

## Target Market Determination – Intrinsic Finance Consumer Asset Finance

This Target Market Determination (“TMD”) provides information about the consumers that this product has been designed for, having regard to the likely objectives, financial situation and needs for those in the target market.

Consumers should refer to the terms and conditions of the product and any supplementary documents which outline the relevant terms and conditions when deciding about the product.

This document is not a full summary of the product’s terms and conditions and is not intended to provide financial advice or professional advice of any kind. Consumers are encouraged to seek independent legal, financial and professional advice before deciding about the product.

<b>Product</b>	Intrinsic Finance Secured Asset Loan (“product”) Ignition Vehicle Finance
<b>Issuer</b>	Alpha Car Finance Pty Ltd, trading as <b>Intrinsic Finance</b> ACL 411447
<b>Effective Date</b>	15 February 2024
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>The Intrinsic Finance secured asset loan is designed for a class of consumers seeking finance to purchase a motor vehicle, who want to make regular repayments and have a fixed rate of interest for the life of the loan.</p> <p>Consumers in the relevant class of consumers must meet our eligibility criteria which includes that they:</p> <ul style="list-style-type: none"> <li>- Must be 18 years or older at the time of application</li> <li>- Must be an Australian resident or valid Visa holder for the entirety of the life of the loan</li> <li>- Must have an acceptable credit rating</li> <li>- Can demonstrate their capacity to repay the loan over a sustained period of time.</li> </ul>
<b>Product Description and Key Attributes</b>	<p><b>Description of the product, including key attributes</b></p> <p>The key attributes of the Intrinsic Finance Secured Asset Loan include:</p> <ul style="list-style-type: none"> <li>- Loan terms from 36 to 60 months</li> </ul>

- Repayment terms are either weekly, fortnightly or monthly
- Fixed rate of interest for the life of the loan
- Vehicles may be purchased from registered/ licensed dealers
- Regulated under the *National Consumer Credit Protection Act 2009*
- Monthly account fees payable
- Early repayment fees are applicable.

The Intrinsic Finance Secured Asset loan has classifications of Bronze, Silver, Gold, Platinum and Diamond risk classes, all of which are covered by this TMD.

**Consumer needs and objectives**

**Consumer Needs and objectives**

The Intrinsic Finance secured asset loan is designed for consumers who:

- Need to borrow between \$7,500 - \$50,000
- Want finance to purchase a motor vehicle
- Want a fixed rate of interest for the life of the loan
- Want the choice to make repayments in weekly, fortnightly or monthly intervals

**Financial Situation**

**Description of financial situation of consumer for whom the product is suitable**

This product is designed for consumers who:

- Receive regular and ongoing income
- Can afford to service a loan of at least \$7,500
- Want to make regular repayments over a defined period
- May have credit defaults in the past
- Meet additional lending and eligibility criteria

**Excluded Classes**

**Classes of Consumers for who the product is not suitable**

This product is not designed for consumers who:

- Wish to use finance for other than purchasing a motor vehicle
- Have a credit file that is younger than 3 years
- Have any unpaid defaults greater than or equal to 3 months listed on their credit report

- Have poor bank account conduct
- Display short-term cash lender activity
- Intend to pay out the loan early and who do not want to incur an early payout fee

**Consistency between Target Market and Product**

**Explanation of why the product is consistent with the objectives, financial situation and needs of consumers in the target market**

The Consumer (Secured) Asset Loan is designed to suit consumers with reasonable banking conduct who require access to funds to purchase a motor vehicle. The loan is designed to complement the asset type being financed and the circumstances of the consumers.

Consumers in the target market are those looking for a fixed rate of interest and who intend to remain in the loan for a reasonable period or who are willing to pay an early termination fee. Those in the target market are unlikely to have sufficient savings to purchase a motor vehicle outright yet have sufficient regular income to service a loan.

**Distribution Channels and Conditions**

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This product is designed to be distributed through the following channels:

- Intrinsic Finance website
- Intrinsic Finance Customer Care Team
- Brokers who hold an Australian credit licence, are representatives of an ACL holder or those who operate under an exemption to the licensing requirements under National Consumer Credit Protection Act 2009
- through approved third-party referral partners with whom Intrinsic Finance has a formal agreement

All distribution channels must be accredited with Intrinsic Finance and must be familiar with the Intrinsic Finance product and the relevant target market determination.

Distribution conditions include ensuring that consumers have the appropriate borrowing capacity and meet the lending and eligibility criteria and requirements for the product. Intrinsic Finance ensures that any information in relation to the product is disseminated in a timely and readily accessible manner to all distributors and authorized internal sales consultants.

**Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market:**

The distribution conditions ensure alignment to the target market by ensuring that:

- All distributors are made aware of the target market and criteria for loan eligibility
- Our application and approval process has controls in place to ensure all approved consumers meet our eligibility and lending requirements.
- Intrinsic Finance has taken reasonable steps to ensure distribution is aligned with the target market
- Monitoring and reporting can happen efficiently

**Review Triggers**

**Intrinsic Finance will review this target market determination if any of the following triggers occurs, where they reasonably suggest that this target market determination is no longer appropriate:**

- Changes in responsible lending legislation and guidelines
- A significant increase in default rates
- A significant increase in the number of hardship notices within close proximity to loan origination
- A significant dealing in the product outside of the target market occurs
- A significant number of complaints is received from customers in relation to the product
- A material change to the product and/or the terms and conditions of the product; and/or
- Adverse external events occurring such as adverse media coverage or regulatory attention

**Review Period**

**Initial Review:** An initial review will be conducted within 18 months of the effective date of 15/02/2024.

**Periodic Reviews:** Periodic reviews of the TMD will be conducted within 18 months from the previous review.