

Target Market Determination – effective 2 September 2024

PRODUCT ISSUER	Powerwrap Limited		
ABN	67 129 756 850	AFSL	329829
PRODUCT	Powerwrap Scheme (including badged offers)		
TMD VERSION	3		

INTRODUCTION

This document provides guidance in relation to Target Market Determinations (**TMD**) for the purposes of the Design and Distribution Obligations (**DDO**) under the *Corporations Act 2001* (Cth) (Act). This TMD is required under section 994B of the Act and sets out the class of consumers for whom interests in the Powerwrap Scheme ARSN 137 053 073, a registered managed investment scheme (**Product**) would likely be consistent with their likely objectives, financial situation and needs having regard to the Product's key attributes. This TMD is required to outline the triggers to review the Target Market and certain other information. It forms part of Powerwrap Limited's (**Issuer**) design and distribution arrangements for the Product.

IMPORTANT DATES

Date when this target market determination was last reviewed	02/09/2024
Date from which this target market determination is effective	02/09/2024
Date when this target market determination will be next reviewed	02/09/2025

ABOUT THIS DOCUMENT

- This TMD has been developed to:
 - Assist retail clients within the Target Market (as specified below), to obtain suitable financial products having regard to their '*likely objectives, financial situation and financial needs*'; and
 - Assist product distributors to distribute the Product in a manner consistent with this TMD.
- This Product is an interest in a managed investment scheme. As this Product is available to retail consumers, the Issuer must issue a Product Disclosure Statement (**PDS**) that contains information about the Product, including its benefits and risks, the cost of the Product, and the fees and charges that the Product Issuer may receive.

The Investments available through the Product are listed in the Product's Approved Product List (**Guide**), they form the Eligible Investment List (**Eligible Investments**). The Guide is available at www.praemium.com/resources ('our website'). Typically, the Eligible Investments include Managed Funds, Term Deposits, Fixed Income Funds and Model Portfolios.

MODEL PORTFOLIOS

Model Portfolios are devised by experienced model managers and have been categorised according to the 'Standard Risk Measures' which are designed to measure the chance of a negative return over a 20-year period. The Standard Risk Measures set out for each investment available through the Product represent a range of risk profiles that are compatible to consumers who are seeking to invest in a particular investment product.

Further information on the risks and objectives, including investment horizons of each Model Portfolio, are set out in the Guides and the underlying investment products' TMD.

Details of the Eligible Investments and the Guides are available from our website at:

- [Private Wealth Account APL](#);
- [Smartwrap Investment Account APL](#).

Some of the Eligible Investments have their own separate TMD which can also be viewed at www.praemium.com/resources.

This document is not a full summary of the Product's features, or terms and conditions of the Product, which are contained in the relevant PDS issued by the Issuer (and any supplementary documents), nor is this TMD intended to provide financial product advice. Powerwrap Limited is not required to assess the suitability of the Product for individual consumers. The information provided here is general information only, and current as at the date of issue. Consumers and distributors should consider the Product's appropriateness in light of the consumer's objectives, financial situation and needs before acting on it, and in conjunction with any other documentation relating to this Product.

CLASS OF CONSUMERS WHO FALL WITHIN THIS TARGET

This Product has been designed for retail consumers who have engaged an authorised financial advice provider (**Financial Adviser**) to provide personal financial product advice in relation to this Product and the Eligible Investments and who have considered the consumer's likely objectives, financial situation and needs set out below.

The information below summarises the overall class of consumers that fall within the target market for the Product (Target Market), based on the Product's key attributes and the objectives, financial situation and needs that it has been designed to meet. The Product has been designed for consumers whose likely situation and needs (as listed below) are aligned with the Product (including its key attributes).

Objectives

This Product is designed for consumers who are seeking:

- a diversified investment portfolio with access to a broad range of professionally managed Model Portfolios, via a registered managed investment scheme;
- to access professional investment managers and/or individual investment selection (i.e. Listed Securities, Managed Funds, ETFs, Term Deposits and Bonds) based on the recommendations of the consumer's authorised Financial Adviser;
- access to an online digital platform that provides access to account information and reporting via an online secure portal;
- access to a choice of investment options covering a broad range of investment sectors to meet their target asset allocation strategy including cash, fixed interest, domestic and international listed equities, listed property, and alternatives (the Standard Risk Measures set out the investment objectives relevant to the investments available through the Product);
- the flexibility to hold Eligible Investments on a custodial or non-custodial basis (including individual HIN) or a combination of both, while retaining beneficial ownership of investments;
- the flexibility to switch investments within the same product structure more easily than investing in multiple products or individual investments directly; and
- an ability to access consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation.

Financial Situations/Needs

The financial situation and need of the Target Class include:

- those with existing savings of at least \$20,000;
- those with a range of investment risk profiles/measures (capital growth, capital preservation, capital guaranteed, regular income) and investment time horizons (short, medium or long) including those with an ability to bear losses, having regard to the investor suitability descriptions set out in the Guides;
- those with access to a Financial Adviser;
- those looking for capital growth or income from investments or a mixture of both; and
- those who seek to allocate a certain percentage of their investment portfolio into the Product having regard to the asset allocation ranges set out in the Guides.

The Product is not designed for consumers who:

- have not engaged a Financial Adviser;
- want to exercise greater control over each investment transaction;
- may not benefit from consolidated reporting and the associated administration costs;
- do not have investment funds of \$20,000 or more; and
- are seeking to retain all corporate actions and legal ownership in respect of their investments.

PRODUCT DESCRIPTION AND KEY PRODUCT ATTRIBUTES

Overview

The Product is established and offered within the registered managed investment scheme known as the Powerwrap Scheme ARSN 137 053 073 (**Scheme**). The Product provides for:

- the creation of an account comprising a range of investments including a broad range of professionally managed Model Portfolios, via the Scheme; and
- the ability to customise an account from a wide range of investment options including, Managed Funds, Fixed Income, ETFs, ASX & International Listed securities, LIC's and Term Deposits.

Custody & individual holdings

Typically, investments into the Product are held by a third-party custodian. ASX listed securities may be held as individual holdings. A Holder Identification Number (**HIN**) will be created in the consumers name or in a nominee name (refer to the Investment Options section in the Product's PDS).

Key attributes

Key product attributes include the following;

- Access to a broad range of investments including Model Portfolios managed by experienced investment managers, managed funds, ETFs, ASX-listed securities and hybrids, international securities and term deposits. The investments are set out in the Guide.
- An interest-bearing cash operating account that is used for deducting fees, settling transactions and receiving dividends, distributions and sale proceeds.
- Consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation.
- Access to potential cost savings associated with pooling of investments with other consumers (e.g. lower brokerage fees) and lower administration fees from family account aggregation.
- Fees for the provision of financial product advice pertaining to the Product and agreed with a Financial Adviser can be administered from the account.
- Ability to hold ASX securities as individual holdings with a HIN in the investor's name and the ability to elect whether to participate in a range of corporate actions as notified by the Issuer.
- A minimum initial investment of \$20,000 comprising, cash, in-specie transfer of Eligible Investment or a combination of both can be used to establish an account. Regular contribution plans can also be established.

A 14 Day Cooling-Off Period applies for all new Product accounts that have been established.

Fees

- On-going fees for administration, investment management and reporting of consumer accounts (see the PDS for the Product) including brokerage and settlement costs for equities and managed funds trading and expenses.

CONSISTENCY BETWEEN TARGET MARKET AND THE PRODUCT

The Product is consistent with the class of consumers detailed above for this target market. It provides comprehensive investment choice to assist financial advisers to develop an investment portfolio tailored to each individual consumers financial objectives through the financial advice process.

HOW THE PRODUCT IS TO BE DISTRIBUTED

Distribution Channels

Given the Product's broad application to retail consumers, this Product can only be distributed by holders of an Australian Financial Services Licence (AFSL) who provide personal financial product advice and authorised representatives of these AFSLs, as well as those who hold retail authorisation (other than AFSL holders who deal exclusively with wholesale clients). These AFSLs and authorised representatives must be registered to access and use the Powerwrap platform prior to recommending the Product to appropriate consumers.

Distribution Conditions

Consumers will not be permitted to invest directly in the Product without appointing a financial adviser.

In the event that a Financial Adviser's appointment is cancelled by the consumer, or the Financial Adviser ceases to act as the consumers representative for any reason, investment in the Product will come under the Product's Non-Advised Policy (refer to Praemium's Non-Advised Policy available from Praemium on request).

REVIEWING THIS TARGET MARKET DETERMINATION

We will review this TMD in accordance with the requirements listed below:

Initial Review	Within 12 months
Next Periodic Review	At least annually
Review triggers or events	<p>Any event or circumstance(s) arises that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the Product, including related documentation such as the PDS; • occurrence of an ASIC reportable “Significant Dealing” (see examples of Significant Dealings below); • external events such as adverse media coverage or regulatory attention; • significant changes in metrics, including complaints; • significant increase in members exiting the Product. Specifically, where the total number of member exits over a period of 3 months is greater than 10% of the total number of members using the Product; • increasing member complaints about as defined in section 994A(1) of the Act) about the Product or Distribution of the Product Specifically, where the total number of complaints received from Distributors about the Product or Distribution of the Product over a period of 3 months is greater than 10% of the total number of members using the Product; and • a change has occurred that effects the objectives of the target market.

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

REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

We will collect the following information from our distributors in relation to this TMD. If practicable, distributors should adopt the FSC data standards, which are available at www.fsc.org.au/resources/target-market-determination-templates. Distributors can report to Powerwrap Limited by email at: ddo@praemium.com

Complaints	<p>Distributors will report the number of complaints in relation to the Product covered by this TMD within 10 business days following the end of a calendar quarter.</p> <p>This will include the substance of complaints relating to the Product and its performance.</p>
Significant dealings	<p>Distributors will report as soon as practicable and within 10 business days after becoming aware of a significant dealing in relation to this TMD.</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 the nature and extent of the inconsistency of distribution with the TMD.</p> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the Product over the reporting period,</p>
Acquisitions outside the target market	<p>Distributors will report on each dealing outside of the Target Market, including reason why acquisition is outside of Target Market within 10 business days following end of calendar quarter.</p>

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