

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 the Gyrostat Risk Managed Equity 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 www.gyrostat.com.au/application-forms.

Target Market Summary

This product is likely to be appropriate for a consumer seeking Capital Preservation and Income Distributions to be used as a Satellite/Small allocation within a portfolio where the consumer has a Long term investment timeframe, Medium risk/return profile and needs access to capital paid fortnightly under ordinary circumstances.

Fund and Issuer identifiers

| | | | |
|--------------------|--------------------------------------|--------------------------|---|
| Issuer | One Managed Investment Funds Limited | Product | Gyrostat Absolute Return Income Equity Class or Class A Units |
| Issuer ACN | 117 400 987 | APIR Code | GYC6212AU |
| Issuer AFSL | No. 297042 | Date TMD approved | 20 October 2022 |
| Fund | Gyrostat Risk Managed Equity Fund | TMD Version | 2.0 |
| ARSN | 651 853 799 | 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 |
|------------------|------------------------------|---------------------------------|

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 | Red | Investors who are looking for capital preservation and quarterly income while hedging equity market risk. The Product is designed to increase in value on major Australian market falls (downside protection always in place through an options overlay to address sequencing risk) with regular income through the complete investment cycle. The Product has low correlation to the Australian market. Investors can elect to have distributions reinvested or directly credited to a nominated bank account, in AUD. |
| Capital Preservation | Green | |
| Capital Guaranteed | Red | |
| Income Distribution | Green | |

| Consumer Attributes | TMD Indicator | Product description including key attributes |
|--|---------------|---|
| Consumer's intended product use (% of Investable Assets) | | |
| Solution/Standalone (75-100%) | Red | |
| Core Component (25-75%)* | Amber | <p>This Product offers investors exposure to Australian and international equity markets by investing predominantly in high yielding blue chip stocks listed on the ASX, and AUD denominated cash, while investing in the ASX options market or international options market to mitigate risk. Therefore, the Product's portfolio diversification is Medium to High within the equities asset class.</p> <p>Investors could use the Product as a Satellite / Small allocation to spread the risks across a broad portfolio of investments. *The Product may also be suitable for some investors seeking to make it a Core component (of up to approximately 50%) of their investment portfolio.</p> |
| Satellite/small allocation (<25%) | Green | |
| Consumer's investment timeframe | | |
| Short (≤ 2 years) | Red | <p>The Fund is managed with the intention of achieving stable returns with regular income streams over the Medium-to-Long term. The recommended investment timeframe for an investor in the Product is at least 3 to 5 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 provide investors in this Product with distributions of a minimum BBSW 90 + 3% p.a. however returns are not guaranteed and may be higher or lower than the minimum distribution and are subject to the risks disclosed in the PDS. The Product may borrow up to 30% of the value of Relevant Scheme Assets (measured at the time of debt incurrence) on a secured or unsecured basis. The risk level of the Class A Units is considered Medium. The Product always has downside protection in place through an options overlay to address sequencing risk. The protection objective of the Product is no quarterly Net Asset Value draw-downs exceeding 3%.</p> |
| Medium | Green | |
| High | Amber | |
| Very High | Amber | |
| Consumer's need to withdraw money | | |
| Daily | Red | <p>Valid withdrawal requests from Investors will normally be accepted each Business Day. Withdrawal requests are generally processed and paid within 10 days of acceptance of a valid withdrawal request, although 21 days is permitted under the Trust Deed, and this period may be extended in specified circumstances, for example if it is, for any reason,</p> |
| Weekly | Red | |
| Fortnightly | Green | |

| | | |
|--------------------|-------|--|
| Monthly | Green | impractical to calculate the net asset value of the Relevant Scheme Assets, including because of the closure of an exchange or trading or withdrawal restrictions in respect of a security. 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 wholesale clients only and not towards retail clients.
- Platform investors (IDPS):
 - The Issuer conducts periodic due diligence on its platform providers to ensure they have appropriate product governance procedures in place and only distributes through those platform providers that meet those requirements.
 - Where applicable, the restrictions imposed by, and level of supervision required under, the terms of any distribution agreements entered into by the Issuer and the distributors of the Product.
 - 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 Channel | Distribution Condition |
|----------------------|---|
| Direct | <ul style="list-style-type: none"> • The application form for the Fund requires an applicant to confirm that they are a wholesale client for the purposes of section 761G of the <i>Corporations Act 2001</i> (Cth). • Wholesale client status is verified at the application stage by an accountant’s certificate for investors relying on the gross assets/net income test. |
| Platform/Wrap | <ul style="list-style-type: none"> • Additional steps are not required for advised clients beyond consideration of the issuer’s TMD by the adviser. • Unadvised clients may not be able to access the Product unless the platform provider has a process where client is asked basic filtering questions relating to the TMD. |

| Review triggers |
|--|
| This part is required under section 994B(5)(d) of the Act. |
| Direct distribution of the Product to a retail client. |

Material changes to key attributes, Product 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

This part is required under section 994B(5)(e) and (f) of the Act.

| Review period | Maximum period for review |
|----------------------|---|
| Initial review | 1 year and 6 months from the date the TMD is first issued. |
| Subsequent review | At least once every 2 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 at <https://www.oneinvestment.com.au/ddo/>.

Disclaimer

This document is issued by One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) as responsible entity of the Gyrostat Risk Managed Equity Fund ARSN 651 853 799 (**Fund**). Gyrostat Capital Management Advisers Pty Ltd (ACN 168 737 246) 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.

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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 dated 20 October 2022, continuous disclosure notices and relevant application form may be obtained from <http://www.gyrostat.com.au/application-forms/>

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 downturn. The consumer prefers exposure to defensive assets 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". |
| 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 <u><i>Standard Risk Measure Guidance Paper For Trustees</i></u> . 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. |
| High | 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. 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. |

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| 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> |
| Consumers 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 | <p>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.</p> |
| Review triggers and Distributor Reporting | |
| Significant Dealing | <p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the Fund 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 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> <p>Dealings outside this TMD will be significant because:</p> <ul style="list-style-type: none"> • they represent a material proportion of the overall distribution conduct carried out by the distribution 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 |

| | |
|--|---|
| | <ul style="list-style-type: none">• 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• 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>. |
|--|---|