

Target Market Determination

For

Private Portfolio Managers Pty Ltd (“PPM”)

Individually Managed Account Service (“IMA”)

1. About this Document

Why does PPM need to have a Target Market Determination?

We’re required to have Target Market Determinations under the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019.

This is to make sure we’re keeping customers at the centre of our approach to the design and distribution of our financial products.

What Is a Target Market Determination (TMD)?

A TMD is a set of criteria that we, in our capacity as the product issuer, issue for each of our products (our Individually Managed Account Service).

These allow us to publicly state, in simple terms, who our products are likely to be appropriate for. They also contain details around distribution conditions, eligibility criteria, information reporting requirements, and a set of internal review triggers.

This document is not to be treated as a full summary of the product’s terms and conditions and is not intended to provide financial advice. Consumers must refer to the management agreement and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

This TMD applies to the PPM IMA in the following document:

- Management Agreement

Date from which this target market determination is effective

5 October 2021

2. Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for the PPM IMA, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

The PPM IMA has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). The PPM IMA is for those who are seeking:

- To diversify their overall investment portfolio to include direct access to Australian and international shares
- A more conservative share exposure
- Tax effective management of their share portfolio

Product description and key attributes

The key eligibility requirements and product attributes of PPM IMA are:

- The investment portfolio is actively managed by the PPM investment team
- Consideration is given to the individual preferences of the client and where feasible included in the construction of the investment portfolio
- Investors have direct access to the investment management team
- Reporting is provided on a monthly, quarterly and annual basis, with website access for account information between the issue of these reports

Objectives, financial situation, and needs

This product has been designed for individuals who:

- Are seeking exposure to direct shares on the Australian and international market as part of their investment portfolio
- Want transparency with their shareholding
- Want to retain beneficial ownership of their shares
- Want their portfolio managed in a tax effective manner
- Have basic knowledge and experience with investment markets
- Have a long-term investment horizon of at least five years and accept and understand the risk of price fluctuations during that period.
- Have sufficient funds to be classified as “wholesale” or “sophisticated” investors or meet exemption criteria.
- Where a client does not have sufficient funds to be classified as “wholesale” or “sophisticated” they would be required to be placed in the investment by their financial adviser and review their position at least annually with that person.

Excluded class of consumers

This product has not been designed for individuals who:

- Retail clients (i.e., those not classified as “wholesale” or “sophisticated” investors) who are not receiving personal advice from a financial adviser
- Are chasing a very high returns with associated risks beyond our investment framework/philosophy

Consistency between target market and the product

The PPM IMA is likely to be consistent with the objective, financial situation and needs of its target market due to the following:

- The firm has been operating for over 26 years with unchanged investment philosophy which has been tested through multiple market cycles while delivering consistent long-term returns
- Share selection are based on the company’s fundamentals with strong focus on returns and valuation

- Experienced investment team with diverse background and has worked together cohesively for a number of years
- The IMA structure allows for greater flexibility in managing the investments in a more tax efficient manner
- Majority of the investments are in direct listed shares with publicly available pricing information which allow for greater transparency

3. How this product is to be distributed

Distribution channels

This product is designed to be distributed through the following means:

- Referrals from clients to individuals who match our criteria for “wholesale” or “sophisticated” investors
- Financial advisers who provide personal financial advice to retail clients
- Referral from an accountant
- Other industry sources

Distribution conditions

This product should only be distributed under the following circumstances:

- By direct means to individuals who meet our criteria for “wholesale” or “sophisticated” investors or meet an exemption criteria.
- Through placement via a financial adviser for retail investors who do not meet the “wholesale” or “sophisticated” criteria

Adequacy of distribution conditions and restrictions

Having the criteria of “wholesale” or “sophisticated” investor for entry to the fund provides PPM an objective measure by which to determine the suitability of the individual to our target market.

Where a client is referred for placement by a financial adviser, it is our understanding that the adviser will have provided that client with personal advice that is in their best interests (as per sections 961B and 961G of the Corporations Act 2001 (Cth)). It is on this basis only that we are prepared to accept clients who do not meet the criteria of “wholesale” or “sophisticated” investor.

4. Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	Within three months of the effective date.
Periodic reviews	At least every quarter from the initial review.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited): <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • occurrence of a significant dealing;

- distribution conditions found to be inadequate;
- external events such as adverse media coverage or regulatory attention
- significant changes in metrics, including, but not limited to, complaints or changes in legislation directly related to the operation of the IMA

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

5. Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the product(s) covered by this TMD on a quarterly basis. This will include written details of the complaints.
Significant dealings	Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.
Annual reports	If as part of the annual reporting process any issues arise from the data available at that time a full review of the TMD will be made within 30 days of the completion of the annual reporting process.