

Target Market Determination

30 May 2022
Issued by Colonial First State Investments Limited
(CFSIL, we, us, or our)

This Target Market Determination (TMD) is a publicly available document required under section 994B of the *Corporations Act 2001* (Cth). It sets out the class of consumers for whom the Milliman Managed Risk Australian Share Fund – Class A (the product) (a separate managed investment scheme), including its key attributes, would likely be suitable given their likely objectives, financial situation and needs. It also contains triggers to review the TMD and certain other information. It forms part of the Colonial First State design and distribution framework for the product.

This document is not a Product Disclosure Statement (PDS) 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 relevant **PDS**, available at **cfs.com.au** and consider obtaining financial advice before making a decision whether to acquire this product.

Target market summary

Milliman Managed Risk Australian Share Fund – Class A APIR FSF1761AU ARSN 604 604 579 is likely to be appropriate for consumers who:

- Are seeking capital growth
- Are intending to use it as a core component or satellite/small allocation within a portfolio
- Have a medium or long investment timeframe
- Have a high risk/return profile
- Need the ability to generally access their capital within 7 days.

Additionally this product is designed for individuals or entities who:

- Are looking for an investment manager to invest their funds via a managed investment scheme, as opposed to investing directly in underlying assets
- Want access to an online investor portal for account reporting, maintenance and transactions.

TMD indicator

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.

Refer cfs.com.au/TMD for definitions of each Consumer attribute.

Investment products and diversification

Some consumers 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 appropriateness of the product should be assessed in relation to the relevant portion of the portfolio, rather than in relation to the consumer's portfolio as a whole. For example, a consumer may wish to construct a conservative portfolio with a *satellite/small allocation* to growth assets. In this case, a product with a *high* or *very high* risk/return profile may be consistent with the consumer's objectives for that allocation, notwithstanding that the overall risk/return profile of the consumer is *low* or *medium*. In making this assessment, distributors should consider all features of a product (including its key attributes) and the size of any proposed allocation to the product (as a portion of the consumer's overall portfolio).

Consumer attributes	TMD indicator	Product description including key attributes
Consumer's investment objective		
Capital growth	In target market	This product aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The product aims to perform in line with the S&P/ASX 200 Accumulation Index over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.
Capital preservation	Potentially in target market	
Capital guaranteed	Not considered in target market	
Income distribution	Potentially in target market	
Consumer's intended product use (as a percentage of investable assets)		
Solution/standalone (75–100%)	Potentially in target market	This product offers an investment in a single manager option, investing in a single investment sector, with a flexible allocation to shares or other listed securities predominantly managed with a low volatility objective, using quantitative techniques, equities option overlays, or variable allocations to cash.
Core component (25–75%)	In target market	
Satellite/small allocation (< 25%)	In target market	
Consumer's investment timeframe		
Short (≤ 2 years)	Not considered in target market	This product is designed for individuals or entities who seek to invest their capital for a minimum period of seven years.
Medium (> 2 years)	In target market	
Long (> 8 years)	In target market	

Consumer attributes	TMD indicator	Product description including key attributes
Consumer's risk (ability to bear loss) and return profile		
Low	Not considered in target market	Have a tolerance for a high risk of negative returns in the short term.
Medium	Potentially in target market	
High	In target market	
Very high	Potentially in target market	
Consumer's need to withdraw money		
Daily	In target market	Consumers can generally submit withdrawal requests received on a NSW business day prior to 3pm (Sydney time), and they will be processed using that day’s unit price. Withdrawals are normally processed within seven working days of receiving a request. However, in some circumstances, such as where a product is suspended, restricted or unavailable, we may not process withdrawal requests within the usual period. Further, where a product is not liquid, we cannot allow investors to withdraw from the product unless we make an offer to withdraw. Consumers should read the PDS for more information regarding these circumstances.
Weekly	In target market	
Monthly	In target market	
Quarterly	In target market	
Annually or longer	In target market	

Appropriateness of the target market

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market as described above. This is based on an analysis of the key terms, features, and attributes of the product and a finding that these are consistent with the identified class of customers.

Distribution conditions

This product is generally closed to new investors. New accounts/customers can only occur through the transfer of ownership of an existing account. This could be completed with or without the assistance of a third party financial adviser.

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.

Review triggers

Where we determine that one of the below review triggers has occurred, we must undertake a review of this TMD:

- Receipt of a product intervention order from ASIC requiring us to cease retail distribution of this product or the issue of orders or directions by ASIC in relation to the distribution of this product
- Receipt of a significant or an unexpectedly high number of complaints from customers who have acquired this product, regarding the product design, features, availability and any distribution condition that would reasonably suggest that this TMD is no longer appropriate
- Occurrence of a significant dealing(s) outside of the TMD that would reasonably suggest that this TMD is no longer appropriate
- Material change to key product features, investment objectives, terms and conditions and/or fees that would reasonably suggest that this TMD is no longer appropriate
- Any significant or continual poor performance of the product or risk that the product is not likely to meet its investment objective over the minimum suggested investment timeframe, reasonably suggesting that this TMD is no longer appropriate

- The liquidity of the product has changed and is no longer able to offer regular withdrawals, reasonably suggesting that this TMD is no longer appropriate
- The fees of the product are no longer appropriate, reasonably suggesting that this TMD is no longer appropriate
- A significant increase in product outflows, reasonably suggesting that this TMD is no longer appropriate
- A material change to legislation, including tax legislation, or benefits such as the tax benefits of the product which reasonably suggest that the TMD is no longer appropriate.

Next review date

By 30 May 2024 (24 months)

Subsequent maximum review period

24 months

Review trigger information requirements

Information	Provider	Reporting frequency	Method
Complaints The number, nature and outcomes of complaints received in relation to this product's design, features, availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Distributor	Quarterly (within 10 business days following the end of the calendar quarter).	by emailing to complaints@cfs.com.au
Significant dealing outside the target market The nature and circumstances of the significant dealing (including why the dealings occurred outside the target market), the date range of when the significant dealing occurred, the number of consumers to whom the report relates, whether personal financial advice was provided (in writing) and whether consumer harm or detriment has or has likely occurred as a result of the significant dealing.	Distributor	As soon as practicable, but no later than 10 business days after the distributor becomes aware of the significant dealing.	Using FSC data standards (where possible) and submitting to cfsppdo@cfs.com.au