

Target Market Determination effective 22 August 2024

PRODUCT ISSUER	Praemium Australia Limited		
ABN	92 117 611 784	AFSL	297956
PRODUCT	Separately Managed Accounts ARSN 114 818 530 (including all badged offers)		
TMD VERSION	3		

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 for whom interests in the Separately Managed Accounts ARSN 114 818 530, a registered managed investment scheme (**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.

This TMD is applicable to all badged offers within the Product.

Important dates

Date on which this Target Market Determination was last reviewed	22/08/2024
Date from which this target market determination is effective	22/08/2024
Date when this target market determination will be next reviewed	22/08/2025

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 Market (as specified 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.
3. The Eligible Investment List (**Eligible Investments**) sets out the investments which are available through the Product and forms part of the Praemium Model Portfolios Menu and Single Asset List (**Guides**). The Guides are available from the Praemium website at www.praemium.com/resources. Typically, the Eligible Investments are available through model portfolios managed by experienced model managers (Model Portfolios) or may be available as a single asset investment.

When choosing their Eligible Investment options, consumers should have regard to the overall risk level of the Model Portfolio and the respective risk levels of each underlying asset as set out in the table below.

MODEL PORTFOLIOS

4. 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. The Standard Risk Measures set out for each investment available through the Product represent a range of risk profiles that are compatible to consumers who are seeking to invest in a particular investment product. Further information on the risks and objectives, including investment horizons of each Model Portfolio, are set out in the Guides and the underlying investment products' TMD.

Some of the Eligible Investments have their own separate TMD which can also be viewed at www.praemium.com/resources.

Details of the Eligible Investments available within the Product can be obtained by visiting the Praemium website at www.praemium.com/resources and selecting:

Praemium SMA Model Portfolios Menu

Praemium SMA Single Assets List

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. Consumers and distributors should consider the Product's appropriateness in light of the consumer's objectives, financial situation and needs before acting on it, and in conjunction with any other documentation relating to this Product.

5. The Standard Risk Measure (SRM) for each Model Portfolio is based on the controls and a forward risk analysis. The SRM may change over time for various reasons including:
- a change to the assets allocated to a Model Portfolio from time to time; and
 - the varying risk profiles of the underlying assets.

The SRM applicable to the Model Portfolios are:

Risk Band	Risk Label	Estimated number of negative annual returns over a 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

6. As noted above, the Model Portfolios comprise a range of investment options which themselves have varying risk profiles. To assist consumers to further assess whether the Model Portfolio meets their objectives and financial needs, the typical SRM for respective Model Portfolios which may be available via the Model Portfolios Menu are:

Asset Type	Risk Level: SRM Risk Label (Risk Band)
Cash	Very Low (1) to Low (2)
Australian Fixed Interest	Low (2) to High (6)
International Fixed Interest	Low (2) to High (6)
Australian Equities	Medium to High (5) to Very High (7)
International Equities	Medium to High (5) to Very High (7)
Australian Property	Medium to High (5) to Very High (7)
International Property	Medium to High (5) to Very High (7)
Australian Infrastructure	Medium to High (5) to Very High (7)
International Infrastructure	Medium to High (5) to Very High (7)
Alternatives	Medium (4) - Very High (7)
Multi-Asset Models	
0-20% Growth	Medium (4)
20-40% Growth	Medium (4)
40-60% Growth	Medium to High (5)
60-80% Growth	High (6)
80-100% Growth	High (6) to Very High (7)

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 Investments and who have considered the consumer's likely objectives, financial situation and needs set out below.

The information below summarises the overall class of consumers that fall within the Target Market for the Product, based on the Product's key attributes and the objectives, financial situation and needs that it has been designed to meet. The Product has been designed for consumers whose likely situation and needs (as listed below) are aligned with the Product (including the key attributes).

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 an online digital platform that provides access to account information and reporting via an on-line secure portal;
- 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 Standard Risk Measures set out the investment objectives relevant to the investments available through the Product);

- 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; and
- to access a wide range of investment options with designated risk measures (in particular, those who have considered the Standard Risk Measure in relation to the investment option) 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 Market include:

- 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 having regard to the investor suitability descriptions set out in the Guides and Standard Risk Measures applicable to investments;
- those who have appointed a Financial Adviser to provide advice in relation to their account;
- those looking for capital growth or income from investments or a mixture of both;
- those who seek to allocate a certain percentage of their investment portfolio into the Product having regard to the asset allocation ranges set out in the Guides.

The Product is not designed for consumers who:

- have not engaged a Financial Adviser;
- want to exercise greater control over each investment transaction;
- do not necessarily need to access the online functionality of the Product and the costs associated with this functionality;
- may not benefit from a pooled investment option and the costs associated;
- may not benefit from consolidated reporting and the associated administration costs;
- are seeking to retain all corporate actions and legal ownership in respect of their investments;
- seek to limit costs by investing directly; and
- seeking redemption/withdrawal rights which are not consistent with the Guides.

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 cash management fees, brokerage and settlement costs for equities and managed funds trading and expenses.

Key attributes

Key product attributes include the following:

- The option to select single assets or 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 the consumer's investment account. The cash account is used for deducting fees, settling transactions and receiving dividends, distributions and sale proceeds.
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- 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 the 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.

The appropriateness of the above key attributes to the consumer is determined by the consumer in conjunction with the consumer's nominated financial adviser based on the consumer's personal objectives, financial situation and needs.

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 consumer's financial objectives through the financial advice process.

HOW THE PRODUCT IS TO BE DISTRIBUTED

Distribution Channels

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, as well as those who hold retail authorisation (other than AFSL holders who deal exclusively with wholesale clients). These AFSLs and authorised representatives must be registered to access and use the Praemium platform prior to recommending the Product to appropriate consumers.

Distribution Conditions

Consumers will not be permitted to invest directly in the Product without appointing 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 to the Product's Non-Advised Policy.

REVIEWING THIS TARGET MARKET DETERMINATION

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

Initial Review	Within 12 months
Next periodic review	At least annually
Review triggers or events	<p>Any event or circumstance(s) arises that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • 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. Specifically, where the total number of member exits over a period of 3 months is greater than 10% of the total number of members using the Product; • increasing member complaints (as defined in section 994A(1) of the Act) about the product or Distribution of the Product. Specifically, where the total number of complaints received from Distributors about the Product or distribution of the Product over a period of 3 months is greater than 10% of the total number of members using 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. Distributors can report to Praemium Australia Limited by email at: ddo@praemium.com.

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

Complaints	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.
Significant dealings	<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> <ul style="list-style-type: none"> • 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). <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>
Acquisitions outside the target market	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.

This document contains general information only. Modification of this document is prohibited without prior approval from Praemium Australia Limited.