

## Target Market Determination

<b>PRODUCT ISSUER</b>	<b>Praemium Australia Limited</b>		
<b>ABN</b>	<b>92 117 611 784</b>	<b>AFSL</b>	<b>297956</b>
<b>PRODUCT</b>	<b>Separately Managed Accounts ARSN 114 818 530 (including all badged offers)</b>		
<b>TMD VERSION</b>	<b>1</b>		

### 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 Separately Managed Accounts ARSN 114 818 530 (**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 Praemium Australia 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 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 Praemium Investment Menu and Single Asset List (**Guides**), and together they form the Eligible Investment (**Eligible Investment**). Typically, the Eligible Investments are available through model portfolios devised by experienced model managers (**Model Portfolios**) or may be available as a single asset investment. Model Portfolios 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 Guides.

Details of the Eligible Investment and the Guides are available from the Praemium website at [www.praemium.com.au/resources](http://www.praemium.com.au/resources). Some of the Eligible Investment have their own separate TMD which can also 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. Praemium Australia 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.

## Important dates

Date from which this target market determination is effective	1/10/2021
Date when this target market determination was <b>last reviewed</b>	1/10/2021
Date when this target market determination will be <b>next reviewed</b>	1/10/2022

### 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 Investment 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
- » to access professional investment managers and/or individual investment selection (i.e.. Listed Securities, Managed Funds, ETFs, Term Deposits and Bonds) based on the recommendations of their authorised Financial Adviser
- » 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
- » the flexibility to switch investments within the same product structure more easily than investing in multiple products or individual investments directly
- » an ability to access consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation
- » to access a wide range of investment options with designated risk measures and recommended investment time horizons. Investments into the Product are held by a third-party custodian.

#### Financial Situations/Needs

The financial situation and need of the Target Class include:

- » those with a range of investment knowledge or experience;
- » 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 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 a registered managed investment scheme known as the Separately Managed Accounts ARSN 114 818 530. Each consumer has a separate Account to which their selected investments are allocated.

### 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

### Key attributes

Key product attributes include the following;

- » A range of pre-determined Model Portfolios managed by experienced investment managers and/or a broad range of individual investment options including managed funds, ETFs, ASX-listed securities and hybrids, international securities and term deposits. These Eligible Investment are set out in the Guides.
- » An interest-bearing cash account requiring a minimum holding of 1% of your investment account. The cash account acts as the hub of your portfolio for deducting fees and settling transactions.
- » Access to ethical investment screenings at a consumer account level.
- » Daily account rebalancing to ensure ongoing alignment with the selected investment strategy taking account of:
  - » changes to Model Portfolios notified by the relevant investment manager
  - » investments in or cash withdrawals from your account;
  - » Model Portfolio or individual asset switches; fees and
  - » minimum cash holding requirements and other circumstances as outlined in the PDS for the Product.
- » Account customisation options including minimum trade size specification, individual securities substitution, and the application of holding locks to selected securities
- » Consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation which is available 24/7 via the Investor Portal
- » Access to potential costs savings associated with pooling of investments with other consumers (e.g., lower brokerage fees from the netting of listed securities trades, lower investment management costs associated with wholesale investments and lower administration fees from family account aggregation
- » Ability to link and fund the account with an externally established margin lending arrangement.
- » Fees for the provision of financial product advice pertaining to the Product and agreed with a Financial Adviser can be administered from the account
- » An initial investment 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.

### CONSISTENCY BETWEEN TARGET MARKET AND THE PRODUCT

This product is consistent with the class of consumers detailed above for this target market. It provides comprehensive investment choice to assist financial advisers to develop an investment portfolio tailored to each individual consumers financial objectives through the financial advice process.

### 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 Praemium 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 consumers representative for any reason, the Account will be managed in accordance with the Product's Non-Advised Policy.

## REVIEWING THIS TARGET MARKET DETERMINATION

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

### Review triggers or events

Any event or circumstance(s) arises that would suggest the TMD is no longer appropriate. This may include (but is not limited to):

- » a material change to the design or distribution of the Product, including related documentation such as the PDS;
- » occurrence of an ASIC reportable "Significant Dealing" (see examples of Significant Dealings below);
- » external events such as adverse media coverage or regulatory attention;
- » significant changes in metrics, including, complaints;
- » significant increase in members exiting the Product;
- » persistent member complaints about as defined in section 994A(1) of the Act about the product or distribution of the product; and
- » a change has occurred that affects the objectives of the target market.

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 FSC data standards, which are available at [www.fsc.org.au/resources/target-market-determination-templates](http://www.fsc.org.au/resources/target-market-determination-templates). Distributors can report to Praemium Australia Limited by email at: [ddo@praemium.com](mailto:ddo@praemium.com).

The Issuer will rely on reporting from distributors to monitor and review the Product, this TMD, and the distribution strategy.

<b>Complaints</b>	Distributors will report the number and nature of complaints in relation to the Product covered by this TMD within 10 business days following the end of a calendar quarter.
<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> <p>they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the Product, or</p> <p>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).</p> <p>In each case, the distributor should have regard to the nature and extent of the inconsistency of distribution with the TMD.</p> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if it constitutes more than half of the distributor's total retail product distribution conduct in relation to the Product over the reporting period.</p>
<b>Acquisitions outside the target market</b>	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.

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