

Target Market Determination – Funds Management

Introduction

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement (**PDS**) and is **not** a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for Charter Hall Direct PFA Fund before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained at www.charterhall.com.au/pfa

Target Market Summary

This product is intended for use as a Satellite allocation for a consumer who is seeking Capital Growth and Income Distribution and has a Medium risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a Long investment timeframe and is unlikely to be suitable for a consumer who requires access to their capital other than in response to the major five-yearly Liquidity Events (noting the period to satisfy redemption requests is generally within 12 months of the closing date of the Liquidity Event but may be materially longer in times of market stress).

Fund and Issuer identifiers

Issuer	Charter Hall Direct Property Management Limited
Issuer ABN	56 073 623 784
Issuer AFSL	226 849
Fund name	Charter Hall Direct PFA Fund—Ordinary Units
ARSN	097 860 690
APIR Code	MAQ5880AU
TMD issue date	18 September 2025
TMD Version	5.0
Distribution status of Fund	Available

Description of Target Market

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market	See Issuer's instructions Please see the 'Product description including key attributes' in the table below for Issuer instructions.	Not in target market
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Instructions

In the tables below, Consumer Attributes indicate a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. The TMD indicator indicates whether a consumer meeting the Consumer Attribute is likely to be in the target market for this product.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of satellite/small allocation or core component). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a High or Very High risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is Low or Medium. In making this assessment, distributors should consider all features of a product (including its key attributes).

The following customer attributes are relevant for customers who invest in Charter Hall Direct PFA Fund.

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	In target market	Investors seeking income distributions paid monthly with the potential for capital growth over the long term.
Capital Preservation	See Issuer instructions (column 3)	The Fund aims to provide investors with regular monthly income and the potential for capital growth over the long term by investing in an Australian office property portfolio anchored by government or well-regarded corporate tenants. The Fund may also invest in office funds that meet the investment criteria. A portion of distributions are currently tax-deferred.
Capital Guaranteed	Not in target market	
Income Distribution	In target market	The Fund is not capital guaranteed. The value of an investment is subject to movements in the value of the real property owned by the Fund, however the Fund is designed and expected to have low volatility and modest capital growth over the recommended investment horizon of at least five years. Therefore, the Fund may be suitable for an investor who seeks to preserve their capital but who accepts there is a risk they may lose some or all of their money. The Fund is not suitable for an investor who cannot accept any loss of their capital. The Fund is a geared investment, which increases the potential for larger capital losses (and gains). Investors should therefore have a higher risk tolerance than if the Fund were not geared.
Consumer's intended product use (% of Investable Assets)		
Whole portfolio (up to 100%)	Not in target market	Investors seeking to invest in office properties in established or emerging Australian office markets for the long term. Investors seeking to invest in the Fund as part of a broader portfolio.
Major allocation (up to 75%)	Not in target market	The Fund offers exposure to the office property asset class in Australia and seeks to maintain a broad holding of office assets in established and emerging office markets via investments in real property and indirect investments in other high quality office funds that meet the investment criteria. Therefore, the Fund's portfolio diversification is Low (see diversification definitions).
Core allocation (up to 50%)	Not in target market	
Minor allocation (up to 25%)	See Issuer instructions (column 3)	Investors should use the Fund as a satellite allocation to spread this risk across a broad portfolio of investments.
Satellite allocation (up to 10%)	In target market	Investors may also use the Fund as a minor allocation where an investor has a high conviction to the Fund's strategy and has at least a high risk/return profile.

Consumer's investment timeframe		
Minimum investment timeframe	Five years	Investors seeking to invest in the Fund for the Long term. The Fund has rolling five-year investment terms and at the end of each term there will be a Liquidity Event. The next Liquidity Event is expected to be held in or around August 2027 and every five years thereafter. The Responsible Entity will aim to satisfy accepted redemption requests made in response to a Liquidity Event within 12 months of the closing date of the Liquidity Event. In times of market stress or due to prevailing circumstances at the relevant time, the period to satisfy redemption requests made in response to the Liquidity Event, may be materially longer than 12 months. Limited Withdrawal Offers are intended to be made every six months, subject to available liquidity. These are not guaranteed and requests may be scaled back. Limited Withdrawal Offers will not be made while a Liquidity Event is ongoing. The Fund is therefore not suitable for investors who require access to their capital prior to the next Liquidity Event.
Consumer's Risk (ability to bear loss) and Return profile		
Low	Not in target market	Investors who are comfortable tolerating Medium to Very High risk (see risk definitions).
Medium	In target market	The Fund's objective is to provide investors with monthly income distributions (with a proportion being tax-deferred) and the potential for capital growth over the long term. However, there are risks involved in the Fund, which may include the following: – The Fund may not have sufficient liquid assets to offer any liquidity opportunities to Investors in the future. If it is necessary for the Fund to dispose of assets to fund redemptions, there is a risk that the Fund may not be able to realise sufficient assets in a timely manner or at an optimal sale price. This may affect the ability to return capital to Investors and may reduce the NTA per Unit. – The value of the Fund's properties may decline, which may result in a fall in the value of an investment in the Fund. – The Fund may borrow up to 60% of the value of its assets (on a look-through basis). – The Fund may not make regular distributions, or at all, as the income available for distribution is dependent on a variety of risks associated with an investment in property (such as risks that the tenants may default on the terms of their leases). It is expected the Fund may experience up to 4 negative returns over a 20 year period (SRM 3). Investors with an Extremely High risk and return profile should consider whether the return profile of the Fund (Medium to Very High) is an acceptable level of return for the Investor. Where such Investors are seeking Extremely High returns, then they will not be in the target market for the Fund.
High	In target market	
Very High	In target market	
Extremely High	Not in target market	

Consumer's need to access capital

Daily	Not in target market	Investors who are comfortable with the Fund's assets having low liquidity.
Weekly	Not in target market	The Fund has no fixed termination date but offers investors the opportunity to redeem Units through Liquidity Events and Limited Withdrawal Offers subject to available liquidity.
Monthly	Not in target market	Liquidity Events are held at the end of each term, every five years, and they are the main mechanism for investors to redeem Units.
Quarterly	Not in target market	The next Liquidity Event is expected to be held in or around August 2027 and every five years thereafter. Redemption requests made in response to a Liquidity Event are aimed to be satisfied within 12 months of the closing date of the Liquidity Event however, this is not guaranteed. In times of market stress or due to prevailing circumstances at the relevant time, the period to satisfy redemption requests made in response to the Liquidity Event, may be materially longer than 12 months.
Before proceeds are paid in response to the next Liquidity Event expected to be held in or around August 2027	Not in target market	Limited Withdrawal Offers are generally held every six months and they are a secondary, limited, mechanism for investors to redeem Units. It is intended that, in aggregate, \$10 million will be made available each year under Limited Withdrawal Offers. However, Limited Withdrawal Offers are not guaranteed and investors should not rely on Limited Withdrawal Offers as a means of liquidity. Withdrawal requests made under the Limited Withdrawal Offers may be scaled back and depending on market conditions, may not be made. Limited Withdrawal Offers will not be made while a Liquidity Event is ongoing. Therefore, the Fund is not suitable for investors who need to access capital other than in response to the next Liquidity Event expected to be held in or around August 2027.
In response to the next Liquidity Event expected to be held in or around August 2027 or longer	In target market	Investors may transfer their units in a form that the Issuer approves. The price at which units are transferred is agreed between the buyer and seller and can therefore be higher or lower than the withdrawal price that would otherwise apply. The Issuer provides no secondary market or otherwise facilitates the sale of units. The Issuer may refuse to register a transfer of Units without giving any reason.

Appropriateness

Note: This section is required under RG 274.64–66 and RG 274.100.

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Requirements 994B(8)	Explanation
Target market and Product RG 274.68(c)	The Issuer considers that the Fund, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of investors in the target market on the basis of: – the relationship between the key attributes of the Fund and the target market as set out in this TMD; – the terms of issue of units in the Fund; – the investment mandate of the Fund; – the investment capability of the manager of the Fund; – the Issuer's assessment of the risks and benefits of the Fund; – the Issuer's assessment of the likely investor outcomes of the Fund based on: – the Fund's historical performance and financial modelling of the Fund's target performance based on the assets in the Portfolio; – analysis of performance data in respect of the Issuer's products that are comparable to the Fund; and – results of stress testing and scenario analysis of the liquidity risk, market and investment risk, operational risk, strategic risk, governance risk of the Fund and comparable funds operated by the Issuer.
Target market and distribution conditions and restrictions RG 274.100	The Issuer considers that the distribution conditions will make it more likely that the investors who acquire the Fund are in the target market on the basis of: – the Fund's advertisements and website content is directed towards consumers in the Fund's target market; – the online and paper application forms for the Fund include specific questions and alerts relating to this TMD and relevant to the distribution conditions; – the Issuer's website www.charterhall.com.au/ddo provides information to distributors about the Issuer's expectations and requirements in relation to the distribution of the Fund; – where applicable, the restrictions imposed by, and level of supervision required under, the terms of any distribution agreements entered into by the Issuer and the distributors of the Fund; – the distributors' past performance in relation to the distribution of financial products, about which the Issuer is aware; and – any other relevant information about a distributor, about which the Issuer is aware.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

Distribution channel	Distribution condition and rationale
Direct	– Direct investors who are wholesale or sophisticated investors can invest in the Fund. – Retail investors are asked to complete an online or paper application form, including filtering questions relating to the TMD. If an investor answers a 'knock-out' question adversely, then their application will not be accepted. If an investor answers any other question adversely, they will receive a recommendation to seek personal advice.
Platform/ Wrap	– Additional steps are not required for personally advised clients beyond consideration of the Issuer's TMD by the adviser. – Clients who have not received personal advice may not be able to access the Fund unless the platform provider has a process where clients are asked basic filtering questions relating to the TMD.
Adviser	– Investor to confirm through online application, they have received personal financial product advice. – Financial advisers to provide details of their AFS licence and confirm they have reviewed and considered the TMD in providing personal advice to the investor.

Review triggers

This part is required under section 994B(5)(d) of the Act.

Where the Issuer considers that there has been a material change to the investment strategy, Fund description (including its key attributes), risk profile or liquidity profile of the Fund or taxation consequences for investors in the Fund.

Where the Issuer considers that the Fund has underperformed relative to its benchmark or investment objective to a material degree for two consecutive financial years.

A significant number, or an unexpectedly high number, of complaints are received about the Fund or its distribution.

Where the Issuer is unable to provide liquidity for all investors wishing to redeem their investment within 12 months of a five-yearly Liquidity Event.

A significant dealing in this Fund in relation to retail clients that is inconsistent with this TMD.

Material changes to the fees or other costs of the Fund that may affect the return of the Fund.

Any inquiry, surveillance, direction, notice, investigation or enforceable instrument by or from ASIC about or relating to the Fund's features, target market or distribution strategy which requires Charter Hall to take corrective action.

Mandatory review periods

This part is required under section 994B(5)(e) and (f) of the Act.

Review period	Maximum period for review
Initial review	Complete
Subsequent review	At least once every year since the date of the last review of the TMD (for whatever reason).

Distributor reporting requirements

This part is required under section 994B(5)(g) and (h) of the Act.

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but in any case within 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under s994F(6) of the Act. See Definitions for further detail.	As soon as practicable but in any case within 10 business days after distributor becomes aware of the significant dealing.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the Issuer. Distributors must report to the Issuer using the method specified at www.charterhall.com.au/ddo. This link also provides contact details relating to this TMD for the Issuer.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate a capital gain. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market downturn. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, REITs, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Whole portfolio (up to 100%)	The consumer may hold the investment as up to 100% of their total investable assets. The consumer is likely to seek a product with a very high portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total investable assets. The consumer is likely to seek a product with at least high portfolio diversification.
Core allocation (up to 50%)	The consumer may hold the investment as up to 50% of their total investable assets. The consumer is likely to seek a product with at least medium portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total investable assets. The consumer is likely to seek a product with at least low portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total investable assets. The consumer may seek a product with very low portfolio diversification.
Investable assets	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
Consumer's intended investment timeframe	
Short ($\leq$ 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (2 - 5 years)	The consumer has a medium investment timeframe and is likely to redeem within two to five years.
Long ($>$ 5 years)	The consumer has a long investment timeframe and is unlikely to redeem within five years.

Consumer's Risk (ability to bear loss) and Return profile

The Issuer has adopted the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the Standard Risk Measure Guidance Paper For Trustees. The assessment has been undertaken assuming likely returns after fees and costs but before taxes. SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment objectives/needs.

Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
High	The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile. Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.
Very high	The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7)). Consumer typically prefers growth assets such as shares, property and alternative assets.
Extremely high	For the relevant part of the consumer's portfolio, the consumer has an extremely high risk appetite, can accept significant volatility and losses, and seeks to obtain accelerated returns (potentially in a short time frame). The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).

Review triggers and distributor reporting

Significant dealings	Section 994F(6) of the Act requires distributors to notify the Issuer if they become aware of a significant dealing in the Fund that is not consistent with the TMD. Section 994G of the Act requires the Issuer to notify ASIC if it becomes aware of a significant dealing in the Fund that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning. Whether or not a dealing is significant is a matter to be determined in the circumstances of each case and must be determined having regard to ASIC's policy in RG 274. The Issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC. Dealings outside this TMD may be significant because: – they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or – 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). In each case, the distributor should have regard to: – the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), – the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and – the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer). Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if the consumer's intended product use is Solution / Standalone, or the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is Low or the relevant product has a green rating for consumers seeking extremely high risk/return.
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