



## Target Market Determination

<b>PRODUCT ISSUER</b>	Powerwrap Limited		
<b>ABN</b>	67 129 756 850	<b>AFSL</b>	329829
<b>PRODUCT</b>	Powerwrap Investment Account (including badged offers)		
<b>TMD VERSION</b>	2		

### INTRODUCTION

This document provides guidance in relation to Target Market Determinations (**TMD**) for the purposes of the Design and Distribution Obligations (**DDO**) under the *Corporations Act 2001* (Cth) (Act). This TMD is required under section 994B of the Act and sets out the class of consumers (**Target Class**) for whom the Powerwrap Investment Account (**Product**) would likely be consistent with their likely objectives, financial situation and needs having regard to the Product's key attributes. This TMD is required to outline the triggers to review the Target Market and certain other information. It forms part of Powerwrap Limited's (**Issuer**) design and distribution arrangements for the Product.

### ABOUT THIS DOCUMENT

1. This TMD has been developed to:
  - a) Assist **retail clients** (as that term is defined in section 761G of the Act) within the Target Class (as defined below), to obtain suitable financial products having regard to their '*likely objectives, financial situation and financial needs*'; and
  - b) Assist **product distributors** (as that term is defined in section 994(A)(1)) to distribute the Product in a manner consistent with this TMD.
2. This Product is an interest in a managed investment scheme. As this Product is available to retail consumers, the Issuer must issue a Product Disclosure Statement (PDS) that contains information about the Product, including its benefits and risks, the cost of the Product, and the fees and charges that the Product Issuer, may receive.

The Investments available through the Product are listed in the Product's Approved Product List (Guide), they form the Eligible Investment List (Eligible Investments). The Guide is available from the Powerwrap website at [www.powerwrap.com.au/resources](http://www.powerwrap.com.au/resources). Typically, the Eligible Investments include Managed Funds, Term Deposits, Fixed Income Funds and Model portfolios. Model portfolios are devised by experienced model managers and have been categorised according to the 'Standard Risk Measures' which are designed to measure the chance of a negative return over a 20-year period. Further information on the risks and objectives including investment horizons of each Model Portfolio, are set out in the Guide.

Details of the available investments within the Product can be obtained by visiting the Powerwrap website [www.powerwrap.com.au/resources](http://www.powerwrap.com.au/resources). Some of the eligible investments have their own separate TMD which can be viewed at this website.

This document is not a full summary of the Product's features or terms and conditions of the Product which are contained in the relevant PDS issued by the Issuer (and any supplementary documents), nor is this TMD intended to provide financial product advice. Powerwrap Limited is not required to assess the suitability of the Product for individual consumers. The information provided here is general information only, and current as at the date of issue. You should consider the Product's appropriateness in light of your objectives, financial situation and needs before acting on it, and in conjunction with any other documentation relating to this Product.

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## Important dates

Date from which this target market determination is <b>effective</b>	19/12/2022
Date when this target market determination was <b>last reviewed</b>	19/12/2022
Date when this target market determination will be <b>next reviewed</b>	01/12/2023

### CLASS OF CONSUMERS WHO FALL WITHIN THIS TARGET

This Product has been designed for **retail consumers who have engaged an authorised financial advice provider (Financial Adviser) to provide personal financial product advice** in relation to this Product and the Eligible Investments and *who have considered your likely objectives, financial situation and needs* set out below.

This Product is suitable for a Target Class of consumers, whose likely **objectives, financial situation and needs**: may include some of the following;

#### Objectives

This product is designed for consumers who:

- Are seeking a diversified investment portfolio with access to a broad range of professionally managed Model Portfolios, via a registered managed investment scheme
- Are seeking to access professional investment managers and/or individual investment selection (ie. Listed Securities, Managed Funds, ETFs, Term Deposits and Bonds) based on the recommendations of the consumers authorised financial adviser
- Are seeking access to a choice of investment options covering a broad range of investment sectors to meet their target asset allocation strategy including cash, fixed interest, domestic and international listed equities, listed property, and alternatives
- Are seeking the flexibility to hold Eligible Investments on a custodial or non-custodial basis (including individual HIN) or a combination of both, while retaining beneficial ownership of investments
- Are seeking the flexibility to switch investments within the same product structure more easily than investing in multiple products or individual investments directly
- Are seeking an ability to access consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation

#### Financial Situations/Needs

The financial situation and need of the Target Class include:

- those with a range of investment knowledge or experience;
- those with existing savings of at least \$20,000;
- those with a range of investment risk profiles/measures (capital growth, capital preservation, capital guaranteed, regular income) and investment time horizons (short, medium or long) including those with an ability to bear losses;
- those looking for capital growth or income from investments or a mixture of both;

The Product **is not designed** for consumers who:

- have not engaged a Financial Adviser;
- want to exercise greater control over each investment transaction;
- may not benefit from consolidated reporting and the associated administration costs;
- do not have investment funds of more than \$20,000; and
- are seeking to retain all corporate actions and legal ownership in respect of their investments.

### PRODUCT DESCRIPTION AND KEY PRODUCT ATTRIBUTES



## Overview

The Product is established and offered within the registered managed investment scheme known as Powerwrap Investment Account (**Scheme**). The Product provides for:

- the creation of an account comprising a range of investments including a broad range of professionally managed Model Portfolios, via the registered Scheme;
- the ability to customise an account from a wide range of investment options including, Managed Funds, Fixed Income, ETF;s, ASX & International Listed securities, LIC's and Term Deposits;

## Custody & individual holdings

Typically, investments into the Product are held by a third-party custodian. ASX listed securities may be held as individual holdings, a Holder Identification Number (HIN) will be created in the consumer's name or in a nominee name refer to the Investment Options section in the Product's PDS.

## Key attributes

Key product attributes include the following;

- Access to a broad range of investments including Model Portfolios managed by experienced investment managers, managed funds, ETFs, ASX-listed securities and hybrids, international securities and term deposits. The investments are set out in the Guide.
- An interest-bearing cash operating account that acts as the hub of your portfolio for deducting fees and settling transactions.
- Consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation
- Access to potential costs savings associated with pooling of investments with other consumers (e.g., lower brokerage fees), and lower administration fees from family account aggregation
- Fees for the provision of financial product advice pertaining to the Product and agreed with a Financial Adviser can be administered from the account
- Ability to hold ASX securities as individual holdings with a HIN in investor's name and the ability to elect whether to participate in a range of corporate actions as notified by the Issuer
- A minimum initial investment of \$20,000 comprising, cash, in-specie transfer of Eligible Investment or a combination of both can be used to establish an account. Regular contribution plans can also be established.

A 14 Day Cooling-Off Period applies for all new Product accounts that have been established.

## Fees

- On-going fees for administration, investment management and reporting of consumer accounts (see the PDS for the Product) including brokerage and settlement costs for equities and managed funds trading and expenses.

## **HOW THE PRODUCT IS TO BE DISTRIBUTED**

Given the Product's broad application to **retail consumers**, this Product can **only be distributed by holders of an Australian Financial Services Licence (AFSL) who provide personal financial product advice** and **authorised representatives** of these AFSLs. These AFSLs and authorised representatives must be registered to access and use the Powerwrap platform prior to recommending the Product to appropriate consumers.

**Consumers will not be permitted to invest directly** in the Product without a financial adviser.

In the event that a Financial Adviser's appointment is cancelled by the consumer or the Financial Adviser ceases to act as the consumer's representative for any reason investment in the Product will come under the Product's Non-Adviser Policy with different Key Product Attributes (refer Praemium Non-Advised Investor Policy available from Praemium on request).

## REVIEWING THIS TARGET MARKET DETERMINATION

We will review this TMD in accordance with the requirements listed below:

<b>Review triggers or events</b>	<p>Any event or circumstance(s) 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 such as the PDS;</li> <li>• occurrence of an ASIC reportable “Significant Dealing” (see examples of Significant Dealings below);</li> <li>• external events such as adverse media coverage or regulatory attention;</li> <li>• significant changes in metrics, including, complaints;</li> <li>• significant increase in members exiting the Product;</li> <li>• persistent member complaints about as defined in section 994A(1) of the Act) about the product or distribution of the product; and</li> <li>• a change has occurred that effects the objectives of the target market.</li> </ul>
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Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

## REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

We will collect the following information from our distributors in relation to this TMD. If practicable, distributors should adopt the industry data standards for reports to the issuer. Distributors can report to Powerwrap Limited by email at: [ddo@praemium.com](mailto:ddo@praemium.com)

<b>Complaints</b>	<p>Distributors will report the number of complaints in relation to the Product covered by this TMD within 10 business days following the end of a calendar quarter.</p> <p>This will include the substance of complaints relating to the Product and its performance.</p>
<b>Significant dealings</b>	<p>Distributors will report as soon as practicable and within 10 business days after becoming aware of a significant dealing in relation to this TMD.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer).</li> </ul> <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and extent of the inconsistency of distribution with the TMD.</li> </ul> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the reporting period,</li> </ul>
<b>Acquisitions outside the target market</b>	<p>Distributors will report on each dealing outside of the target market, including reason why acquisition is outside of target market within 10 business days following end of calendar quarter.</p>