

Specialist

Australian Shares Fund

Target Market Determination

ARSN 115 121 625 | APIR code WPC0005AU

05 Oct 2021

This Target Market Determination (**TMD**) seeks to offer consumers (**clients**) and distributors with an understanding of the class of clients for which this Product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is **not** a product disclosure statement and is **not** a summary of Specialist Australian Shares Fund (**Fund or 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 Product Disclosure Statement (**PDS**) for Specialist Australian Shares Fund before making a decision whether to buy this product.

The PDS is available at <https://www.ioof.com.au/>.

Target Market Summary

Specialist Australian Shares Fund provides clients with exposure to an investment portfolio comprised of a mix of investment managers investing in Australian shares. No borrowing is used for the purpose of gearing.

This Product is likely to be suitable for an advised client seeking capital growth which can be applied to the Australian shares allocation as a component of a broader portfolio. It may be appropriate for those clients who:

- are able to invest their money for the long term
- can sustain potential losses arising from a high risk product
- are seeking a high return profile
- may need daily access to funds (but who can afford for withdrawals to be delayed / suspended or become subject to a withdrawal offer by us in certain circumstances).

This Product may not be suitable for clients who have a low risk tolerance and inability to bear potential losses or those looking to invest for a short to medium investment timeframe. It may also not be suitable for clients looking for capital preservation or a capital guaranteed investment.

Clients who may be appropriate include retail clients through 'broad-based platforms', such as investor directed portfolio services (IDPSs), superannuation wrap platforms and master trusts.

TMD Indicator*

The likely objectives, financial situation and needs of clients (**Client Attributes**) for which the Product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding as follows (refer to **Instructions and Key Definitions for further information**):



In target market



Potentially in target market



Not considered in target market

Client Attributes	TMD Indicator	Description of key product attributes and Client Attributes
Investment objective*		
Capital Growth	✓	The Scheme's objective is to achieve long term capital growth through structured exposure to listed Australian equities.
Capital Preservation	✗	The Scheme is likely to be suitable for clients seeking Capital Growth.
Capital Guaranteed	✗	
Income Distribution	△	

Product use*		
Solution/Standalone (75-100%)	△	The Fund is likely to be suitable as component of a broader portfolio, to complement other investments to achieve desired risk/return outcomes.
Core Component (25-75%)	✓	The Fund has medium portfolio diversification*.
Satellite (<25%)	✓	
Investment timeframe		
Short (≤ 2 years)	✗	The Fund has a long term suggested investment period.
Medium (> 2 years)	△	The Fund is likely to be suitable for clients who can invest for a minimum of approximately 7 to 10 years.
Long (> 8 years)	✓	
Client's risk (ability to bear loss) and return profile*		
Very high risk and return	△	The risk and return profile is high. The Fund is likely to be suitable for clients who: <ul style="list-style-type: none"> • have a high tolerance of the risks associated with investing and may be receiving personal financial advice for their investment • can sustain potential losses arising from a high-risk product • seek a high potential level of return that is offered by the Fund, whether as a standalone Australian shares solution or used to augment a broader portfolio.
High risk and return	✓	
Medium risk and return	△	
Low risk and return	✗	
Redemption frequency		
Daily	✓	The Product provides for daily applications and redemptions. The Product is likely to be suitable for clients who may need to withdraw part or all of their investment on relatively short notice (generally within 7 business days) under normal market circumstances however, withdrawals may be delayed, suspended or may become subject to a withdrawal offer by us.
Weekly	✓	
Monthly	✓	
Quarterly	✓	
Annually or longer	✓	

* Refer to Instructions and Key Definitions for further information.

The Product, including its key attributes, has been assessed to be consistent with the likely objectives, financial situation and needs of clients in the target market and is likely to be suitable for clients seeking the Product attributes identified in the table above.

Distribution conditions

This product can be distributed/issued only through the following channels:

	Distribution	Distribution description
	Advised	To clients by approved financial advisers who provide personal financial product advice in relation to the Product as authorised by us to distribute the Product.
	Broad-based platform	Through a 'platform product' (such as an investor-directed portfolio service or a superannuation wrap product or master trust) as authorised by us to distribute the product. Investment minimum limits do not apply. Clients of broad based-platforms should refer to their product issuer for investment limits applicable to their product. Only suitable for distribution to clients who have received personal advice from an approved financial adviser on the initial investment into the Product.

These distribution conditions make it likely that clients who invest into the Product are in the class of clients for which it has been designed, and facilitate the Product being made available to retail clients via distributors required to take reasonable steps likely to result in retail product distribution conduct being consistent with this TMD.

Review period and triggers

Review period		Maximum period for review
	Effective date	05 Oct 2021
	Next review by	05 Jan 2023
	Periodic review	At least every 3 years and 3 months from the previous review.

Review triggers	
	<p>Any event or circumstances that arise that would suggest the TMD is no longer appropriate. This may include (but is not limited) to the following material changes:</p> <ul style="list-style-type: none"> • Material change to key attributes, such as the Product's investment objective and/or fees. • A significant increase in outflows from the Product. • Key attributes have not performed as disclosed by a material degree and for a material period. • Determination by the issuer of an ASIC reportable Significant Dealing. • Material or unexpectedly high number of complaints about the product or distribution of the product. • The use of Product Intervention Powers, regulator orders or directions that affects the product. • Material deviation from benchmark / objective over a sustained period.

Distributor reporting

Significant dealings outside the target market

Section 994F(6) of the Corporations Act 2001 requires distributors to notify the issuer if they become aware of a significant dealing in the Product 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.

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 client (or class of client).

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 client (which may be indicated by the value of the client's investment, their intended product use or their ability to bear loss),
- 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 client), including an explanation of why the dealings occurred outside the target market,
- the date range of when the significant dealing occurred,
- the number of clients impacted by the significant dealing (ie the number of clients who are not in the target market (or have been excluded from the target market) as a proportion of all clients who have acquired the Product), and
- the time period in which these acquisitions outside the target market occurred.

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.

The reporting period is as soon as practicable but no later than 10 business days after becoming aware of the significant dealing.

Complaints

The distributor will provide details of the number and nature of complaints relating to Product design, Product availability and distribution, having regard to privacy.

The distributor should provide details as soon as practicable but no later than 10 business days following the end of the calendar quarter.

Sales outside the target market

To the extent the distributor is aware of dealings outside the target market, including reasons why acquisition is outside of the target market, and whether acquisition occurred under personal advice.

The distributor is to provide details as soon as practicable but no later than 10 business days following the end of the calendar quarter.

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