which is held by the holding (bare) trustee on trust for the SMSF. ▪ Our rights against the SMSF trustee on default are limited to the security property, consistent with the LRBA requirements in the SIS Act.

Target Market

We have undertaken an assessment of the product and are of the view that the product attributes are likely to be consistent with the objectives, financial situation and needs of customers in the Target Market.

Product designed for customers who:	Key Product attributes appropriate for Target Market
▪ Are corporate trustees of a complying Self-Managed Superannuation Fund (SMSF) borrowing under a Limited Recourse Borrowing Arrangement (LRBA) permitted under sections 67A and 67B of the SIS Act.	▪ The loan is available only to a corporate trustee of a complying SMSF borrowing under an LRBA. Legal title to the security property is held by a holding (bare) trustee on trust for the SMSF and our rights on default are limited to the security property, consistent with sections 67A and 67B of the SIS Act.
▪ Are seeking finance to purchase or refinance a single eligible residential investment property held by an SMSF under an LRBA entered into before 10 August 2026; or ▪ Are seeking finance to purchase a single eligible residential investment property for an SMSF where a binding contract was exchanged before 10 August 2026 and settlement will occur after that date.	▪ The loan is available for: refinance of an existing residential investment property loan held by an SMSF; or purchase of a residential investment property where contracts were exchanged before 10 August 2026.The product is designed for investment purposes only. It is not intended for owner-occupied purposes, or for personal, domestic or household purposes. The loan is limited to a single acquirable asset.
▪ Are seeking an investment loan with the certainty of a fixed interest rate and fixed repayments over an agreed period of between 1 and 5 years	▪ The loan offers a fixed interest rate for 1 to 5 years, with fixed repayments during that period to support predictable SMSF cash flow. ▪ At the end of the fixed rate period the loan will revert to the applicable variable rate for this product, unless a new fixed rate period or another available loan type is selected. The interest rate and repayments will then vary.
▪ Require a lending solution that provides flexibility through principal and interest, or interest-only, repayment options	▪ Principal and interest or interest-only repayments are available, subject to credit policy. Interest-only is available for up to 60 months, after which repayments increase.
▪ Intend to hold the residential property as a long-term investment of the SMSF, consistent with the fund's trust deed and investment strategy	▪ The loan term is up to 360 months, which supports holding the property as a long-term asset of the fund. ▪ Fees, charges and third-party costs are payable. An early repayment adjustment (break costs) may apply if the customer breaks the fixed rate period or repays the loan early, so the product suits customers who do not intend to exit during the fixed rate period.
▪ Have obtained independent legal, financial and taxation advice on the borrowing and the LRBA structure	▪ The product is subject to SMSF, LRBA and our lending policy requirements, including that the borrowing relates to a single acquirable asset and that borrowed funds are not used to improve the property.

▪ Need flexibility to make additional repayments of up to $20,000 per annum and switch between principal and interest and interest-only repayments.	▪ Extra repayments of up to $20,000 per annum, can be made without additional charges. ▪ A customer can switch between principal and interest and Interest-only repayment methods. Terms and conditions apply.
▪ Require an option to link an Offset Facility to reduce interest payable under the loan.	▪ The Offset Facility is an SMSF trustee sub-account, not a redraw facility. Credit balances reduce the interest-bearing loan balance but do not reduce the loan principal, subject to the loan documents and SIS Act requirements. ▪ Offset benefits on a fixed rate loan are limited in line with the additional repayment allowance of $20,000 per annum. ▪ The SMSF trustee may make deposits to and withdrawals from the Offset Facility. Deposits are not repayments of the loan and withdrawals are not a redraw of amounts previously repaid. Deposits and withdrawals must comply with the SIS Act and the terms of the limited recourse borrowing arrangement. ▪ The Offset Facility is not a general transaction account and must not be used for day to day transaction banking. ▪ Access is available through: • Online and Mobile Application access; • Direct debit and BPAY deposits to the Offset Facility. Loan repayments are made monthly by direct debit only; • Staff assisted channels. ▪ The following are not available on the Offset Facility: • Visa debit card access; • Pay Anyone and other third-party payment functionality; and • linking of the Offset Facility to a personal account of a member, trustee, director of the corporate trustee or guarantor. ▪ The SMSF trustee is responsible for ensuring withdrawals from the Offset Facility are only used to fund: • repairs and maintenance (but not improvements) of the mortgaged property; • expenses incurred in relation to borrowing or purchasing the mortgaged property; • a refinance (including any accrued interest on a borrowing) in relation to the mortgaged property; or • as otherwise provided in the SIS Act.

Customers who are not in the Target Market

This product is clearly unsuitable for customers who:

- are individuals borrowing in their personal capacity, or entities that are not the trustee of a complying self-managed superannuation fund;
- are seeking to enter into a new limited recourse borrowing arrangement over residential real property on or after 10 August 2026. From 10 August 2026 an SMSF cannot enter into a limited recourse borrowing arrangement to acquire residential real property;
- SMSFs that do not have a corporate trustee, or where the legal interest in the security property is not held by a holding trustee on trust for the SMSF under a complying LRBA;
- SMSFs that cannot meet loan repayments, property outgoings and the fund's other obligations from fund income, contributions and liquid assets without financial stress to the fund or substantial hardship;
- are seeking owner occupied or personal use finance, or funds for a purpose unrelated to the acquisition, refinance, repair or maintenance of the security property;
- customers seeking flexibility of repayments through a variable interest rate. A separate TMD applies to the variable rate product;
- customers seeking a redraw facility, cashout facility or Visa debit card, or the ability to repay or restructure during the fixed rate period without break costs;
- are likely to need to repay, refinance or break the loan during the fixed rate period and who are not prepared to pay an early repayment adjustment;
- are seeking to acquire more than one asset under a single borrowing, or to use the loan to fund improvements to the security property;
- intend the security property to be occupied or leased by a member of the SMSF, a relative of a member, or any other related party of the fund, contrary to sections 66 and 71 of the SIS Act;
- require weekly or fortnightly repayments, or a repayment method other than direct debit; or
- customers that do not meet our credit, security or legal structure requirements.

Eligibility Criteria for the Product

To be eligible for this product the customer must meet certain eligibility criteria, including that the customer:

- has a registered and compliant Australian Self-Managed Superannuation Fund (SMSF) and in relation to that SMSF:
  - all members and directors of the corporate trustee of the SMSF are Australian citizens or permanent residents of Australia;
  - the SMSF has a Corporate Trustee;
  - the SMSF holds the beneficial interest in the security property;
  - the SMSF meets all relevant legislative and associated regulatory requirements to acquire the property and borrow, in accordance with the SIS Act; and
    - a separate holding trustee (bare trustee) holds the legal title to the security property on trust for the SMSF and the SMSF has a right to acquire legal ownership of the property on making one or more payments, consistent with section 67A of the SIS Act;
    - the SMSF trust deed and the holding trust deed permit the borrowing and the acquisition of the security property and the rights of the lender on default are limited to the security property.
  - meets our lending eligibility criteria; and
  - has entered into and is maintaining, an LRBA that complies with sections 67A and 67B of the SIS Act and that was entered into before 10 August 2026; or, for a purchase, a binding contract for the acquisition of the security property was exchanged before 10 August 2026, in which case settlement, finance approval and entry into the LRBA may occur on or after that date; and
  - provide sufficient security in accordance with our lending eligibility criteria; and where a guarantor supports the loan, that guarantor also meets our lending eligibility criteria.

Financial Situation

The financial situation of the Target Market are customers that:

- meet our lending eligibility and credit assessment criteria, which includes demonstrating serviceability of the loan;
- demonstrate the capacity of the SMSF to meet the required repayments, loan and property expenses and the fund's benefit and pension obligations, from rental income, member contributions and other fund income, without relying on the sale of the security property;
- hold sufficient liquid assets within the SMSF to meet repayments and fund expenses, including an allowance for vacancy and interest rate increases; and
- where we determine it is required, having regard to the SMSF contribution, security, applicant and loan characteristics, Lenders Mortgage Insurance (LMI) must be obtained; and
- where we determine it to be required (based on the SMSF's contribution, the security, the applicant and the loan attributes), provide additional credit support, which may include an acceptable guarantee. Any guarantee must be consistent with the limited recourse requirements of the SIS Act; and
- can contribute the required deposit or equity so that the loan is within the maximum LVR for this product.

Upon application we will undertake an assessment to determine the SMSF's ability to service the loan and whether the applicant is within the Target Market, which is our process of determining that the product is consistent with the financial situation of the Target Market.

Distribution Conditions and Approved Channels

Columbus Capital has oversight over how the product is promoted and issued. The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the Target Market in accordance with our process requirements.

Distribution Channels	Distribution Conditions
▪ **All distribution channels**	▪ Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with this TMD. Distributors must not distribute the product to a customer outside the Target Market, must keep records of their distribution conduct and must report to us in accordance with the Distributor Reporting Requirements set out in this TMD.
▪ **Staff assisted channels (e.g., via email or phone)**	▪ Our staff have the necessary training, knowledge and accreditation (if required): ○ to understand and can discuss the features and rates of our products; ○ to understand and can discuss the key differences of our products; ○ to assess whether the customer is within the Target Market; ○ to assess whether the customer meets our lending eligibility criteria; and ○ have access to product resources such as borrowing and repayment calculators, stamp duty and upfront cost calculator and pricing tools etc. ▪ Our staff are part of assurance programs, and we rely on existing distributors, methods, controls and supervision already in place. ▪ We have approval control systems and processes in place to check and flag applicants who may be outside the Target Market.

▪ **Online channels (e.g., website and the mobile app)**	▪ The product cannot be distributed through online channels however the application process may commence online. ▪ Applications commenced through an online channel will be directed through to a staff assisted channel.
▪ **Third party – Mortgage Managers and Accredited Mortgage Brokers subject to their Best Interests Duty (BID) obligations**	▪ A distributor must: o hold an Australian Credit Licence or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee; o comply with the terms and conditions of any relevant distribution agreement or arrangement with the Product Manager; and o comply with their legal obligations. ▪ Third party brokers must also: o hold appropriate qualifications, industry membership and authorisations to engage in credit activities; and o comply with their obligation to act in the best interests of their client when providing credit assistance. ▪ These conditions ensure distributors are appropriately authorised to provide the relevant regulated credit services and will comply with the residential terms agreed between the distributor and Product Manager.

The distribution conditions above are appropriate because they require distributors to verify the key legal and financial features that determine whether an SMSF is within the target market. In particular, they require confirmation that the customers:

- meets the key eligibility criteria listed above;
- is seeking finance to buy or refinance a property in an SMSF and not for owner-occupied or construction purposes;
- has requested a loan size, LVR, term, interest rate type and repayment option that are within the product attributes; and
- has provided the SMSF trust deed and the property bare trust deed for review prior to loan approval.

Review Triggers

Columbus has outlined below its review triggers for this product (Review Triggers). This TMD will also be reviewed if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate. Our review triggers for this product are:

Review triggers	Description
Customer outcomes	▪ Unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance; ▪ Unexpected early-stage arrears are detected; ▪ A significant number of defaults occur; ▪ A significant number of late repayments are being recorded; and ▪ Evidence that the product or distributor conduct are significantly different to the Target Market.
Complaints	▪ A significant number of material complaints are received from customers in relation to the product.
Incident Data	▪ A material incident or significant number of incidents in relation to the product's design or distribution that identify breaches of our legal or regulatory obligations.
Changes to the Product	▪ The material alteration of the product or product terms and conditions (e.g., adding to, removing, or changing a key product attribute; significant change to distribution channel and distribution strategy).

Changes to law or regulatory guidance	▪ A material change to the law, regulation, industry code or regulatory guidance affecting the product or its distribution, including changes to the SIS Act, Australian Taxation Office guidance on limited recourse borrowing arrangements, or ASIC guidance on design and distribution obligations.
Distributor and hardship data	▪ Distributor reporting, assurance reviews or monitoring indicate that distribution is not consistent with this TMD, or a distributor fails to provide the reporting required by this TMD. ▪ A material increase in requests for assistance, hardship or loan variations, or in adverse external dispute resolution determinations, in relation to the product.
Significant Dealings	▪ A significant dealing of the product to customers outside the Target Market occurs.
Notification from ASIC	▪ The receipt of a product intervention power order from ASIC requiring us to immediately cease retail product distribution conduct in respect of the product.

If a Review Trigger occurs, or any other event or circumstance occurs that would reasonably suggest this TMD is no longer appropriate, Columbus Capital will complete a review of the TMD as soon as practicable and in any case within ten (10) business days. During that period we will stop retail product distribution conduct in relation to the product until the review is complete and any necessary changes to the product, this TMD or our distribution arrangements have been made. Where we determine that this TMD is no longer appropriate, we will cease retail product distribution conduct in relation to the product until a revised TMD has been made and any necessary changes to the product or our distribution arrangements have been implemented.

Distributor Reporting Requirements

The following data must be provided to us by any person who engages in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Complaints	The number of complaints received, the substance of each complaint and the general nature of any resolution. A nil return must be provided where no complaints were received in the reporting period. Personal information about a complainant must not be provided unless it is reasonably necessary for us to resolve the complaint or to meet a legal obligation and must be provided in accordance with the Privacy Act 1988 (Cth).	Quarterly for the reporting periods ending 31 March, 30 June, 30 September and 31 December and in any case no later than 10 business days after the end of the reporting period.
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g., why it is not consistent with the TMD)	As soon as practicable and in any case within 10 business days after becoming aware.
Applications and settlements outside the Target Market	The number of applications submitted, and loans settled, where the customer was identified as being outside the Target Market and the reason. A nil return must be provided where there were none in the reporting period.	Quarterly for the reporting periods ending 31 March, 30 June, 30 September and 31 December and in any case no later than 10 business days after the end of the reporting period.

Target Market assessment outcomes	The number of enquiries or applications not progressed because the customer was assessed as outside the Target Market, and the criterion that was not met.	Quarterly for the reporting periods ending 31 March, 30 June, 30 September and 31 December and in any case no later than 10 business days after the end of the reporting period.
Feedback	Details of any suggested feedback and improvements	As soon as practicable and in any case within 15 business days after becoming aware.
Information Requested	Any other information requested by the Product Manager	As soon as practicable and in any case within 10 business days after receiving such request.
Nil Reporting	Confirmation that no complaints were received and no significant dealings occurred during the reporting period.	Quarterly for the reporting periods ending 31 March, 30 June, 30 September and 31 December and in any case no later than 10 business days after the end of the reporting period.

All reporting required by this section must be provided to Columbus Capital at ddo@homestarfinance.com.au in the format we specify from time to time. Where a distributor becomes aware of a significant dealing, it must notify us immediately by the same channel and must not wait until the end of the reporting period.

Definitions and Record Keeping

Accountable Owner - the accountable owner, Chief Product Officer, is the person responsible for ensuring the TMD remains appropriate, is reviewed when required, and that distribution monitoring occurs.

Approving Forum - Product Risk/Governance Committee.

Complaint - has the meaning given in ASIC Regulatory Guide 271 Internal dispute resolution.

Columbus will notify ASIC in writing within 10 business days of becoming aware of a significant dealing in the product that is not consistent with this TMD. Columbus and its distributors must keep complete and accurate records of the decisions, reviews and reasonable steps taken in relation to this TMD. Those records must be retained for at least seven years from the date the record is created. Distributor reporting under this TMD must be provided to the Product Manager at ddo@homestarfinance.com.au.

Distributor reporting - including complaints, significant dealings and distribution-related incidents, is recorded and monitored through Protecht.

Retail product distribution conduct - dealing in the product with a customer, giving or providing a customer with the product's terms and conditions or application form, or providing credit assistance or financial product advice in relation to the product.

Significant dealing - a dealing in the product with a customer who is not in the Target Market that is significant having regard to the proportion of customers who are not in the Target Market, the actual or potential harm to those customers, the nature and extent of any inconsistency between the dealing and this TMD and the time period over which the dealings occurred. A single dealing may be significant if it results, or is likely to result, in material harm to a customer.

System of Record for TMD Documents – Product SharePoint Product Governance Repository.