

# Target Market Determination

## *Oreana Real Income Fund*

### 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 the product 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 <https://www.oneinvestment.com.au/oreana>.

### Target Market Summary

This product is intended for use as a satellite component in an investment portfolio for a consumer who is seeking capital preservation or income distribution and has a very high 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 an investment timeframe of at least 3 years and who is unlikely to need to withdraw their money on less than four months' notice.

### Fund and Issuer identifiers

<b>Issuer</b>	One Managed Investment Funds Ltd	<b>Fund name</b>	Oreana Real Income Fund
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## Target Market Determination

### Oreana Real Income Fund



<b>Issuer ABN</b>	ABN 47 117 400 987	<b>ARSN</b>	ARSN 646 952 267
<b>Issuer AFSL</b>	AFSL 297042	<b>APIR Code</b>	EXP4592AU
<b>Fund manager</b>	Oreana Investments Pty Ltd ABN 17 667 691 876, appointed as a corporate authorised representative (Authorised Representative Number: 001311648) of Oreana Financial Services Pty Ltd ABN 91 607 515 122, AFSL 482234.	<b>ISIN Code</b>	AU60EXP45921
<b>TMD contact details</b>	Available online at <a href="https://www.oneinvestment.com.au/oreana">https://www.oneinvestment.com.au/oreana</a>	<b>Market Identifier Code</b>	N/A
<b>TMD issue date</b>	25 November 2024	<b>Product Exchange code</b>	N/A
<b>TMD Version</b>	3.0	<b>Distribution status of fund</b>	Available
<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 and green rating methodology:



### 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.

## Target Market Determination

### Oreana Real Income Fund

#### 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 as part of a diversified portfolio (for example, with an intended product use of *minor allocation*). 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 balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a *High* risk/return profile may be consistent with the consumer's objectives for that *minor allocation* notwithstanding that the risk/return profile of the consumer as a whole is *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).



The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the [FSC website](#).

Consumer Attributes	TMD indicator	Product description including key attributes
<b>Consumer's investment objective</b>		
Capital Growth	Not considered in target market	The Fund aims to provide investors with monthly income distributions by investing in a portfolio of loans secured by first ranking secured mortgages or second ranking unsecured mortgages.
Capital Preservation	In target market	
Capital Guaranteed	Not considered in target market	The Fund also aims to generate income distributions which exceed the RBA Cash Rate by 3% per annum (after fees and expenses), on a rolling 12-month basis.
Income Distribution	In target market	The Fund is not capital guaranteed. While the capital value of the Fund is expected to remain stable, the value of an investment is subject to movements in the value of the loan portfolio owned by the Fund and capital losses can occur in circumstances where an asset of the Fund incurs a capital loss. Therefore, the Fund is suitable for investors seeking to preserve their

## Target Market Determination

### Oreana Real Income Fund

Consumer Attributes	TMD indicator	Product description including key attributes
		capital but who accept that 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.
<b>Consumer's intended product use (% of Investable Assets)</b>		
Solution/Standalone (up to 100%)	Not considered in target market	Investors looking to invest in a portfolio of loans used to fund the acquisition or development of residential, commercial, retail and industrial real estate across Australia. The terms of each loan, including the interest rate charged, will vary depending upon the risk and the level of security (including Security Property) held by the Fund.  The Fund currently has a small number of loans concentrated amongst a small number of borrowers (or their related entities) and therefore, has a Very Low portfolio diversification (see diversification definitions on page 10 below).  Investors should use the Fund as a Satellite allocation to spread this risk across a broad portfolio of investments.
Major allocation (up to 75%)	Not considered in target market	
Core component (up to 50%)	Not considered in target market	
Minor allocation (up to 25%)	Not considered in target market	
Satellite allocation (up to 10%)	In target market	
<b>Consumer's investment timeframe</b>		
Minimum investment timeframe	3 years	The minimum suggested timeframe for holding investments in the Fund is 3 years as the term of the loans ranges generally between 18 months and 3 years.  This is a suggested investment timeframe, if the investor does not intend to hold the investment for this period of time, then the investment may not be suitable.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low	Not considered in target market	The aim of the Fund is to provide income distributions which exceed the RBA Cash Rate by 3% per annum (after fees and expenses), on a rolling 12-month basis (paid monthly) whilst also aiming to achieve capital preservation in the value of investors' units.
Medium	Not considered in target market	

## Target Market Determination

### Oreana Real Income Fund

Consumer Attributes	TMD indicator	Product description including key attributes
High	Not considered in target market	<p>However, the returns from the Fund are not guaranteed and there are risks involved in the Fund, which may include the following:</p> <ul style="list-style-type: none"> <li>• A concentrated loan portfolio, including loans to entities related to the Fund manager.</li> <li>• Unexpected negative fluctuations in the value of the Fund's assets due to general market factors or loan specific risks.</li> <li>• The Fund's investments may not be easily converted into cash, and this may cause a delay or freeze in the payment of distributions or the processing of investor withdrawal requests.</li> <li>• The Fund manager may make poor investment decisions or inappropriate or incorrect investment methods resulting in poor or nil returns.</li> </ul> <p>It is estimated the Fund may experience negative returns in 6 years over a 20 year period (SRM 5 to SRM 6). SRM is based on industry guidance and is not a complete assessment of all forms of investment risk (see Definitions below).</p> <p>The Fund is considered to be a Very High risk investment because the majority of the Fund's gross asset value has been advanced to one lender group associated with the Fund manager, including for construction loans. However, the Fund may reduce to a High risk investment once the loan portfolio becomes more diverse.</p> <p>Investors with an Extremely High risk and return profile should consider whether the return profile of the Fund (RBA Cash Rate by 3% per annum after fees and expenses) is an acceptable level of return for the investor. Where investors are seeking Extremely High returns, then they will not be in the target market of the Fund.</p>
Very high	In target market	
Extremely high	Not considered in target market	
Consumer's need to access capital		
Before four months of request	Not considered in target market	<p>This Fund is illiquid (as defined in the Corporations Act) however, monthly withdrawal offers will be made. Investors who submit a withdrawal request applying to withdraw some or all of their Units will be eligible to participate in the monthly withdrawal offer that occurs after the expiry of 60 days from the date of receipt of the withdrawal request and all subsequent</p>
At Issuer's discretion and only after four months of request	In target market	

**Target Market Determination**

***Oreana Real Income Fund***



Consumer Attributes	TMD indicator	Product description including key attributes
		<p>monthly withdrawal offers until the Units the subject of the withdrawal request have been redeemed.</p> <p>Units the subject of a withdrawal request will be reclassified to ‘Redemption Units’ as at the date immediately prior to the monthly withdrawal offer the Investor is entitled to participate. Once Units have been reclassified as Redemption Units they will stay as Redemption Units and cannot be reclassified back to ordinary Units.</p> <p>If a withdrawal request is accepted by the Responsible Entity, then the proceeds of the request will be paid into the nominated bank account of the investor(s) within 21 days after the date of acceptance.</p> <p>The Issuer reserves the right to accept or reject withdrawal requests, either in full or in part, at its discretion. Withdrawals are not guaranteed and there may be some circumstances where withdrawals cannot be satisfied in full or at all.</p> <p>In certain circumstances, such as a suspension on withdrawals, Investors may have to wait a longer period of time before they can redeem their investment. Circumstances where the Issuer may suspend withdrawals include where:</p> <ul style="list-style-type: none"> <li>• it is impracticable to determine the withdrawal price;</li> <li>• the Issuer is not able to realise sufficient assets to satisfy withdrawal requests;</li> <li>• the Issuer reasonably considers it is in the best interests of Investors; or</li> <li>• the law otherwise permits.</li> </ul> <p>There is no established external secondary market for the sale of units in the Fund. However, investors may arrange for their own private sale of units with the approval of the Issuer.</p> <p>The Fund is more likely to be suitable for investors who are comfortable with, in normal operating conditions, withdrawal proceeds usually being paid within four months of their withdrawal request being accepted and who are not seeking more frequent access to their capital. However, there may circumstances where withdrawals can only be satisfied as and when loans are repaid and the Fund has sufficient liquidity to satisfy withdrawal requests.</p>

## Target Market Determination

### Oreana Real Income Fund



### Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale
<p><b>Retail - personally advised investors only</b></p> <p>Retail investors indicating that they have received current personal financial product advice about the product on a completed online or paper application form signed or otherwise confirmed by the adviser have no distribution conditions.</p>	<p>A retail investor receiving current personal financial product advice about the product will have received advice that an investment in the Fund is appropriate having regard to their individual objectives, financial situation or needs and are therefore excluded from the core obligation under the Design and Distribution Obligation regime.</p> <p>Investors are to confirm through the application form that they have received current personal financial product advice about the product. Financial advisers must provide details of their AFS licence, including their adviser number from the Moneysmart website, and confirm they have reviewed and considered the TMD in providing current personal advice to the investor in relation to the product.</p>
<p><b>Wholesale</b></p> <p>Wholesale Investors (being those that provide relevant evidence in their application form that they are within the definition of wholesale client under section 761 of Corporation Act) may invest by completing an on-line application form or paper application form with no distribution conditions.</p>	<p>The Design and Distribution Obligations and this Target Market Determination do not apply to financial products acquired by wholesale investors.</p>

### Review triggers

Material change to key attributes, fund investment objective and/or fees.
Material deviation from benchmark / objective over 12 months.
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.

## Target Market Determination

### Oreana Real Income Fund



The use of Product Intervention Powers, regulator orders or directions that affects the product and requires the Issuer to take corrective action.

### Mandatory TMD review periods

Review period	Maximum period for review
Initial review	NA - initial review has already occurred
Subsequent review	At least once every year and 3 months since the date of the last review of the TMD (for whatever reason)

### 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

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to the Issuer using the method specified on this website: [DDO@oneinvestment.com.au](mailto:DDO@oneinvestment.com.au) or the method specified at <https://www.oneinvestment.com.au/ddo/>. This link also provides contact details relating to this TMD for One Managed Investment Funds Limited (ABN 47 117 400 897, AFSL 297042).

## Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
<b>Consumer's investment objective</b>	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. 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 designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
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 or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification.

## Target Market Determination

### Oreana Real Income Fund

Term	Definition
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total <i>investable assets</i> . The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
<b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>	
Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
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 <u>and</u> geographic markets with limited correlation to each other.
<b>Consumer's intended investment timeframe</b>	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	

## Target Market Determination

### Oreana Real Income Fund



Term	Definition
	<p>This TMD uses the Standard Risk Measure (<b>SRM</b>) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the <b>Standard Risk Measure Guidance Paper For Trustees</b> (note the bands in the SRM guidance differ from the bands used in this TMD). However, 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 (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>
Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite,</li> <li>• seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and</li> <li>• is comfortable with a low target return profile.</li> </ul> <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a moderate or medium risk appetite,</li> <li>• seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a high risk appetite,</li> <li>• can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and</li> <li>• seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers growth assets (for example, shares and property).</p>

## Target Market Determination

### Oreana Real Income Fund

Term	Definition
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"><li>• has a very high risk appetite,</li><li>• can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and</li><li>• seeks to maximise returns (typically over a medium or long timeframe).</li></ul> <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"><li>• has an extremely high risk appetite,</li><li>• can accept significant volatility and losses, and</li><li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li></ul> <p>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).</p>
<b>Consumer's need to access capital</b>	
<p>This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances.</p>	

## Target Market Determination

### Oreana Real Income Fund



Term	Definition
<b>Distributor Reporting</b>	
Significant dealings	<p>Section 994F(6) of the Act 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.</p> <p>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.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• 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).</li> </ul> <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes),</li> <li>• 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</li> <li>• the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer).</li> </ul> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the quarter,</li> <li>• the consumer’s intended product use is <i>solution/standalone</i>,</li> <li>• the consumer’s intended product use is <i>core component</i> or higher and the consumer’s risk/return profile is <i>low</i>, or</li> <li>• the relevant product has a green rating for consumers seeking <i>extremely high</i> risk/return.</li> </ul>

## **Disclaimer**

This document is issued by One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (**OIG**) as responsible entity of the Oreana Real Income Fund ARSN 646 952 267 (**Fund**). Oreana Investments Pty Ltd ABN 17 667 691 876, appointed as a corporate authorised representative (Authorised Representative Number: 001311648) of Oreana Financial Services Pty Ltd ABN 91 607 515 122, AFSL 482234, is the investment manager of the Fund (**Fund manager**).

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