

# Target Market Determination

## For a regulated loan funded through Zagga

In this document, we describe who this product is appropriate for (target market), and any conditions and restrictions around how this product can be distributed to consumers. We also describe the events or circumstances where we may need to review this document.

This document was prepared on 2 March 2022 and effective from 2 March 2022 (effective date) and was last reviewed and updated in October 2025.

### Introduction

#### About Zagga

Zagga Market Pty Limited (ACN 611 662 401) is an Australian Credit Licence (**ACL**) holder (ACL 490904) (**ZM**).

Zagga Investments Pty Limited (ACN 615 154 786) is an Australian Financial Services Licence (**AFSL**) holder (AFSL 492354) (**ZI**).

Under its AFSL, ZI markets, introduces, arranges, manages and administers investment funds received from investors for ultimate investment in the loans originated by ZM.

ZI engages ZM who holds an ACL to perform the obligations and exercise the rights of ZI on ZI's behalf in relation to proposed and actual credit contracts and mortgages under a CL13 Servicing Agreement.

In this document, unless the context provides or requires otherwise, **Zagga** (or **we** or **us** or **our**) and our business is a reference to both ZM and ZI.

#### About this Target Market Determination

We are committed to creating and maintaining a client-centric approach to the design and distribution of our products. The purpose of our Target Market Determinations is to ensure our products are suitable for the consumers we target.

This Target Market Determination is for a borrower who require a short-term loan to finance the acquisition, or refinance, of residential property for the purpose of it being used as owner-occupied, or investment (**Zagga Loan**).

### Target market

#### Product description

This Zagga-funded, variable interest rate loan is designed exclusively for customers who, at the point of acquiring the product, want to borrow money to purchase, or refinance, residential property.

Additionally, these customers, at the point of acquiring the product, have unique circumstances that preclude them from accessing traditional bank funding, or require more flexibility than is able to be provided by traditional banks.

Customers must be able to demonstrate their capacity to repay the full loan amount, including capitalised interest, for the new property purchase, at the end of the contracted loan term, without substantial hardship.

Below is a description of the key attributes that affect whether this product is likely to be suitable for the needs of the target market.

Objectives	Product attributes
Require a bridging loan, for up to 18 months, to assist with the purchase or refinance of residential property	<ul style="list-style-type: none"> <li>The loan amount will be used exclusively for the purchase, or refinance, of residential property</li> <li>A loan term of up to 18 months</li> </ul>
Residential investment	<ul style="list-style-type: none"> <li>Customers who will use the residential property acquired with the loan as a residential investment residence</li> <li>This product may not be suitable for retail clients who will use the residential property to live in as a principal place of residence</li> </ul>
Require ability to capitalise interest for the duration of the loan term	<ul style="list-style-type: none"> <li>Up to 18 months' interest to be capitalised to the loan at settlement, if required</li> <li>If approved for a loan extension, up to six-months' interest may be capitalised up-front for each six-month period</li> </ul>
Require a simple loan with an interest period	<ul style="list-style-type: none"> <li>Customers who only require a simple, short-term, interest only loan where the exit strategy is for an external refinance or full repayment of the loan facility</li> <li>Additional features (such as redraw, offset account) are not required nor sought</li> </ul>

## Objectives, financial situation and needs

This product is designed to enable a purchaser of a residential property to obtain short-term finance to assist with their purchase, subject to market-related credit and lending criteria.

## Financial situation

The target market is property purchasers who require a Zagga Loan and who must meet Zagga's credit assessment criteria for the product, and whose financial situation must include demonstrating the capacity to repay the full loan amount, including capitalised interest, for the new property purchase, at the end of the contracted loan term, without substantial hardship.

Zagga views that its processes, including assessing the borrower's ability to service the Zagga Loan, will mean that the product will likely be consistent with the financial situation of the target market.

## Eligibility criteria

To hold this product, borrower's will need to satisfy certain eligibility criteria, including:

- individuals 18 years of age or above; and
- either:
  - living in Australia as:
    - an Australian citizen, permanent resident or specified temporary Australian resident;
    - New Zealand citizen; or

- overseas citizen co-borrowing with an Australian citizen or permanent resident; or living and working overseas as an Australian citizen or permanent resident; and

- provide as security, the new property being purchased, in accordance with Zagga's credit assessment criteria.

This product is not suitable for consumers who:

- do not meet the eligibility criteria;
- are below the age of 18;
- have low levels of financial literacy;
- have low levels of technological literacy;
- are in, or likely to experience, financial hardship;
- will be unable to repay the full loan amount, including capitalised interest, at the end of the contracted loan term, without substantial hardship;
- are going through bankruptcy; or
- are vulnerable, including those who are:
  - suffering any form of cognitive impairment;
  - unemployed or who have recently experienced job loss;
  - suffering from any illness affecting capacity;
  - suffering from any form of addiction; or
  - suffering from personal or financial circumstances causing significant detriment.

## Consistency between target market and product

This product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market, as we consider that it provides the required type of finance for that class of consumers, key product features (such as loan term, repayment options, and security) are designed to align with the circumstances and capacity of this target market, distribution is restricted to help ensure it is offered only to appropriate consumers, and we monitor outcomes (such as complaints and performance) to confirm the product continues to meet the likely objectives, financial situation and needs of the target market.

We have made this determination based on an assessment of this product, including its key attributes. Individual consumers will need to consider whether this product meets their specific objectives financial situation and needs.

## Review

We will review this Target Market Determination in accordance with the below:

<b>Initial review:</b>	Within three months of the effective date.
<b>Periodic reviews:</b>	Every 2 (two) years from the initial review.
<b>Review triggers:</b>	<p>When any event or circumstance arises that suggests this Target Market Determination is no longer appropriate. This includes (but is not limited to):</p> <ul style="list-style-type: none"><li>• <b>material events:</b> an event or circumstance occurring that materially changes a factor taken into account when making this Target Market Determination for the Product;</li><li>• <b>outcomes:</b> whether this product is being distributed and purchased as envisaged by this Target Market Determination;</li><li>• <b>feedback:</b> the nature and extent of any feedback received from those who distribute the product or consumers;</li><li>• <b>complaints:</b> the number of complaints received in relation to this product;</li><li>• external events such as adverse media coverage or regulatory attention;</li><li>• the occurrence of a significant dealing;</li><li>• performance of the product; and</li><li>• prevailing market conditions.</li></ul>

## Distribution

The following distribution conditions and restrictions apply to this product:

- this product can only be distributed by ZM, accredited brokers or strategic business partners with Zagga;
- restrictions and specific guidance apply to distributors, including the use of targeted advertising, telephone scripts and website content; and
- the product will only be distributed to consumers within the limited target market identified above.

These distribution conditions are designed to make it likely that consumers who acquire this product are in the target market. We consider that the distribution conditions are appropriate and will enable us and our distributors to direct this product to the class of consumers who fall within the target market and are likely to benefit from it. This conclusion has been determined based on an assessment of both the distribution conditions and the target market.

## Reporting and monitoring

We collect the following information from distributors semi-annually (unless otherwise stated) in relation to this Target Market Determination:

<b>Complaints</b>	Report all complaints in relation to this product. This will include written details of the complaints.
<b>Significant dealings</b>	Report if they become aware of a significant dealing in relation to this product that is inconsistent with this Target Market Determination within ten (10) business days.
<b>Feedback</b>	Report all feedback in relation to this product (including the performance of this product).
<b>Requests for information</b>	Report requests for information received from consumers.
<b>Sales to consumers who are not in the target market</b>	Report any sales to consumers outside the target market.
<b>Sample of recorded sales calls</b>	Provide a sample of recorded sales calls, if any are recorded.
<b>Conversion rates</b>	Report number of loans approved as a % of applications received.
<b>Volume of sales</b>	Report \$ value of approved loans.
<b>Web analytics</b>	Report any information gathered via web analytics.

## How to contact us

You may contact us during business hours (AEST) by:

	<b>calling</b> 1300 1 ZAGGA (+61 466 617 422)
	<b>write</b> to us at PO Box R1448, Royal Exchange NSW 1225
	<b>email</b> us at <a href="mailto:info@zagga.com.au">info@zagga.com.au</a>

## For more information

[zagga.com.au](http://zagga.com.au) | 1300 1 ZAGGA (1300 192 442) | [info@zagga.com.au](mailto:info@zagga.com.au)