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Financial  
Services

# TARGET MARKET DETERMINATION

IFSA Pty Ltd ABN 39 651 319 774 trading as Subaru Financial Services managed by Allied Retail Finance Pty Ltd  
ABN 31 609 859 985 Australian credit licence 483211 ("**the Lender**")  
Fixed Rate and Fixed Term Consumer Loan ("**Fixed Rate Loan**")  
Effective Date: 1 August 2024 [v4.2]

This Target Market Determination (TMD) describes the class of consumers that are likely to be in the target market for whom the Fixed Rate Loan has been designed and matters relevant to its distribution and review. It is general in nature and should not be construed as financial advice. Consumers should refer to the terms and conditions of the Fixed Rate Loan agreement and any accompanying documents to ensure that it is appropriate for their particular objectives, financial situation and needs.

## Class of Consumers

Consumers are likely to be in the target market for the Fixed Rate Loan if they:

- wish to obtain a Fixed Rate Loan either through a dealer or broker accredited by the Lender, or where available directly from the Lender
- wish to obtain finance to purchase an Asset predominantly for personal, domestic or household use
- want to own an Asset, subject to the Lender's security interest during the term of the loan, and have unencumbered ownership at the end of the term, subject to all repayments being made
- want to have the certainty of a fixed interest rate and repayment amounts over a fixed term
- do not intend to terminate the loan before the end of the fixed term, however want to have the option to terminate the loan early, for which a fee may apply
- are able to service the loan, being repayments towards the principal balance and interest as it accrues, together with any associated fees and charges, in accordance with the terms and conditions of the loan agreement
- want to choose between making repayments fortnightly or monthly
- are at least 18 years of age and meet the Lender's eligibility and credit criteria.

**Asset:** these are the goods (including any accessories) that are purchased and the Lender is given security over them

Consumers who wish to purchase an Asset through other distribution channels, want to use the Asset for business purposes, wish to have the option of variable interest rates/repayment amounts, wish to vary the loan term, or do not meet the Lender's eligibility and credit criteria, are assessed as unlikely to be in the target market.

## Product Description

The following table sets out the key attributes of the Fixed Rate Loan which have been assessed as likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.

Product Description	Key Attributes	Likely objectives, financial situation and needs
<b>Fixed Rate Loan</b>	Fixed loan term <ul style="list-style-type: none"> <li>Loan terms are fixed at 24, 36, 48, 60, 72 or 84 months</li> <li>Additional fees apply if the loan is paid out before the end of the loan term for any reason</li> </ul>	<ul style="list-style-type: none"> <li>Wish to choose the fixed term and pay off the loan over a fixed period</li> <li>Understand the need to pay additional fees if deciding to pay out the loan early</li> </ul>
	Fixed interest rate <ul style="list-style-type: none"> <li>The interest rate is fixed for the duration of the loan term</li> </ul>	<ul style="list-style-type: none"> <li>Understand that the interest rate of the loan will not change, even if there are changes in external interest rates</li> <li>Need repayment stability during the life of the loan</li> </ul>
	<ul style="list-style-type: none"> <li>Additional items that may be financed include dealer warranties, car servicing and add-on insurance products (where available) and result in consumers paying interest on the cost of these items over the life of the loan</li> </ul>	<ul style="list-style-type: none"> <li>Wish to include dealer warranties, car servicing and add-on insurance products (where available) in the total amount financed</li> </ul>
<b>Fixed Rate Loan with Balloon</b>  This is an option of the Fixed Rate Loan where the final repayment, after all regular repayments are made, is a lump sum at the end of the loan term	Fixed Rate Loan with Balloon <ul style="list-style-type: none"> <li>Repayments are lower when compared to a Fixed Rate Loan without a balloon</li> <li>Results in consumers paying more interest over the life of the loan</li> <li>Requires payment of a lump sum amount at the end of the loan term</li> </ul>	<ul style="list-style-type: none"> <li>Wish to make regular repayments through the loan term and pay a lump sum balloon at the end of the loan term</li> <li>Understand that each regular repayment is lower than a Fixed Rate Loan without a balloon, but will pay more interest over the life of the loan</li> <li>Able to pay the balloon at the end of the loan term and intend to do so either by paying the lump sum, trading in the Asset, or refinancing the balloon</li> <li>Able to meet the Lender's eligibility and credit criteria for balloons</li> </ul>

Product Description	Key Attributes	Likely objectives, financial situation and needs
<p><b>Fixed Rate Loan with GFV</b> (where applicable)</p> <p>GFV is a product and is determined by the Lender at the start of the loan term. It provides the consumer with the option to trade, retain or return the Asset at the end of the loan term.</p> <p>If the consumer decides to retain the Asset at the end of the loan term, they must pay the Lender the GFV (similar to a balloon payment). If the consumer wishes to return the Asset, the Lender may apply the GFV to the outstanding loan balance and if the Lender does not, the consumer must still pay all amounts owing to the Lender under the Fixed Rate Loan.</p> <p>In either case, the terms and conditions of the GFV contract apply.</p>	<p>Fixed Rate Loan with GFV</p> <ul style="list-style-type: none"> <li>• Loan terms are fixed at 36, 48 or 60 months</li> <li>• The Lender guarantees the minimum amount value of the Asset at the end of the loan</li> <li>• Fair wear and tear, and excess kilometre conditions apply which may result in additional charges if those conditions are not met or are exceeded</li> <li>• Full terms and conditions are provided in the GFV contract which sets out how the option (trade, retain or return) may be exercised</li> </ul>	<ul style="list-style-type: none"> <li>• Wish to exercise the option to retain, return or trade-in the Asset at the end of the loan term. Where the option is to retain the Asset, the consumer intends to pay the balloon at the end of the loan term</li> <li>• Can estimate the approximate number of kilometres travelled annually during the loan term</li> <li>• Agree to enter into the terms and conditions of the GFV contract, including fair wear and tear, and excess kilometre conditions</li> <li>• Understand that interest rates are higher when compared to a Fixed Rate Loan without GFV</li> <li>• Understand that each regular repayment is lower than a Fixed Rate Loan without GFV, but will pay more interest over the life of the loan</li> <li>• Able to meet the Lender's eligibility and credit criteria</li> </ul>

**Balloon:** a final lump sum amount that is payable at the end of the term of the loan  
**GFV:** Guaranteed Future Value

### Distribution Channels and Conditions

- Appropriately accredited and authorised dealer or broker and/or the Lender staff prepare and submit credit applications
- Applications may also be completed and submitted by the target market through relevant websites (where available)

### Distribution Information and Reporting Requirements

Type of information	Description	Reporting Period
<b>Specific Complaints</b>	Details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable, and in any case within 10 business days of the complaint.
<b>Significant Dealings</b>	Date or date range of 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.

### Review Periods and Review Triggers

A review trigger is any event or circumstance which arises that would suggest the TMD is no longer appropriate.

Review Periods	Review Triggers
<p><b>First Review Date: Within 1 year of the effective date</b></p> <p><b>Periodic Reviews: At least every 1 year from the initial review</b></p>	<p>Any event or circumstance which arises that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> <li>• a material change to the design or distribution of the product, including related documentation</li> <li>• occurrence of a significant dealing</li> <li>• distribution conditions found to be inadequate</li> <li>• where applicable, feedback from distributors and/or consumers</li> <li>• external events such as adverse media coverage or regulatory attention; and</li> <li>• significant changes in metrics, including, but not limited to, complaints, incidents and system limitations.</li> </ul>