

# Target Market Determination – Managed Accounts – MDA

## IP DAA Program #4

### Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Implemented Portfolios Limited's design and distribution arrangements for the product.

This document is **not** a product disclosure statement and is **not** a 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 Product Disclosure Statement, MDA Contract or other offer document for Implemented Portfolios Pty Limited's MDA Service before making a decision whether to invest through 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/MDA Contract, unless otherwise defined. The PDS/MDA Contract can be obtained by contacting Implemented Portfolios Pty Limited.

### Target Market Summary

**This product is likely to be appropriate for a consumer seeking a mixed exposure between income and capital growth to be used as a standalone, core or satellite component within a portfolio where the consumer has a medium to long term investment timeframe, a balanced or moderate growth risk/return profile and needs limited short term access to capital.**

### Fund and Issuer identifiers

|                    |                                    |
|--------------------|------------------------------------|
| <b>Issuer</b>      | Implemented Portfolios Pty Limited |
| <b>Issuer ABN</b>  | 36 141 881 147                     |
| <b>Issuer AFSL</b> | 345143                             |

|                          |                           |
|--------------------------|---------------------------|
| <b>Model</b>             | <b>IPL DAA Program #4</b> |
| <b>APIR Code</b>         | n/a                       |
| <b>Date TMD approved</b> | 22 September 2021         |
| <b>TMD Version</b>       | 1.0                       |
| <b>TMD Status</b>        | Current                   |
| <b>TMD end date</b>      | N/a                       |

## 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 | Potentially in target market | Not considered in target market |
|------------------|------------------------------|---------------------------------|

### Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a customer meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

Definitions of terms are in the attachment or otherwise in the PDS/MDA Contract.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product or managed account as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). In such circumstances, the product or managed account 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 or managed account 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).

| <b>Consumer Attributes</b><br>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market] | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b><br>[A description of the product, including its key attributes, i.e., product terms, features and attributes that affect the TMD]   |
|--|----------------------------------|---|
| <b>Consumer's investment objective</b>   | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b>   |
| Capital Growth   | Green                            | The product provides mixed exposure between income and capital growth opportunities, but is more weighted towards growth exposures. The portfolio will include cash and income producing securities, along with exposure to property and equities, both Australian and international. In general this product could suit an investor who is looking for more potential to grow the capital invested with some income generated, but who understands that there is no guarantee of income or capital growth and that account balances may fluctuate. |
| Capital Preservation   | Amber                            |   |
| Capital Guaranteed   | Red                              |   |
| Income Distribution  | Green                            |   |
| <b>Consumer's intended product use (% of Investable Assets)</b>  | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b>   |
| Solution/Standalone (75-100%)  | Green                            | The product is considered highly diversified covering multiple asset classes, country exposures and asset issuers. The product seeks exposure to Australian Equities, International Equities, Property, High Yield Income Securities, Income Securities and Cash through access to both domestic and internationally listed securities.   |
| Core Component (25-75%)  | Green                            |   |
| Satellite/small allocation (<25%)  | Green                            |   |
| <b>Consumer's investment timeframe</b>   | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b>   |
| Short ( $\leq 2$ years)  | Red                              | The product is suitable for consumers with a Medium to Long term investment timeframe, with a recommended minimum investment timeframe of at least 5 years  |
| Medium (2-7 years)   | Amber                            |   |

|  |                                  |  |
|--|----------------------------------|--|
| <b>Consumer Attributes</b><br>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market] | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b><br><br>[A description of the product, including its key attributes, i.e., product terms, features and attributes that affect the TMD]  |
| Long (> 8 years)   | Green                            |  |
| <b>Consumer's Risk (ability to bear loss) and Return profile</b>   | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b>  |
| Low  | Red                              | The product is moderate or medium-high risk in nature, seeking to achieve a moderate to high return profile from a combination of both capital growth and income. A consumer could expect negative returns every 3.8 years, with potential one year negative returns of -20% (1 in 10 years) and -40% (1 in 40 years)<br><br>N.B. Implemented Portfolios Pty Limited has used an internal risk measurement process for the purposes of this description which uses back-tested data on the proprietary asset allocation and investment methodology. This aligns with the disclosures in the MDA Contract. The Standard Risk Measurement (SRM) method has therefore not been used for this product description. |
| Medium   | Green                            |  |
| High   | Green                            |  |
| Very High  | Amber                            |  |
| <b>Consumer's need to withdraw money</b>   | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b>  |
| Daily  | Green                            | The product permits withdrawal requests daily as facilitated by the relevant account administrator. These are actioned within a reasonable timeframe and can generally be paid out with a number of days given the predominate use of listed and liquid assets with the model.   |
| Weekly   | Green                            |  |
| Monthly  | Green                            |  |
| Quarterly  | Green                            |  |
| Annually or longer   | Green                            |  |
| <b>Consumer's Other requirements</b>   | <b>TMD Indicator for product</b> | <b>Product description including key attributes</b>  |
| Individual tax management of investments*  | Green                            | Via their External Financial Adviser the product allows the consumer the ability to instruct on the management of their individual tax position.   |

|  |       |   |
|--|-------|---|
| Visibility / transparency of portfolio holdings                      | Green | The product allows consumers full transparency and clear understanding of the assets held within the portfolio.   |
| Ability to customise portfolio or accommodate other holdings*        | Green | Via their External Financial Adviser the product allows the consumer the ability to instruct on specific inclusions or exclusions to their portfolio including individual assets and asset classes, or to manage individual preferences such as ESG considerations.   |
| Ability to include <i>in specie</i> transfer of existing investments | Green | The product permits consumers to in specie transfer existing investments, subject to requirements of the relevant administrator and custody provider, and to provide an instruction via their External Financial Adviser on how the assets are to be treated; for example by incorporating them into the portfolio over time, correlated with a model holding or reserved from trading. |

\* Not available for the product accessed by consumers through the Panorama platform or Centuria structure given functionality restrictions

## Appropriateness

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 below, as the attributes 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.

## Distribution conditions/restrictions

| Distribution Condition  | Distribution Condition Rationale  | Applicable                          |
|---|---|-------------------------------------|
| Only suitable for distribution to consumers who have received personal advice | The product is only made available to those consumers who have received personal advice from an External Financial Adviser with whom Implemented Portfolios has a current Distribution Agreement. | <input checked="" type="checkbox"/> |

| <b>Review triggers: Any one or more of the following events and circumstances will trigger a review of this TMD</b>                             |
|---|
| Material change to key attributes, fund investment objective and/or fees.   |
| Material deviation from benchmark / objective over sustained period.  |
| 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 (as defined in section 994A(1) of the Act) about the product or distribution of the product. |
| The use of Product Intervention Powers, regulator orders or directions that affects the product.  |

| <b>Mandatory review periods</b> |                                  |
|---------------------------------|----------------------------------|
| <b>Review period</b>            | <b>Maximum period for review</b> |
| Initial review                  | 1 year, 3 months                 |
| Subsequent review               | 3 years                          |

| <b>Distributor reporting requirements</b>   |  |   |
|---|--|---|
| <b>Reporting requirement</b>  | <b>Reporting period</b>                                    | <b>Which distributors this requirement applies to</b> |
| 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. | Within 10 business days following end of calendar quarter. | All distributors                                      |

|   |   |                  |
|---|---|------------------|
| To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice. | Within 10 business days following end of calendar quarter.  | All distributors |
| Significant dealing outside of target market, under s994F(6) of the Act.<br><i>See Definitions for further detail.</i>  | As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing. | All distributors |

Distributors must report to Implemented Portfolios Pty Limited using the method specified on this website: [www.implementedportfolios.com.au/TMD](http://www.implementedportfolios.com.au/TMD). This website also provides contact details relating to this TMD for Implemented Portfolios Pty Limited.

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