

# Target Market Determination

## Macquarie Property Essentials

Issued by Macquarie Bank Limited

ABN 46 008 583 542 AFSL and Australian Credit Licence 237502

Effective date: 12 October 2022

This Target Market Determination (TMD) describes the type of customer for which this product has been designed, having regard to the likely objectives, financial situation and needs of customers in the target market.

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### Target Market

This product is designed for customers who, at the point of acquiring the product want to borrow money to:

- ✓ Purchase a residential property as an owner occupier or for an investment purpose; or
- ✓ Release equity in residential property for the purpose of home improvement, investment, or personal use; or
- ✓ Refinance an existing home loan.

Customers must be able to demonstrate their capacity to repay debt over a sustained period.

## Key Product Features

Feature	Appropriate for customers within the target market that	Important Considerations
Variable loan interest rate	<p>Want to benefit from future interest rate decreases.</p> <p>Want the option to make additional repayments to their loan, at any time, up to the outstanding loan amount.</p> <p>Understand that their repayments can change at any time.</p>	<p>Variable loan interest rates can increase at any time, resulting in increased loan repayments.</p>
Fixed loan interest rate	<p>Want certainty in repayment amounts for a specified period.</p> <p>Understand that their ability to make additional repayments or changes to their loan is restricted.</p> <p>Understand they will not benefit from interest rate decreases during the fixed rate period.</p>	<p>Break cost fees may be charged if the customer:</p> <ul style="list-style-type: none"> <li>• Requests a change to a variable loan interest rate;</li> <li>• Requests a different fixed loan interest rate;</li> <li>• Requests a different repayment type;</li> <li>• Makes additional payments to their loan; or</li> <li>• Repays the loan in full, prior to the end of the fixed rate period.</li> </ul> <p>Maximum fixed rate period of 5 years.</p> <p>At the end of the fixed rate period, the interest rate will revert to variable.</p>
Principal and Interest loan repayments	<p>Want to pay down their outstanding debt on a regular basis, in addition to their interest repayments.</p>	
Principal <b>plus</b> Interest loan repayments	<p>Want to pay down their outstanding debt on a regular basis, in addition to their interest repayments.</p>	<p>Only the principal amount is fixed each month.</p> <p>The total payment may be different each month depending on the amount of interest accrued for the relevant month.</p>
<b>Note:</b> This repayment type is different to Principal <b>and</b> Interest repayments		
Interest only loan repayments	<p>Want the option of lower repayments for the duration of their interest only term.</p> <p>Understand that they may pay more interest over the life of the loan.</p>	<p>Not paying down principal during the interest only period may result in customers paying more interest over the life of the loan.</p>

Feature	Appropriate for customers within the target market that Important Considerations
	<p>Maximum interest only period of 5 years at a time.</p> <p>At the end of the interest only period, the repayment type will revert to principal and interest or principal plus interest, as applicable.</p>

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## Distribution Conditions

### When distributed by a third party:

- Only appropriately accredited and licenced brokers that are members or representatives of an appropriately accredited aggregator or are directly accredited with Macquarie may submit applications for this product.
- Only appropriately licensed comparison websites may distribute this product.

### When distributed by Macquarie:

- Only appropriately authorised Macquarie staff may distribute this product.

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## Distributor Reporting Requirements

Third party distributors of this product must provide Macquarie with the information in the tables below, in writing.

Complaints	
Reporting obligation	As soon as practicable but, in any case, within 10 business days after the end of each reporting period.
Reporting period	Every quarter, ending on: <ul style="list-style-type: none"><li>• 31 March;</li><li>• 30 June;</li><li>• 30 September; and</li><li>• 31 December.</li></ul>
Required detail	The full details of any complaints received.
Reporting method	Via <a href="http://www.macquarie.com.au/ddo">www.macquarie.com.au/ddo</a>

## Significant Dealings

Reporting obligation	As soon as practicable but, in any case, within 10 business days of becoming aware of the significant dealing.
Required detail	<ul style="list-style-type: none"> <li>• The date on which or the date range over which the dealing occurred;</li> <li>• A description of the dealing;</li> <li>• An explanation of why the dealing is considered significant;</li> <li>• An explanation of why the dealing is considered to be inconsistent with the TMD;</li> <li>• How the dealing was identified (e.g., through monitoring, complaints etc); and</li> <li>• Detail of what steps have been or will be taken in relation to the significant dealing.</li> </ul>
Reporting method	Via <a href="http://www.macquarie.com.au/ddo">www.macquarie.com.au/ddo</a>

## Additional Information

Reporting obligation	As soon as practicable but, in any case, within 10 business days of receiving a request from Macquarie.
Required detail	Any additional complaint related information (such as further information relating to the nature of complaints) that Macquarie requests from time to time.
Reporting method	As specified in any request from Macquarie.

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## Review of this Target Market Determination

This TMD will be reviewed as follows:

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Initial review	Within 18 months of the effective date.
Periodic review	Within 24 months from the completion of the last TMD review.
Review triggers	<p>This TMD will be reviewed should any of the following events occur:</p> <ul style="list-style-type: none"><li>• A material, unexpected increase in complaints received about the product;</li><li>• A material, unexpected increase in customers in default in the product;</li><li>• Implementation of a material change to the product including a material change to the fees or terms and conditions of the product, except where a review of this TMD has already been completed in anticipation of that change;</li><li>• Commencement of a change in law or other regulatory requirement materially affecting the product, except where a review of this TMD has already been completed in anticipation of that change;</li><li>• The use of a regulatory order or direction (including the use by ASIC of its Product Intervention Powers) that expressly states or directly implies that this TMD is no longer appropriate; or</li><li>• Macquarie reporting a significant dealing in the product to ASIC.</li></ul>

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