
Target Market Determination

Product / Fund: Perpetual WealthFocus Investment Advantage

Effective Date: 1 October 2021

TMD Version: 2.0

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Issuer AFSL: 234426
ARSN: 091 142 460
APIR code: PER0245AU
ISIN code: AU60PER02452

About this document

This Target Market Determination is required under section 994B of the *Corporations Act 2001 (Cth)*. It outlines the class of consumers for which this product has been designed and is intended to assist distributors in understanding who the product is intended to be distributed to. The document forms part of the design and distribution arrangements for the product and outlines distribution conditions and restrictions as well as reporting requirements for distributors.

This document is not a Product Disclosure Statement and does not provide a full 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. People interested in acquiring this product should carefully read the Product Disclosure Statement before making a decision whether to buy this product. The Product Disclosure Statement is available at www.perpetual.com.au.

Target market statement

Perpetual WealthFocus Investment Advantage (the Product) is a simple to use investment product, designed for investors who want a broad investment choice and flexibility to manage their investment portfolio. The Product is suitable for investors who want access to a diversified range of investment options and asset classes to tailor an investment strategy which suits their risk profile and investment horizon.

This product is not suitable for investors who require the ability to withdraw and receive the proceeds of their entire investment within a period less than 7 business days (including application processing times) under normal market conditions. This product is not suitable for investors seeking guaranteed return of capital.

The Product has been assessed to be consistent with the likely objectives, financial situation and needs of the class of consumers outlined in this document. This is because the product offers over 40 investment options across multiple asset classes and investment managers. The investment options available and the ability to construct an individualised investment strategy means that the Product may be suitable for investors with a range of risk profiles.

Description of target market

Consumer attributes		Key product attributes
Size of client investment	TMD indicator	Investment minimums
\$0 ≤ \$999	Not considered in target market	The minimum initial investment is \$2,000 (\$1,000 with a savings plan).
≥ \$1,000	In target market	

Consumer attributes		Key product attributes
Desired asset classes	TMD indicator	Investment options
Cash	In target market	More than 40 investment options available across a variety of asset classes and asset managers.
Fixed income	In target market	
Property and infrastructure	In target market	
Australian shares	In target market	
International shares	In target market	
Diversified – conservative	In target market	
Diversified - balanced	In target market	
Diversified - growth	In target market	
Investment goals	TMD indicator	
Capital growth	In target market	The Product offers a diversified range of investment options investing in different asset classes with varying capital growth and income generation objectives. Some investment options may offer some degree of capital preservation, but the Product does not provide options which are capital guaranteed.
Capital preservation	In target market	
Capital guaranteed	Not considered in target market	
Income distribution	In target market	

Consumer attributes		Key product attributes
Investment horizon	TMD indicator	Suggested length of investment
Short (≤ 2 years)	In target market	The Product offers a range of investment options with most investment options designed for investors with a longer investment horizon. However, there are some options which may suit investors whose time horizon is shorter.
Medium (> 2 years ≤ 8 years)	In target market	
Long (> 8 years)	In target market	
Risk (ability to bear loss) and Return profile	TMD Indicator	Risk level
Low	In target market	The Product provides a large number of investment options which range from low to very high risk of investment losses over different time horizons.
Medium	In target market	
High	In target market	
Very high	In target market	

Investment options

The Product offers investors with flexibility to choose between more than 40 different investment options across a variety of asset classes and asset managers. The TMD indicator provide an assessment of the key attributes of the investment options available within asset class groupings to assist distributors in understanding the options available and how they may suit investor needs and objectives. **Key:** Potentially in target market: ■ In target market: ■ Not considered in target market: ■

Investment option attributes	Cash	Fixed income	Property & infra - structure	Australian shares	International shares	Diversified conservative	Diversified balanced	Diversified growth
Investment objective								
Capital Growth	■	■	■	■	■	■	■	■
Capital Preservation	■	■	■	■	■	■	■	■
Capital Guaranteed	■	■	■	■	■	■	■	■
Income Distribution	■	■	■	■	■	■	■	■
Intended product use (% of investable assets)								
Solution / Standalone (75-100%)	■	■	■	■	■	■	■	■
Core Component (25-75%)	■	■	■	■	■	■	■	■
Satellite / small allocation (<25%)	■	■	■	■	■	■	■	■
Intended investment timeframe								
Short (≤ 2 years)	■	■	■	■	■	■	■	■
Medium (> 2 years ≤ 8 years)	■	■	■	■	■	■	■	■
Long (> 8 years)	■	■	■	■	■	■	■	■
Risk (ability to bear loss) and Return profile								
Low	■	■	■	■	■	■	■	■
Medium	■	■	■	■	■	■	■	■
High	■	■	■	■	■	■	■	■
Very high	■	■	■	■	■	■	■	■

Investment option attributes	Cash	Fixed income	Property & infra - structure	Australian shares	International shares	Diversified conservative	Diversified balanced	Diversified growth
Need to withdraw money								
Daily								
Weekly								
Monthly								
Quarterly								
Annual or longer								
Preferred frequency of income payments								
Daily								
Monthly								
Quarterly								
Half-yearly								
Yearly								

Distribution information

Distribution conditions / restrictions

Distribution Condition	Distribution Condition Rationale	Applicable
There are no distribution conditions	The investment options available and the ability to construct an individualised investment strategy means that the Product may be suitable for investors with a range of risk profiles and may suit both direct investors and investors who have received personal advice.	Yes
Only suitable for distribution to consumers who have received personal advice	N/A	No
Only suitable for distribution through specified distributor/s / distribution channel	N/A	No
Other	N/A	No

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
All distributors	To the extent a distributor is aware of dealings outside the target market, these should be reported to the issuer, including the reason the acquisition is outside the target market, and whether the acquisition occurred under personal advice.	Within 10 business days following the end of a calendar quarter.	Information to be sent to DDOmail@perpetual.com.au

Review periods 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
Subsequent / periodic reviews	2 years and 3 months

Review triggers

The issuer has determined that a significant dealing outside the target market determination has occurred.

Significant liquidity issues across a range of options which may cause consumer harm.

Material change 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.

Instructions

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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In the tables in this TMD, 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).

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.

Term	Definition
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 years ≤ 8 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long (> 8 years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.

Term	Definition
Consumer's Risk (ability to bear loss) and Return profile	
<p>Perpetual has adopted the Standard Risk Measure (SRM) 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 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.</p> <p>The Product Description and Key Product Attributes section supplements the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling.</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	
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 • 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>.

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The Product Disclosure Statement (PDS) for the relevant fund, issued by Perpetual Investment Management Limited, should be considered before deciding whether to acquire or hold units in that fund. The PDS can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au.

More information

Contact your financial adviser or call:

Adviser Service: Australia 1800 062 725 or New Zealand 0800 441 656

Investor Service: Australia 1800 022 033 or New Zealand 0800 442 261

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