

Target Market Determination – Funds Management

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). It is a matter for each user of this guidance to consider their individual situation and to comply with the new regime. This template does not necessarily cover all obligations on product issuers under the DDO regime. Whether a business uses this template, in whole or in part, is a decision for each business. There is no requirement or expectation that any business uses this document.

Instructions to issuers on using this guidance are in italics or highlight and should be completed/ removed from a final TMD.

Legal disclaimer

Instruction to issuers: the disclaimer below can be included in issued TMDs.

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 On 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 the Tosca (AF) 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 by at www.oneinvestment.com.au/tosca-af.

Target Market Summary

This product is likely to be appropriate for a consumer seeking Capital Growth to be used as a Satellite / Small Allocation within a portfolio where the consumer has a Medium term investment timeframe, High risk/return profile and needs access to capital paid within 10 days of the end of each calendar week under ordinary circumstances.

Instructions to issuers: the Target Market Summary above is intended to be a narrative summary of the information set out in detail in the body of the TMD. The sections summarised in the Target Market Summary are the combination of those Consumer Attributes assigned a Green rating. Issuers may wish to also summarise those Consumer Attributes that correspond to a Red rating (ie a negative target market).

Fund and Issuer identifiers

Instructions to issuers for table below: Include all codes that are available and omit those that are not relevant to the issuer/product.

Issuer	One Managed Investment Funds Limited
Issuer ABN	47 117 400 987
Issuer AFSL	297042
Fund	Tosca (AF) Fund
ARSN	657 974 662
APIR Code	QMG32366AU
ISIN Code	N/A
Market Identifier Code	N/A
Product Exchange code	N/A
Date TMD approved	31 March 2022
TMD Version	1.0
<i>TMD Status</i>	Current

Description of Target Market

This part is required under section 994B(5)(b) of the Act.

Instruction for issuers: There are three categories used below, "In target market", "Potentially in target market" and "Not in target market". It is possible that a particular fund may be in the target market or potentially in the target market for all categories outlined in this TMD template, e.g. a cash fund may meet the consumer's need to withdraw money across all time periods, whereas a product with reduced liquidity may not.

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 <i>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market]</i>	TMD Indicator	Product description including key attributes <i>[A description of the product, including its key attributes, i.e., product terms, features and attributes that affect the TMD]</i>
Consumer's investment objective		
Capital Growth	Green	Investors who are seeking capital growth over the medium term through indirect exposure to global equity and equity related securities (including derivatives) which are listed or traded on a recognised market and are willing to accept the risks associated with an investment of this nature which may be volatile. Returns may be less than that of other securities of comparable maturity or less than interest rates available in the market. Capital is not guaranteed. The Fund does not pay income distributions.
Capital Preservation	Red	
Capital Guaranteed	Red	
Income Distribution	Red	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Red	The Fund offers investors indirect exposure to global equity and equity related securities (including derivatives) which are listed or traded on a recognised market by investing all of its investable assets in the Tosca UCITS Fund. While the Fund has a low diversification rating, it is indirectly exposed to a highly diversified portfolio.
Core Component (25-75%)	Red	
Satellite/small allocation (<25%)	Green	

Consumer Attributes <i>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market]</i>	TMD Indicator	Product description including key attributes <i>[A description of the product, including its key attributes, i.e., product terms, features and attributes that affect the TMD]</i>
		An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should use this Fund as a satellite / small allocation where their investment does not exceed 25% of their investable assets to spread the risks across a broad portfolio of assets.
Consumer's investment timeframe		
Short (≤ 2 years)	Red	The Fund is managed with the intention of generating returns over the medium term. The minimum suggested timeframe for holding investments in the Fund is 3-5 years.
Medium (> 2 years)	Green	
Long (> 5 years)	Green	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Red	The Fund aims to generate a high return profile and is expected to have good prospects for capital growth in the medium term. However, the returns from the Fund are not guaranteed and there is a high risk of short-term loss compared with other investment types. The risk level of the Fund is considered High.
Medium	Red	
High	Green	
Very High	Green	
Consumer's need to withdraw money		
Daily	Red	Valid withdrawal requests from investors will normally be accepted each calendar week. Withdrawal requests are generally processed and paid within 10 days of acceptance of a valid withdrawal request, although 21 days is permitted under the Fund's constitution, and this period may be extended in specified circumstances, for example if the request would cause the Fund to cease to be liquid or where the Fund is not liquid. This is considered very unlikely.
Weekly	Green	
Monthly	Green	
Quarterly	Green	
Annually or longer	Green	

Appropriateness

Note: This section is required under RG 274.64–66.

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.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

Instructions to Issuers for table below:

If the Distribution Condition set out in column one applies, tick the box in the far right instructional Column and populate the distribution condition rationale. Any line items marked as applicable should be retained in the TMD once complete. Any line items not marked as applicable should be removed (along with the italicised instructional column 3).

Distribution Condition	Distribution Condition Rationale	<i>applicable</i>
Restricted to investors who qualify as 'Wholesale Clients' as defined under section 761G of the Corporations Act.	PDS offer is only to Wholesale Clients.	<input type="checkbox"/>

Review triggers
This part is required under section 994B(5)(d) of the Act.
Distribution of the Fund to a retail client.

Mandatory review periods	
This part is required under section 994B(5)(e) and (f) of the Act.	
Review period	Maximum period for review
	<i>Note RG 274.110 Reasonable review periods are likely to be shorter when a product is complex and higher risk, or when an issuer has limited experience issuing similar products or is yet to establish a proven distribution network.</i>
Initial review	18 months.
Subsequent review	At least once every 3 years since the date of the last review of the TMD (for whatever reason).

Distributor reporting requirements		
This part is required under section 994B(5)(g) and (h) of the Act.		
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 <https://www.oneinvestment.com.au/ddo/>. This link also provides contact details relating to this TMD for One Managed Investment Funds Limited.

Disclaimer

This document is issued by One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) as responsible entity of the Tosca (AF) Fund ARSN 657 974 662 (Fund). Toscafund Australia Pty Ltd (ACN 008 116 550) is the investment manager of the Fund (Investment Manager). The information provided in this document is general in nature and does not constitute investment advice or personal financial product advice. This information does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice. The content of this document does not constitute an offer or solicitation to subscribe for units in the Fund or an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decision. Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

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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).
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".

Term	Definition
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 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two 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	
<p>Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of 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>. 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. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, 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>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.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>
Medium	<p>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.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
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) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>

Term	Definition
Consumer's need to withdraw money	
<p>Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in completing this section.</p>	
Daily/Weekly/Monthly/Quarterly/Annually or longer	The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.
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. 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"> • 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:</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"> • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, • the consumer's intended product use is <i>Solution / Standalone</i>, or

Term	Definition
	<ul style="list-style-type: none"><li data-bbox="725 161 2040 225">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>.

3470-5894-1977, v. 9