

Target Market Determination

RelloPay Deposit Advance

Issuer: Rello Finance Pty Ltd, trading as "Rello" (ACN 633 994 859)

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About this Target Market Determination (“TMD”)

Introduction

This TMD describes the likely objectives, needs and financial requirements of customers (“Vendors”) in the target market who seek the early release of deposits held in trust following unconditional sale of their domestic residential property.

This TMD describes the **Deposit Advance** product that Rello offers to Vendors, including the key attributes and an explanation of how Deposit Advance meets the likely objectives, needs and financial requirements of our target customers.

This TMD is required under section 994B of the Corporations Act 2001 (Cth). This document is not intended to provide financial advice. It forms part of Rello’s design and distribution framework for offering Deposit Advance.

Product to which this TMD applies

Rello offers a Deposit Advance to Vendors when the sale of their domestic residential property is unconditional and a deposit for that sale had been received from the purchaser and is held in trust for the Vendor.

Vendors generally must wait for settlement to take place (normally 30–90 days depending on which state the property is located) before they can access the deposit. Rello provides the Vendor with early access to the amount of the deposit ahead of settlement. In consideration, the Vendor sells Rello a right to receive an identified amount of the sale proceeds. The Vendor is required to buy that right back from Rello at the earlier of property settlement, release of the deposit, withdrawing the property from the sale agreement or a prescribed date – usually the settlement date prescribed in the contract of sale.

The Vendor may request a Deposit Advance for up to 65% of the deposit held in trust. The terms of a Deposit Advance are documented in a Deposit Advance Agreement that the Vendor executes. The Deposit Advance Agreement specifies the amount that the Vendor agrees to pay to Rello to purchase Rello’s right to a portion of the sale proceeds. Vendors charge their right and title in the property sold, to Rello and authorise Rello to lodge a caveat over the property.

Date from which this TMD is effective

1 March 2022 (the Effective Date).

The Target Market

The information below summarises the type of Vendors who fall within the target market for a Deposit Advance, based on the key product attributes, their likely objectives, financial requirements and needs that Deposit Advance has been designed to meet.

Background

A Deposit Advance provides a Vendor with early access to money in circumstances when the Vendor has immediate requirement for those funds. A benefit is that any alternative financial transactions that the Vendor wishes to complete are not hampered by the Vendor having to wait for the purchaser to settle the property purchase.

Rello advances a percentage of the deposit amount held in trust following an approved sale of residential real estate property, to the Vendor. An approved sale transaction is one where:

- The property is residential and located in Australia;
- A contract of sale had been exchanged and the deposit paid by the purchaser;
- The contract of sale is unconditional and any cooling down period had expired;
- The contract of sale gives the Vendor a right to retain the deposit if the purchaser fails to settle.

To apply for a Deposit Advance, Rello obtains documentary evidence of an approved sale, which includes the following:

- A copy of the contract of sale
- Confirmation of the amount of deposit and where it is held
- Confirmation from the Vendor's settlement agent, conveyancer details and date of settlement.

Target Market for Deposit Advance

The product is designed for individuals who require access to funds following the sale of their property where they have a short term immediate requirement for those funds.

(the **Target Market**).

Eligibility

To be eligible to access a Deposit Advance, a customer must:

- be at least 18 years old;
- be a permanent resident or citizen of Australia;
- have verifiable mobile telephone number and a valid address in Australia;
- have a valid ID, either a drivers licence or passport;
- have signed an exclusive sales authority; and
- have title to the property sold real estate agency

The target market excludes sales from a deceased estate, off plan residential sales and commercial property sales.

The appropriateness of Deposit Advance for Vendors

A Deposit Advance is an appropriate product for Vendors, meeting all likely objectives and needs and satisfying financial requirements, specifically:

- an immediate need for money that otherwise is not available until a contract of sale is fulfilled;
- and a ready capacity to fulfil obligations under a Deposit Advance Agreement from the proceeds of selling the property.

Product Description and Design

A summary of terms which may apply to Deposit Advance are set out below:

Product Name	▪ RelloPay Deposit Advance
Purpose	▪ Advance funding of deposits held in trust
Exclusions	▪ Commercial Property, off-the-plan sales, property developments and deceased estates
Funding Amount	▪ From \$25,000 to \$250,000 per exchanged contract
Term / Buy Back Date	▪ 60 days from acceptance of the Deposit Advance Agreement ▪ Vendor's option to extend in incremental 30 days up to a total of 120 days, subject to the circumstances of the transaction
Fees	▪ 4% of the Deposit Advance Amount (with a minimum Service Fee of \$1,000) for 60 days. ▪ An additional 1% of the Deposit Advance Amount for each 30 day extension period requested by the Vendor up to 120 days or settlement (whichever is earlier) ▪ Fees are non-refundable
Settlement	▪ The Vendor buys Rello's right to a share of the sale proceeds at the earlier of settlement, release of the deposit, withdrawal of the property from sale or the date prescribed in the Agreement.
Documentation	▪ The Vendor executes a Deposit Advance Agreement and provides the evidentiary documents required by Rello prior to agreeing to make the advance.
Customer Service	▪ The Customer receives electronic confirmation of the terms of the Agreement. Ongoing correspondence is by electronic means or voice.

How this product will be distributed

Distribution

Rello has defined a set of distribution channels and associated distribution conditions or restrictions. Deposit Advances are distributed digitally:

- Online through the Rello's Website (www.rellipay.co), where Vendors can apply directly for Deposit Advance;
- Through licenced real estate agents who inform Vendors of the availability of Rello's Deposit Advance in the ordinary course of providing real estate services;
- Conveyancers and lawyers ("Settlement Agents") who support Vendors in facilitating complex and often multiple transactions and
- Third party technology platforms that provide services to real estate agents to facilitate efficient, timely and safe transactions between real estate agents, vendors

and settlement agents. Rello enables a direct API integration with selected platforms to seamlessly and securely provide Deposit Advances.

Each Settlement Agent or Real Estate Agent is onboarded and provided with a unique account to enable using the Rello Platform, with access to products and services including Deposit Advance. Training is provided to not make any false or misleading representation or statement about Rello or Rello's products and services.

Agents may inform Vendors of the potential availability of a Deposit Advance when a need is possible. Vendors are able to apply for a Deposit Advance online through Rello's website (www.rellopay.co).

Rello has determined that the conditions and restrictions on distributors make it likely that Vendors who request a Deposit Advance will be in the class of customers for which it has been designed. We consider that the distribution conditions and restrictions are appropriate and will ensure that distribution is directed towards the Target Market for whom Deposit Advance has been designed.

Reviewing this TMD

Rello has implemented a monitoring program for Deposit Advance which is designed to trigger a review of this TMD.

Review periods and review triggers

The features of Deposit Advance, and this TMD, will be reviewed no later than 12 months after the date of this TMD, and thereafter annually each June to assess Deposit Advance's continued suitability for the objectives, financial situation and needs of Agencies in the target market, including:

- Quarterly review of the appropriateness of Deposit Advance limits;
- Quarterly review of the performance of each distributor of Deposit Advance, including the number of products offered and sold, breaches within the portfolio of agreements with customers of that distributor and the extent to which Deposit Advances offered by that distributor conform to the distribution conditions and product parameters.
- We will collect information on the number applications, number of approvals and settlements in relation to this TMD monthly.

The following circumstances and events will trigger an earlier review of this TMD, and of the suitability of Deposit Advance to the target market:

- If the financial value of contracts in breach exceeds 5% of the total financial value of contracts in effect;
- If more than 10 complaints are received in relation to Deposit Advance in any quarter;
- If significant changes to the external environment that would reasonably suggest that this TMD is no longer appropriate, including the regulatory / legislative

environment for Deposit Advance, as well as the economic and market conditions;
or

- An observation about product usage and consumer behaviour that would reasonably suggest that this TMD is no longer appropriate.

Reporting and Monitoring the TMD

We will collect the following information from external parties in relation to the TMD:

Product complaints

Distributors will report all complaints they receive in relation Deposit Advance every three months, including customer information and details of the complaint.

Significant dealings

We will report any significant dealings to ASIC within 10 business days of becoming aware of the dealing.