

Target Market Determination

Product/Fund: The Trust Company Fixed Interest Fund

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TMD Version: 4

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About this document

This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (Cth) (the Act). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a Product Disclosure Statement (PDS) and is **not** a complete 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 PDS for the product 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.perpetual.com.au.

Target market statement

The Trust Company Fixed Interest Fund (the Fund) is designed for investors who:

- are seeking capital preservation and income distribution,
- are intending to use the Fund as a core component, minor allocation or satellite allocation within a portfolio,
- have a minimum investment time frame of 3 years or longer,
- have a medium risk and return profile for that portion of their portfolio, and
- are unlikely to need to access their capital within one week of request in normal operating conditions.

TMD Indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red and green rating methodology:



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.

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 the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of minor allocation). 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 balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a High risk/return profile may be consistent with the consumer's objectives for that minor allocation notwithstanding that the risk/return profile of the consumer as a whole is Medium. In making this assessment, distributors should consider all features of a product (including its key attributes).

The FSC has provided more detailed guidance on how to take this portfolio view for diversification, available on the FSC website. <https://www.fsc.org.au/>. This guidance only applies where a product is held as part of an appropriately diversified portfolio.



Description of target market

Consumer attributes		Key product attributes
Consumer's investment objective	TMD indicator	Investment objective and key attributes
Capital growth	Not considered in target market	<p>Investment Objective</p> <p>The Fund aims to provide investors with income and capital stability through investment in a diversified portfolio of fixed income and diversified credit investments.</p> <p>It aims to outperform the composite benchmark as set out in the PDS (before fees and taxes) over rolling three-year periods.</p>
Capital preservation	In target market	<p>Key Attributes</p> <p>The Fund has the following key attributes:</p> <ul style="list-style-type: none"> • Aims to pay income on a quarterly basis given the Fund's investment universe. However, there is no guarantee that the Fund will be able to pay income in the future in any particular distribution period and the level of any income may vary materially from one distribution period to the next.
Income distribution	In target market	

Consumer attributes		Key product attributes												
Consumer's intended product use (% of Investable Assets)	TMD indicator	Portfolio diversification												
Solution/Standalone (up to 100%)	Not considered in target market	<p>The Trust Company Fixed Interest Fund is comprised of the following asset types:</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0%</td> <td>20%</td> </tr> <tr> <td>Fixed Income</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Diversified Credit</td> <td>0%</td> <td>100%</td> </tr> </tbody> </table> <p>The Fund has broad exposure across fixed income and diversified credit. Its portfolio diversification has been assessed as 'medium'.</p>	Asset Class	Min	Max	Cash	0%	20%	Fixed Income	0%	100%	Diversified Credit	0%	100%
Asset Class	Min		Max											
Cash	0%		20%											
Fixed Income	0%		100%											
Diversified Credit	0%		100%											
Major Allocation (up to 75%)	Not considered in target market													
Core Component (up to 50%)	In target market													
Minor allocation (up to 25%)	In target market													
Satellite component (up to 10%)	In target market													
Consumer's investment timeframe	TMD indicator	Suggested length of investment												
3 years or longer	In target market	The Fund is designed for consumers who seek to invest their capital for a minimum period of three years.												

Consumer attributes		Key product attributes
Consumer's Risk (ability to bear loss) and Return profile for the relevant portion of the consumer's portfolio*	TMD indicator	Risk level
Low	Not considered in target market	The Fund's standard risk measure (SRM) is low to medium, which is reflected in the PDS. The SRM is based on industry guidance and is not a complete assessment of all forms of investment risk. The SRM is periodically reviewed and updates are communicated to investors via Continuous Disclosure.
Medium	In target market	Derivatives may be used in the management of the Fund including to manage currency exposures. The Fund's underlying exposure may use derivatives for gearing up to 25% of its investment portfolio. Specific risks for this Fund include gearing risk. Gearing increases the volatility of a Fund's investment returns. The greater the level of gearing, the less the fall in asset value needs to be for a greater loss of investment capital. Consequently, a geared fund is considered to have a higher investment risk than a comparable fund that is ungeared.
High	Not considered in target market	For more information on risks and other features of the Fund please refer to the PDS. The Fund is most suitable for consumers who have a medium risk and return profile and:
Very high	Not considered in target market	<ul style="list-style-type: none"> • are seeking a Fund that has exposure to fixed income and diversified credit investments, • can accept potential losses to their capital, especially in the short-term, • are comfortable with the specific risks associated with the Fund as disclosed in the PDS.
Extremely high	Not considered in target market	

*Refer to Investment products and diversification section of the TMD above.

Consumer attributes		Key product attributes
Consumer's need to access capital	TMD indicator	Withdrawal request and acceptance frequency
Within one week of request	In target market	Withdrawal requests can be made daily and must be received, verified and accepted by the Fund's unit registry prior to 3pm (Sydney time) on a Business Day to be processed using that day's exit price. If received and accepted after 3pm, it will be processed using the next calculated exit price.
Within one month of request	In target market	Proceeds from your withdrawal will typically be available within 7 business days but can be longer (e.g. during distribution periods) from when we have accepted the request, given normal operating conditions.
Within three months of request	In target market	We can also delay processing withdrawal requests where the law requires or permits according to a Fund's constitution if we believe that's in the best interests of consumers (see the 'Withdrawal Provisions' in the 'Withdrawals' section in the PDS for more information).
Within one year of request	In target market	
Within 5 years of request	In target market	
Within 10 years of request	In target market	

Distribution information

Distribution conditions / restrictions

This product can be distributed:

1. Through the Trust Company Investment Funds PDS, either:

* Directly (and non-advised) – via the issuer’s website perpetual.com.au, by download of physical application form. A non-advised investor (an investor without a financial adviser) investing directly in the Fund may be required to provide additional information to assist us in understanding whether the investor is likely to be within the target market for the Fund as described in the Target Market Determination (TMD).

* Via financial advisers where consumers have received personal advice.

For a consumer to access the product directly, they must read and accept the PDS.

2. Through specified distributors or distribution channels such as an investment or superannuation platform or wrap product. The issuer of each platform product has its own obligations as a distributor to take reasonable steps that will or are reasonably likely to result in retail product distribution conduct being consistent with this TMD.

It has been determined that the distribution conditions and restrictions will make it likely that customers who purchase the product are in the class of customers for which it has been designed. We consider that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

Distributor reporting requirements

Distributors required to report	Reporting requirement	Reporting period	Method of reporting (using FSC data standards where practicable)
All distributors	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 the end of a calendar quarter.	Information to be sent to DDOmail@perpetual.com.au
All distributors	Significant dealings outside the target market determination.	As soon as practicable but no later than 10 business days after becoming aware of a significant dealing.	Information to be sent to DDOmail@perpetual.com.au

Review period and triggers

We will review this target market determination as outlined below.

Mandatory review periods	
Review period	Maximum period for review
Initial review	1 year and 3 months (Complete)
Subsequent / periodic reviews	2 years and 3 months (Sep 2025)

Review triggers
The issuer has determined that a significant dealing outside the target market determination has occurred.
Material deviation in actual performance of the product (compared to investment objective / benchmark) over a sustained period, which may cause consumer harm.
Material change to fund liquidity which may cause consumer harm.
Material change to investment objective, key product features or fees.
Material or unexpectedly high number of complaints about the product (or distribution of the product) which indicate a systemic issue has occurred.
Significant regulatory action which indicates that the target market determination is no longer appropriate.

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

Definitions

Term	Definition
Consumer's investment objective	
Capital growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. 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 designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax- effective income. The consumer prefers exposure to income-generating assets (this may include, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total investable assets. The consumer is likely to seek a product with very high portfolio diversification.
Major Allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total investable assets. The consumer is likely to seek a product with at least high portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total investable assets. The consumer is likely to seek a product with at least medium portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total investable assets. The consumer is likely to seek a product with at least low portfolio diversification.
Satellite component (up to 10%)	The consumer may hold the investment as up to 10% of the total investable assets. The consumer may seek a product with very low portfolio diversification. Products classified as extremely high risk are likely to meet this category only.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.

Term	Definition
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in more than one broad asset class, sector or geographic market (for example, global equities).
Very High	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
Consumer's intended investment timeframe	
Minimum	The minimum suggested time frame for holding the product. Typically, is the rolling period over which the investment objective of the Fund is likely to be achieved.

Term	Definition
Consumer's Risk (ability to bear loss) and Return profile	
<p>This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the Standard Risk Measure Guidance Paper For Trustees (note the bands in the SRM guidance differ from the bands used in this TMD). However, the 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 (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may have other risk factors which result from, for example, the use of leverage, derivatives or short selling, liquidity or withdrawal limitations, may have underlying investments with valuation risks or risks of capital loss; 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>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a conservative or low risk appetite, • seeks to minimise volatility and 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>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (for example shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and • seeks to maximise returns (typically over a medium or long timeframe). <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

Term	Definition
Consumer's need to access capital	
This consumer attribute addresses the likely period of time between the making of a request to access capital and the receipt of proceeds from this request under ordinary circumstances.	
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 and/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 quarter, • the consumer's intended product use is solution/standalone, • the consumer's intended product use is core component or higher and the consumer's risk/return profile is low, or • the relevant product has a green rating for consumers seeking extremely high risk/return.

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More information

Contact your financial adviser or call:

Investor or Adviser services: 1800 022 033

Email: investments@perpetual.com.au

www.perpetual.com.au

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