Westlawn Income Fund
ARSN 639 742 288

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Target Market Determination

31 October 2025

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 the 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. Persons interested in acquiring this product should carefully read the PDS before making a decision whether to buy this product.

Capitalised terms have the meaning given to them in the PDS Part 1 dated 31 October2025, unless otherwise defined in this TMD. The PDS can be obtained by contacting us on 1300 WESTLAWN or on our website at https://www.westlawn.com.au/incomefund/.

Target Market summary

This product is intended for use as a minor allocation of a consumer's investible assets for a consumer who is seeking income distribution and has a medium to high risk/return profile for that portion of their investment portfolio. The consumer may choose the investment timeframe for the product ranging from 3 months to 2 years with the product unlikely to be suitable for a consumer needing access to their capital prior to the end of their chosen investment timeframe.

Fund and Issuer identifiers

Fund name

Westlawn Income Fund ARSN 639 742 288
(**Fund**)

Product issuer

Westlawn Financial Services Limited
ABN 20 141 420 920 | AFSL 518648
(**Issuer, Responsible Entity, Company, we** or **us**)

Fund and Issuer identifiers (continued)

Class of Units

Class 3M
Class 6M
Class 12M
Class 24M

TMD issue date

31 October 2025

TMD Version

8

Distribution status of Fund

Available

Product description & Fund structure

The Fund objective is to provide investors with exposure to various fixed income investments which provide regular investment returns.

Investor's funds are 'pooled' and invested collectively. The Fund is an unlisted managed investment scheme structured as a unit trust with the ability to issue multiple classes of Units. The Fund operates as a pooled managed investment scheme.

Each investor, regardless of the Class of Units held, have a proportionate beneficial interest, along with all other investors, in the assets of the Fund.

Each Class of Units has a different term as follows;

- Class 3M Units will have an initial investment term of up to 3 months,
- Class 6M Units will have an initial investment term of up to 6 months,
- Class 12M Units will have an initial investment term of up to 12 months, and
- Class 24M Units will have an initial investment term of up to 2 years.

Investors will not have the right to withdraw their investment during the Investment Term of the particular Class. Generally, an investment is for the term of the investment with no ongoing liquidity.

The Target Distribution Rate is an investment objective and not a forecast.

Whilst we have mechanisms in place to manage the Fund's investments and liquidity, we do not guarantee the payment, or amount, of distributions or capital repayment.

Description of Target Market

TMD indicator key

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

In target market	Not considered in target market

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.

Appropriateness

The Issuer has assessed this 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).

Target market (continued)

The tables below indicate a description of the likely objectives, financial situation and needs of the class of consumers that may be considering this product.

Consumer Attribute – Consumer's investment objective	TMD Indicator	Product description including key attributes
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 (typically, high dividend-yielding equities, fixed income securities and money market instruments.)	**In target market**	The Fund is designed to provide investors with a monthly income distribution, which will primarily depend on the net return the Fund receives from loans, cash and other assets held by the Fund. Monies invested in cash will normally generate a lower return to the Fund than those invested in loans and other assets. There is no guarantee on the income return or the amount of the monthly distribution of the Fund, and there is a risk of volatility of income distributions to investors. This income distribution attribute therefore aligns with an investor with a medium to high Risk (ability to bear loss) and Return profile and not with an investor with a low Risk (ability to bear loss) and Return profile (refer to the section below called "Risk profile (ability to bear loss) and Return profile" for the definitions of low, medium and high Risk (ability to bear loss) and Return profile). The Target Distribution Rate for Units is variable and calculated on the daily balances invested by the investor. The Target Distribution Rate is an investment objective and not a forecast. Distribution Payments will generally be paid monthly within 14 days following the end of each month. We do not guarantee the payment or amount of the monthly distribution. Refer to the relevant PDS for detailed information on how the Issuer manages liquidity risk and which has been considered by us when assessing this consumer attribute.

Consumer Attribute – Consumer's investment objective	TMD Indicator	Product description including key attributes
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.)	**Not considered in target market**	We do not guarantee the payment, or amount, of distributions or capital repayment. It is intended that investors will receive all of their capital upon redemption, although as noted above it is not guaranteed. We aim to issue Subordinated Units to related parties or our associates from time to time in order to equal at least 5% of the aggregate Issue Price of all issued Units. The issue of Subordinated Units is a mechanism to be used by the Responsible Entity to facilitate the redemption of Units at the end of their applicable investment term for not less than the Issue Price per Unit (being the price of each Unit at the time of issue) to be redeemed. Refer to the relevant PDS for detailed information on how the Issuer manages liquidity risk. Whilst we do not guarantee the amount or payment of the capital repayment, the Fund is expected to exhibit lower volatility than listed equities or listed REITs in a market downturn.
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.)	**Not considered in target market**	It is expected that each Unit will be redeemed at the issue price of $1.00 per Unit. We do not guarantee the payment, or amount, of distributions or capital repayment.

Consumer Attribute – Consumer's intended product use (% of investable assets[1])	TMD Indicator	Product description including key attributes
Satellite allocation – up to 10% of investible assets (The consumer may hold the investment up to 10% of the total *investible assets*. The consumer may seek a product with *very low* portfolio diversification.[2] Products classified as *extremely high risk* are likely to meet this category only.)	**In target market**	The Fund's investment objective is to generate returns for investors through investing in a diversified portfolio of Loans which will provide fixed income over their life. Loans may be secured by a mortgage (senior or subordinated), by a security agreement over the borrower and its assets, or a combination of both. Loans may be direct to borrowers or indirect via investment in funding trusts or special purpose lending entities. As the Fund was established in 2020, it may not have a fully diversified portfolio of assets until it has received sufficient capital from investors and its portfolio has been fully invested in Loans (expected to be when the Fund reaches assets under management of $100m).
Minor allocation – up to 25% of investable assets (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[3].)	**In target market**	
Core component – up to 50% of investable assets (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[4].)	**Not considered in target market**	
Major allocation – up to 75% of investable assets (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[5].)	**Not considered in target market**	
Solution/Standalone – up to 100% of investable assets (The consumer may hold the investment as up to 100% of their total *investable assets*. The consumer is likely to seek a product with at least *very high* portfolio diversification[6].)	**Not considered in target market**	

[1] ***Investable assets*** – those assets the investor has available for investment, excluding the residential home.

[2] ***Very low*** portfolio diversification means 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).

[3] ***Low*** portfolio diversification means 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 (eg. gold) or equities from a single emerging market economy).

[4] ***Medium*** portfolio diversification means 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).

[5] ***High*** portfolio diversification means 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).

[6] ***Very high*** portfolio diversification means 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 Attribute – Consumer's investment timeframe	TMD Indicator	Product description including key attributes
Minimum investment timeframe	**3 months to 2 years**	The Fund is an open-ended trust meaning there is no fixed term for the Fund, however an investor's investment is subject to the Investment Term applicable to the Class of Units in which that investor has chosen to invest. The initial Investment Term of each Class is as follows; • Class 3M Units is up to 3 months • Class 6M Units is up to 6 months • Class 12M Units is up to 12 months • Class 24M Units is up to 2 years. An investor will only be able to withdraw their investment at the end of their Class' Investment Term pursuant to submission of a withdrawal request and our withdrawal offer. An investor will not have any other right to withdraw their investment. Unless an investor submits a withdrawal request and accept our withdrawal offer before the end of their Investment Term and within the time-frames specified for that investor's Class as set out in Part 2, Units will automatically rollover for a new Investment Term (i.e. for Class 24M Units for a further 2 years). Please see 'Consumer's need to withdraw money' below for more information.

Consumer Attribute – Consumer's Risk (ability to bear loss) and Return profile	TMD Indicator	Product description including key attributes
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)[1]), • and is comfortable with a low target return profile. Consumer typically prefers defensive assets such as cash.)	**Not considered in target market**	It is intended that investors will receive the Target Distribution Rate and all of their capital upon redemption, although it is not guaranteed. Refer to the investment objective sections above called "Income distribution" and "Capital preservation" for further information. As noted above, we aim to issue Subordinated Units to related parties or our associates from time to time in order to equal at least 5% of the aggregate Issue Price of all issued Units. The issue of Subordinated Units is a mechanism to be used by the Responsible Entity to facilitate the redemption of Units at the end of their applicable investment term for not less than the Issue Price per Unit (being the price of each Unit at the time of issue) to be redeemed. Refer to the relevant PDS for detailed information on how the Issuer manages liquidity risk and its investment parameters and which we have assessed against in relation to this consumer attribute. Whilst we do not guarantee the amount or payment of the monthly distribution or capital repayment, the type of Fund assets align with a consumer who is medium to high risk in nature.
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)[1]), and • is comfortable with a moderate target return profile. Consumer typically prefers defensive assets such as fixed income.)	**In target market**	
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)[1]), and • seeks high returns (typically over a medium or long timeframe)in order to target a high return profile. Consumer typically prefers growth assets such as shares and property.)	**In target market**	

Consumer Attribute – Consumer's Risk (ability to bear loss) and Return profile	TMD Indicator	Product description including key attributes
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)[1], and • seeks to maximise returns (typically over a medium or long timeframe). Consumer typically prefers high growth assets such as high conviction portfolios, hedge funds and alternative assets.)	**Not considered in target market**	
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). 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 such as crypto-assets or collectibles.)	**Not considered in target market**	

[1] The standard risk measure (**SRM**) is an investment risk classification system developed by the FSC and ASFA to enable investors to compare investment options across superannuation funds. The SRM contains seven risk levels ranging from 'very low' to 'very high', with each level based on the estimated number of negative annual returns over any 20-year period (for more information, see Standard risk measure: Guidance paper for trustees, issued by the FSC and ASFA in July 2011 (note the SRM guidance differs from the bands used in this TMD)). 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 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 risk, 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.

In December 2020, APRA released an information paper titled "Stress testing banks during COVID-19" in which they modelled the impact of a severe economic downturn on the banking system. This severe downside scenario developed by APRA was composed of a very large fall in economic activity, with GDP falling by 15%, unemployment rising to over 13%, national house prices falling by over 30%, and commercial real estate values falling by over 40%. Under the stress test, the emergence of significant credit losses from loan portfolios saw the banking system's annual profitability fall from $24 billion in the year prior to the stress, to a peak estimated loss of $37 billion in 2022.

Applying this severe stress testing scenario to the Fund will produce varying results depending on the composition and characteristics of the Fund's loan portfolio and other financial assets at the time of the stress event. Assuming a 40% downturn in commercial real estate property values, the likely impact on the Fund would be that firstly, the Fund's net earnings (i.e. interest income less operating expenses) will act as a first loss absorber to increasing credit losses. In other words, the Target Distribution Rate would not be met, and Unitholders would not receive any monthly income distribution payment. Secondly, and assuming a weighted average loan to valuation ratio (at inception of loan) of 70%, the Fund would realise capital losses of up to 14% (reduced by the amount absorbed in the first instance by the net earnings of the Fund and depending on the ability to recover from secondary security provided by the borrower such as personal guarantees). The resulting capital loss would then be absorbed in the first instance by Subordinated Unitholders before a retail consumer incurs a loss of capital. In this severe stress testing scenario, a retail investor might therefore expect to suffer a circa 10% negative capital return and receive no income distribution in these circumstances.

Prior APRA stress tests conducted in 2017 and 2019 were based on more modest but still significant economic downturns. These stress tests were based on a significant downturn in the housing market, triggered by a downturn in China and a collapse in demand for commodities. In these stress tests, GDP fell by up to 4 per cent, unemployment rose to 11 per cent and house prices fell by 35 per cent over 3 years. Assuming a 15% downturn in commercial real estate property values per year over 3 years, the likely impact on the Fund would be that firstly, the Fund's net earnings (i.e. interest income less operating expenses) will act as a first loss absorber to any credit losses. In other words, the Target Distribution Rate may not be met, and Unitholders may receive a reduced or no monthly income distribution payment. Secondly, and assuming a weighted average loan to valuation ratio of 70%, the Fund would not realise any capital loss over a period of 2 years (and to the extent it did, it would be reduced by the amount absorbed in the first instance by the net earnings of the Fund and depending on the ability to recover from secondary security provided by the borrower such as personal guarantees). Any capital loss, if any, would be absorbed in the first instance by Subordinated Unitholders before a retail consumer incurs a loss of capital. In this stress testing scenario, a retail investor might therefore expect to suffer no capital loss and receive a reduced or no income distribution in these circumstances.

Consumer attribute - need to withdraw funds	TMD Indicator	Product description including key attributes
During the investment term	**Not considered in target market**	Investors will not have the right to withdraw their investment in the Fund during the Investment Term appliable to their Class of Units. Generally, an investment is for the term of the investment with no ongoing liquidity.
3 months to 2 years	**In target market**	Investors seeking 3 months to 2 year liquidity under ordinary circumstances. The liquidity of the Fund will be managed in order to satisfy expected Withdrawal Requests at the end of their Class' Investment Term. It is expected that under ordinary circumstances a majority of investors (more than 80%) will choose to reinvest part or all of their investment for a further term. An unusually large number of Withdrawal Requests at a given time may impact the Fund's ability to fully satisfy those requests. The Fund is an open-ended trust meaning there is no fixed term for the Fund, however an investor's investment is subject to the Investment Term applicable to the Class of Units in which they invest. The Investment Term of each Class of Units varies between up to 3 months and 2 years. An investor will only be able to withdraw their investment at the end of their Class' Investment Term pursuant to submission of a Withdrawal Request and our Withdrawal Offer. An investor will not have any other right to withdraw their investment. Unless an investor submits their Withdrawal Request and accept our Withdrawal Offer before the end of their Investment Term and within the time-frames specified for that investor's Class as set out in Part 2, Units will automatically rollover for a new Class Investment Term. It is intended under ordinary circumstances that investors will receive all of their capital upon redemption, although as noted above it is not guaranteed. We do not guarantee that Withdrawal Requests will be able to be fully or partially satisfied and will be subject to several factors and risks (such as the volume of Withdrawal Offers and possible liquidity constraints of the Fund at the time each Withdrawal Offer is made). Refer to the section below for additional information on rollover/reinvestments.

Distribution conditions / restrictions

The Company is both the issuer and sole distributor of the product.

Unit applicants

The Issuer distributes the PDS for the Fund electronically through its own website https://www.westlawn.com.au/incomefund/, or in hard copy in response to requests made directly to the Company. Upon receipt of a potential investor's paper application form, an experienced Issuer representative (**Representative**) will ask potential investors a series of questions (**Filtering Questions**) in order for the Issuer to understand, at a high level, whether the potential investor may be within the target market. For those investors applying for Units in the Fund via the online application form, a series of questions are used in order to avoid investment in the Fund if the investor is unlikely to be within the target market.

Rollover / reinvestment investors

Unless an investor submits a withdrawal request and accepts our withdrawal offer before the end of their Investment Term and within the time-frames specified for that investor's Class as set out in Part 2, Units will automatically rollover for a new Investment Term (i.e. for Class 24M Units for a further 2 years).

The Issuer has determined, for all maturing Units where the investor has been asked the Filtering Questions within the previous 12 months, it will rely on existing investor information and the Issuer will rollover the maturing Units for a new Class Investment Term. The Issuer considers it is reasonably likely the investor is likely to be in the target market given the short time that has elapsed since the Issuer last gathered relevant investor information from that investor.

For all maturing Units where the investor has not been asked the Filtering Questions within the previous 12 months, the Issuer has determined that a Representative will engage directly with the investor (either in person or by phone) prior to the end of the Investment Term of the Units, and ask each such investor the Filtering Questions in order for the Issuer to understand, at a high level, whether the investor is considered to be in the target market if the Units are invested for a further Investment Term. If the Representative is unable to contact an investor in order to determine whether or not the investor is considered to be in the target market for the product, the Issuer will not rollover the Units for a further Investment Term and will redeem the Units on their maturity date.

General distribution conditions/restrictions

Only selected representatives of the Issuer that have undergone internal training in respect of the Fund and the Fund's target market and who have demonstrated knowledge, competence and experience in respect of the Fund and the Fund's target market are able to promote and distribute this product.

The Issuer does not provide financial advice. The Issuer ensures that its representatives provide consumers with factual information only, and make no recommendation or suggestion that consumers invest in the Issuer's products or in any other investment, and that any investment should be made on the basis of the PDS and any independent financial advice the consumer may seek.

The Issuer does not employ any third party distribution channels.

It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for whom it has been designed. We consider that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

Review triggers

The Issuer will monitor and review the outcomes produced by the design and distribution of its products and consider whether changes are required to the products, to the way they are distributed and to whom they are being sold (**Review**).

The Issuer will conduct a Review:

(a) prior to the issue of a PDS or supplementary PDS;

(b) upon determination of an ASIC reportable significant dealing (as described in paragraphs RG 274.158 – RG 274.161 of ASIC Regulatory Guide RG 274 *Product design and distribution obligations*);

(c) within 10 business days of becoming aware of any event that suggests this TMD is no longer appropriate;

(d) within 10 business days if:

(i) there is a failure by the Issuer to comply with the terms on which its products were issued;

(ii) there is a material change to the Fund investment objectives, benchmarks and/or fees;

(iii) the Fund sustains a material trading or capital loss;

(iv) the Issuer elects to employ any third party distribution channel; or

(v) the Issuer receives a material or significantly high number of complaints that concerns the design or distribution of its products.

Upon becoming aware of a Review Trigger, or a potential Review Trigger, the Chief Executive Officer must within 5 business days provide to the Board all such information necessary for the Board to determine whether this TMD is no longer appropriate.

Periodic review

In addition to any Review conducted as a result of the occurrence of a Review Trigger, the Issuer must conduct an annual review.

Review trigger information requirements

Complaints

Complaints received about the Issuer's products must be escalated in accordance with the Issuer's internal dispute resolution policy. The Chief Executive Officer must, within 10 business days following the end of each quarter in a financial year report to the Board:

a) whether the Issuer received complaints in relation to the Issuer's products during the quarter; and

b) the number of complaints received (if any).

Significant dealings outside the target market

Representatives must notify the Chief Executive Officer if they become aware of a significant dealing in relation to the product that is inconsistent with this target market determination as soon as practicable but no later than 10 business days after they become aware of the significant dealing.