

Target Market Determination—Funds Management

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 One Managed Investment Funds 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 (**PDS**) for Holon Photon Fund 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/photon>.

Target Market Summary

This product is likely to be appropriate for a consumer seeking Capital Growth and some Income Distributions to be used as a Satellite / smaller allocation or a Core Component not exceeding 50% allocation within a portfolio where the consumer has a Long investment timeframe, High risk/return profile and needs access to capital paid within 10 days under ordinary circumstances.

Fund and Issuer identifiers

Issuer	One Managed Investment Funds Limited	APIR Code	OMF8040AU
Issuer ABN	47 117 400 987	Market Identifier Code	AU60OMF80400
Issuer AFSL	297042	Date TMD approved	1 October 2021
Fund	Holon Photon Fund	TMD Version	1.0
ARSN	633 803 497	TMD Status	Current

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
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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.

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.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). 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 conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product 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	Green	The Fund aims to provide investors with high levels of capital growth over the minimum suggested investment timeframe of 7 years by focusing on shares in companies listed on the global markets that are benefitting primarily from global innovation. The Fund also expects to pay annual income distributions, however, distributions are not guaranteed and may not be payable for a number of reasons, such as market volatility and losses being incurred by the Fund.
Capital Preservation	Red	
Capital Guaranteed	Red	
Income Distribution	Amber	

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Red	<p>The Fund's investment strategy aims to remain fully exposed to the international developed stock market. The Fund typically invests in 10 to 30 highly diversified listed companies with global opportunity sets benefiting primarily from innovation. In particular, the Fund will focus on digital innovation enabling and driving a number of new emerging sectors and companies with the unusual economic characteristics of having strong network effects and the ability to scale rapidly and serve global markets. Accordingly, the Fund has indirect exposure to a highly diversified portfolio. Investors should use the Fund as a Satellite / smaller allocation.</p> <p>*Investors may also use the Fund as a Core Component where the investment generally does not exceed 50% of the investor's Investable Assets.</p>
Core Component (25-75%)*	Green	
Satellite/small allocation (<25%)	Green	
Consumer's investment timeframe		
Short (\leq 2 years)	Red	<p>The Fund is managed with the intention of generating returns over the Medium to Long term. The minimum suggested timeframe for holding investments in the Fund is 7 years.</p>
Medium (2 – 5 years)	Amber	
Long ($>$ 5 years)	Green	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Red	<p>The Fund aims to target a higher target return profile with an aim to outperform major global equity indices, in particular the MSCI AC World Net Index (in Australian dollars) over rolling seven-year periods (after fees and expenses but before taxes). However, the returns from the Fund are not guaranteed and there is a high risk of short-term loss compared to other investment types but with the potential to deliver higher investment returns over the minimum suggested investment timeframe of 7 years. The key risks of the Fund include market risk and strategy risk. The Fund has a risk band of 6 (High) and may experience up to 6 negative returns over a 20 year period.</p>
Medium	Amber	
High	Green	
Very High	Green	
Consumer's need to withdraw money		
Daily	Red	<p>The Fund is expected to be liquid at all times and investors will normally be able to request to redeem on any Business Day with proceeds usually paid within 10 days. The Fund's constitution allows 30 days to decide to accept a request and a further up to 21 days to pay the proceeds, however this has not occurred to date. In certain</p>
Weekly	Red	
Fortnightly	Green	

Consumer Attributes	TMD Indicator	Product description including key attributes
Monthly	Green	circumstances, such as a freeze on withdrawals or where the Fund is not liquid (as defined in the Corporations Act), there may be a cap on withdrawals for an aggregate value of more than 5% of NAV or investors may not be able to withdraw their investment during the usual period. This has not occurred to date and is considered very unlikely.
Quarterly	Green	
Annually or longer	Green	

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 above, as the features 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.

The Issuer considers that the distribution conditions below will make it likely that the investors who acquire units in the Fund are in the target market because of the following:

- The Fund's advertisements and website content is directed towards consumers in the Fund's target market.
- The online and paper application forms for the Fund include filtering questions and alerts
- The distributors' past performance in relation to the distribution of financial products, about which the Issuer is aware.
- Any other relevant information about a distributor, about which the Issuer is aware.

Distribution conditions/restrictions

Distribution conditions/restrictions	Distribution Condition Rationale
Ordinary Units—There are no distribution conditions	Not applicable

Review triggers
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.

Mandatory review periods	
Review period	Maximum period for review
Initial review	By 5 October 2022
Subsequent review	At least once every year 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 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

Significant dealing outside of target market, under s994F(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
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

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to One Managed Investment Funds Limited using the email address DDO@oneinvestment.com.au or the method specified at <https://www.oneinvestment.com.au/ddo/>.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. 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 to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
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 to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).

Term	Definition
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
Short (≤ 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (2 - 5 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two to five years.
Long (> 5 years)	The consumer has a long investment timeframe and is unlikely to redeem within five years.
Consumer's Risk (ability to bear loss) and Return profile	
The Issuer has adopted the Standard Risk Measure (<i>SRM</i>) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <i>Standard Risk Measure Guidance Paper For Trustees</i> . The assessment has been undertaken assuming likely returns after fees and costs but before taxes. 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 or that a positive return could still be less than a consumer requires to meet their investment objectives/needs.	
Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.

Term	Definition
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7)).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
Review triggers and Distributor Reporting	
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. Section 994G of the Act requires the Issuer to notify ASIC if it becomes aware of a significant dealing in the Fund that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is ‘significant’ and distributors and the Issuer have discretion to apply its ordinary meaning. Whether or not a dealing is significant is a matter to be determined in the circumstances of each case and must be determined having regard to ASIC’s policy in RG 274.</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> <ul style="list-style-type: none"> • Dealings outside this TMD may be significant because 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:</p> <ul style="list-style-type: none"> • 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 consumer (which may be indicated by the value of the consumer’s investment, their intended product use or their ability to bear loss), and • 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 consumer). <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"> • the consumer’s intended product use is <i>Solution / Standalone</i>, or • the consumer’s intended product use is <i>Core component</i> and the consumer’s risk (ability to bear loss) and return profile is <i>Low</i>.

Disclaimer

This document is issued by One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (**OIG**) as responsible entity of the Holon Photon Fund ARSN 633 803 497 (**Fund**). Holon Global Asset Management Pty Ltd (ACN 629 590 585) is the investment manager of the Fund (**Investment Manager**).

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You should obtain and carefully consider the Product Disclosure Statement (**PDS**) for the Fund before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund. A copy of the PDS and Additional Information Booklet, continuous disclosure notices and relevant application form may be obtained from www.oneinvestment.com.au/photon.

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