

Target Market Determination – Managed Accounts – MDA

IP DAA Program #1

Legal disclaimer

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, 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 can be obtained by contacting Implemented Portfolios Pty Limited.

Target Market Summary

This product is likely to be appropriate for a consumer primarily seeking consistent income distribution 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 conservative risk/return profile and needs limited short-term access to capital who is unlikely to need to withdraw their money on less than one week's notice.

Fund and Issuer identifiers

| | |
|-----------------------|------------------------------------|
| Issuer | Implemented Portfolios Pty Limited |
| Issuer ABN | 36 141 881 147 |
| Issuer AFSL | 345143 |
| Model | IPL DAA Program #1 |
| TMD issue date | 1st April 2024 |
| TMD Version | 2.0 |

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 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 consumer meeting the attribute in column 1 is likely to be in the target market for this product.

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 the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

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).



| Consumer Attributes | TMD indicator | Product description including key attributes |
|---|---------------|---|
| Consumer’s investment objective | | |
| Capital Growth | Amber | The product seeks to provide a consistent income distribution along with relative stability of the capital invested. The portfolio places an emphasis on cash and income securities, with a relatively minor exposure to property and equities, providing additional income and some potential for modest capital growth. In general this product could suit an investor who is concerned about potential for fluctuations in their capital but does not require a guarantee on the capital, and who has a need for regular income but understands that there could be fluctuations in the amount of income received. |
| Capital Preservation | Green | |
| Income Distribution | Green | |
| Consumer’s intended product use (% of Investable Assets) | | |
| Solution/Standalone (up to 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. |
| Major allocation (up to 75%) | Green | |
| Core component (up to 50%) | Green | |
| Minor allocation (up to 25%) | Green | |
| Satellite allocation (up to 10%) | Green | |

| Consumer Attributes | TMD indicator | Product description including key attributes |
|--|------------------|--|
| Consumer's investment timeframe | | |
| Minimum investment timeframe | At least 2 years | The product is suitable for consumers with a medium term investment timeframe, with a minimum investment timeframe of at least 2 years. |
| Consumer's Risk (ability to bear loss) and Return profile | | |
| Low | Green | <p>The product is low risk in nature, seeking to minimise potential losses and achieve a consistent income return with modest potential for capital growth. A consumer could expect negative returns every 10.3 years, with potential one year negative returns of -5% (1 in 10 years) and -15% (1 in 40 years)</p> <p>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.</p> |
| Medium | Amber | |
| High | Red | |
| Very high | Red | |
| Extremely high | Red | |
| Consumer's need to access capital | | |
| Within one week of request | Amber | <p>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.</p> |
| Within one month of request | Green | |
| Within three months of request | Green | |
| Within one year of request | Green | |
| Within 5 years of request | Green | |
| Within 10 years of request | Green | |
| 10 years or more | Green | |

| Consumer Attributes | TMD indicator | Product description including key attributes |
|---|---------------|---|
| Consumer's other objectives/needs | | |
| Timely adjustment of portfolio | Green | Via their External Financial Adviser the product allows the consumer the ability to adjust their portfolio in a timely manner |
| Management of tax position | Green | Via their External Financial Adviser the product allows the consumer the ability to instruct on the management of their individual tax position. |
| Visibility of investments in portfolio | Green | The product allows consumers full transparency and clear understanding of the assets held within the portfolio. |
| Customisation of portfolio | 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. |
| Transfer of existing investments into portfolio | 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. |

Distribution conditions/restrictions

Instructions to issuers: A 'distribution condition' is a condition or restriction on retail product distribution conduct (other than one already imposed under the Corporations Act). A TMD may be non-compliant if it is not reasonable to conclude that distribution in accordance with the distribution conditions is likely to be directed to consumers in the target market.

If a distribution condition set out in column one applies, populate the distribution condition rationale in the second column. Any line items not applicable should be removed.

| Distribution conditions | Distribution condition rationale | Distributors this condition applies to |
|---|--|--|
| Only suitable for distribution to consumers who have received personal advice | <i>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.</i> | All |

Review triggers

| |
|---|
| Material change to key attributes, managed account 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. |

Mandatory TMD review periods

| Review period | Maximum period for review |
|-------------------|---------------------------|
| Initial review | 1 year 3 months. |
| Subsequent review | 3 years |

Distributor reporting requirements

| Reporting requirement | Reporting period | Which distributors this requirement applies to |
|---|---|--|
| Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy. | As soon as practicable but no later than 10 business days following end of calendar quarter. | All distributors |
| Significant dealing outside of target market, under section 994F(6) of the Act. See Definitions for further detail. | 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. This website also provides contact details relating to this TMD for Implemented Portfolios Pty Limited.

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