

Target Market Determination – Realm Strategic Income Fund

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 Realm Strategic Income Fund – Enduring Units 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 is available at www.oneinvestment.com.au/realm or www.realminvestments.com.au

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 or small allocation within a portfolio where the consumer has a Medium investment timeframe, Medium risk/return profile and needs Monthly access to capital.

Fund and Issuer identifiers

Issuer	One Managed Investment Funds Limited	APIR Code	OMF5868AU
Issuer ABN	47 117 400 987	Market Identifier Code	AU60OMF58687
Issuer AFSL	297042	Date TMD approved	30 September 2022
Fund	Realm Strategic Income Fund – Enduring Units	TMD Version	2.0
ARSN	624 861 589	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	Red	The investment objective in respect of the Enduring Units is to provide quarterly income distributions through investing primarily in a portfolio of debt securities, loans, trusts, notes and bank facilities.. These investments will support the capital needs for the corporate, residential mortgage and asset-backed loans in these markets. While an investment in the Fund could experience capital loss and is higher risk and more volatile than cash or fixed income securities, the Fund is expected to exhibit lower volatility than growth assets in a market downturn.
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	The Fund aims to provide exposure to private warehouses not available to non-institutional investors. The assets attributable to the Enduring Units are generally not tradeable and specific to fixed income markets. Therefore, the Fund's diversification is Low. The product is suited to investors intending to use the product as a Satellite/Small allocation of their portfolio to spread this risk across a broad portfolio of investments.
Core Component (25-75%)	Red	
Satellite/small allocation (<25%)	Green	
Consumer's investment timeframe		
Short (\leq 2 years)	Amber	The minimum suggested timeframe for holding investments in the Fund is 2 years or more. The Fund is managed with the intention of generating returns over the Medium to Long term and is suitable for investors who wish to invest over that timeframe. It might be suitable for investors seeking a shorter time frame depending on the makeup of their portfolio. However, Enduring Units can be sold as required before or after the suggested timeframe. Please see 'Consumer's need to withdraw money' below for more information.
Medium (2 -5 years)	Green	
Long ($>$ 5 years)	Green	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Red	The Investment Manager seeks to produce a return (net of fees) in respect of the Enduring Units that exceeds the total return of the RBA Overnight Cash Rate by 4.75% per annum. However, returns from the Fund are not guaranteed and there are risks involved in the Fund as disclosed in the PDS. The assets attributable to the Enduring Units are generally illiquid and may not tradeable, which may affect the Fund's ability to satisfy withdraw requests. Over a 20 year period, it is expected an investment in the Enduring Units will have no more than 3 years with a negative return. Therefore the Fund has a risk band of 3 (Medium)).
Medium	Green	
High	Green	
Very High	Green	
Consumer's need to withdraw money		
Daily	Red	Although the Enduring Units offers some potential withdrawal ability, the ability to withdraw is subject to Class liquidity, the number of other investors seeking to withdraw and when you applied to withdraw (compared to others seeking to withdraw). Regular Limited Withdrawal Offers are intended to be made every month. However, this cannot be guaranteed and is subject to the Fund having available liquid assets. The amount made
Weekly	Red	
Monthly	Green	
Quarterly	Green	

Consumer Attributes	TMD Indicator	Product description including key attributes
Annually or longer	Green	available under each Limited Withdrawal Offer will be notified to Investors at the time an offer is made. Provided the Fund has sufficient available liquid assets to do so, the Responsible Entity will aim to satisfy accepted withdrawal requests made in response to a Limited Withdrawal Offer within 5 days, but no more than 21 days after the closing date of the Limited Withdrawal Offer. To date all withdrawal requests have been accepted and paid within the stated timeframes.

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 Channel	Distribution conditions/restrictions
Direct — Ordinary Units	<ul style="list-style-type: none"> • Investor will only be admitted to the Fund on completion of an approved application form <ul style="list-style-type: none"> ○ Paper Application) for those investors that are Retail clients, the paper application form includes certain filtering questions and alerts relevant to the distribution conditions. The Issuer will monitor this. ○ (On-Line Application) on-line application form includes certain filtering questions and alerts including in certain circumstances prompting investors to seek further advice before progressing with the application. The Issuer will monitor this.
Wholesale — Ordinary Units	<ul style="list-style-type: none"> • If the Investor is a Wholesale Investor the TMD does not apply.
Adviser — Ordinary Units	<ul style="list-style-type: none"> • Investor to confirm through online and paper application, they are financially advised.

Review triggers
Material change to key attributes, fund investment objective and/or fees.
Material deviation from benchmark / objective over sustained 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
Subsequent reviews	1 year, 3 months

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 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).

Term	Definition
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.
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.
Very high	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)). Consumer typically prefers growth assets such as shares, property and alternative assets.
Review triggers and Distributor Reporting	
Significant Dealings	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.

Term	Definition
	<p>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 may be significant because:</p> <ul style="list-style-type: none"> • 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

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