

UBS Emerging Markets Equity Fund

Target Market Determination (TMD)

Issue No. 5

TMD Version: 2

ARSN: 626390949

APIR: UBS8018AU

Issued by UBS Asset Management (Australia) Ltd

ABN 31 003 146 290

AFSL No. 222605

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). The most up to date version of all TMD's in relation to product of which UBS Asset Management (Australia) Ltd is the issuer can be found on our [website](#). 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).

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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.

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1. Target Market Summary

This product is intended for use as a **Satellite Allocation** for a consumer who is seeking **Capital Growth** and has a **Very High risk and return** profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with **at least a 7 year investment timeframe** and who is unlikely to need to withdraw their money on **less than one week's** notice.

Fund and Issuer identifiers	
Issuer	UBS Asset Management (Australia) Ltd
Issuer ABN	31003146290
Issuer AFSL	222605
Fund Manager	UBS Asset Management (Australia) Ltd
TMD Contact Details	clientservices-ubsam@ubs.com
Fund	UBS Emerging Markets Equity Fund
ARSN	626390949
APIR Code	UBS8018AU
ISIN Code	AU60UBS80189
Market Identifier Code	NA
Product Exchange code	NA
TMD Issue Date	29 April 2024
TMD Issue Number	5
TMD Version	2
Distribution Status of the Fund	Available

2. Description of Target Market

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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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.

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](#).

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	In	<p>Fund Overview</p> <p>The Fund is an actively managed fund investing in a high conviction portfolio of 25–40 emerging markets equities.</p> <p>The Fund has a high conviction focused strategy and invests in emerging markets equity securities, taking meaningful positions at the company level seeking to identify the best opportunities to add value.</p> <p>Capital Growth</p> <p>The Fund is listed as 'In Target Market' for Capital Growth as the Fund's investment process and methodology is designed or expected to deliver capital growth through its underlying investments, over the investment timeframe.</p>
Capital Preservation	Out	<p>Capital Preservation</p> <p>The Fund is listed as 'Out of Target Market' for Capital Preservation as the Fund is not designed or expected to focus on capital preservation as a key investment objective. For an investor seeking Capital Preservation as an objective, the Fund would not be suitable.</p> <p>Income Distribution</p> <p>The Fund is listed as 'Out of Target Market' for Income Distribution as the Fund is not designed or expected to distribute regular or tax effective income. The Fund intends to pay distributions on an Annual basis in order to distribute both the income and realised capital gains (if applicable) realised as a result of its investment activities which is required under Australian taxation law (at year end). However the Fund is not targeting to mainly invest in income-generation assets such as high dividend-yielding equities, fixed income securities and money market instruments and the Fund may not pay such a distribution, under a number of circumstances. For an investor seeking Income Distribution as an objective, the Fund would not be suitable.</p>
Income Distribution	Out	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	Out	<p>Investment Guidelines</p> <p>The Fund may invest between 90 to 100% in emerging markets equities. It may also invest up to 10% in cash.</p>
Major Allocation (up to 75%)	Out	<p>Fund Diversification</p> <p>The Issuer classifies the Fund as a Medium Diversification (see Definitions) on the basis that it:</p> <ul style="list-style-type: none"> - Mainly invests in a narrow asset class (emerging market equities) - Is classified as a high conviction portfolio, holding a lower number of securities (25 – 40) - Invests in multiple geographic regions however this is limited to emerging market economies
Core Component (up to 50%)	Out	
Minor Allocation (up to 25%)	Out	
Satellite/small allocation (up to 10%)	In	<p>Given the assessment of diversification and the underlying investment of the Fund, it would be suitable for up to a Satellite/small allocation within a diversified portfolio.</p>

Consumer's investment timeframe		
Minimum investment timeframe	7 years	The suggested minimum investment timeframe for the Fund is at least 7 years . The Fund may be held as part of a diversified portfolio where the consumer's portfolio investment timeframe is different to that of the Fund.
Consumer's Risk (ability to bear loss) and Return profile		
Low	Out	<p>The Fund is likely to be suitable for an investor with Very High Risk and Return Profile (refer to Definitions), as:</p> <ul style="list-style-type: none"> - The Fund is likely to be highly volatile. - The Fund is likely to experience periods of negative returns (over the longer term) - The Fund will take active investment decisions with a view to maximising investment returns within its stated investment parameters as outlined in the Fund's PDS. <p>This TMD outlines the risk and return profile in relation to an investment in this Fund only. It is important that potential investors consider the consumer's risk and return profile specially in relation to the proposed investment in the Fund rather than their broader portfolio as these may differ.</p> <p>The Fund's stated investment return objective is provide a total return that outperforms (after management fees and costs) the MSCI Emerging Markets Net Total Return Index over a rolling full market cycle (normally 3 – 5 years). However, the Fund does not employ the use of leverage, gearing or short selling to achieve its stated investment objective.</p>
Medium	Out	
High	Out	
Very High	In	
Extremely High	Out	
Consumer's need to access capital		
Within one week of request	In	Investors can generally apply for a redemption of all or part of their investment on a Daily basis. Investors will receive the value of their investment on that day, subject to cut off times. Following the processing of any redemption requests, proceeds from an investor's redemption request will generally be paid to them within 6 Business Days . If an investor is invested through an IDPS provider, please contact them for more information.
Within one month of request	In	The cut-off time for withdrawals is normally 2pm Sydney time on a Business Day.
Within three months of request	In	If an investor's withdrawal is received by the cut-off time, the withdrawal price will be based on the Net Asset Value of the Fund or, if applicable, the relevant class, when next calculated (usually at the close of business that day). If received after this time, or on a non-Business Day, the investor will generally receive the withdrawal price calculated at close of business on the next Business Day. For more information on the redemption procedures and the instances in which the Issuer may temporarily delay or suspend redemptions, refer to the PDS and Additional Information Booklet of the Fund.
Within one year of request	In	

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

3. How the product is to be distributed

Distribution conditions/restrictions

The Fund is available through distribution to retail investors, only via the methods outlined in this section:

Distribution Conditions	Distribution Condition Rationale	
Via the UBS Asset Management (Australia) Ltd. Website:		
<p>The Fund is available for sale directly via the website of the Issuer.</p> <p>To invest in the Fund the investor must have received Personal Advice in relation to the investment into the Fund.</p> <p>For a consumer to access the Fund, they must complete the application form available on the website (which includes confirmation that they have received personal advice) and read and accept the Fund's PDS.</p> <p>The Issuer reserves the right to refuse any application into the Fund.</p>	<p>The Distribution Condition is likely to result in distribution in line with the Fund's likely target market because, persons providing personal advice must consider the consumer's individual circumstances and comply with the best interests' duty and related obligations under Pt 7.7A of the Corporations Act.</p>	<p>This Distribution Condition applies to all distributors who invest in the Fund directly via the UBS Asset Management (Australia) Ltd Website.</p>
Via an Investment Service or Superannuation Funds, either:		
<p>The Fund is available for sale indirectly via an Investor Directed Portfolio Service (IDPS), IDPS-like scheme or a nominee or custody service, a managed account or any other service or platform approved by the Issuer (collectively referred to as an 'Investment Service') or through a superannuation fund. UBS Asset Management (Australia) Ltd. will only accept applications only where it considers the Investment Service to be likely to comply with their legal and regulatory obligation.</p> <p>The investment service or superannuation fund must ensure the investor has read and accepted the Fund's PDS.</p>	<p>The Distribution Condition is likely to result in distribution in line with the Fund's likely target market because, Investment Service as distributors must take reasonable steps to ensure that their distribution activities will or are likely to result in retail product distribution conduct that is consistent with the Fund's TMD.</p>	<p>This Distribution Condition applies to all distributors who distribute the Fund.</p>
<p>This Fund is available for investors with a registered financial advisor either directly or via an Investment Service where the advisor and/or dealer group has satisfied themselves that the Fund, or a portfolio that the Fund would form part of, is suitable for the consumer.</p>	<p>The Distribution Condition is likely to result in distribution in line with the Fund's likely target market because, financial advisors must consider the consumer's individual circumstances and comply with the best interests' duty and related obligations under Pt 7.7A of the Corporations Act.</p>	<p>This Distribution Condition applies to all distributors who distribute the Fund.</p>

4. Reviewing this TMD

Review triggers
The following events and circumstances would reasonably suggest that this TMD is no longer appropriate:
Material change to key attributes, fund investment objective and/or fees.
Material deviation from benchmark / objective over the investment timeframe.
Key attributes have not performed as disclosed by a material degree and for a material period.
Determination by the Issuer of an ASIC reportable Significant Dealing.
Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product.
The use of Product Intervention Powers, regulator orders or directions that affects the product.

Mandatory TMD review periods	
Review period	Maximum period for review
Initial review	Within 1 year and three months from the TMD Issue Date
Subsequent review	Within every period of 2 years and three months from the previous review

5. Reporting and monitoring

Distributor reporting requirements		
Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of each complaint, having regard to privacy.	As soon as practicable, but no later than 10 business days, following the end of each calendar quarter.	All distributors
Significant Dealing outside of target market, under s994F(6) of the Act. See Definitions for further detail.	As soon as practicable, but no later than 10 business days after distributor becomes aware of the Significant Dealing.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to UBS Asset Management (Australia) Ltd at clientservices-ubsam@ubs.com. Visit the UBS Asset Management Australia website for more information in relation to the Design and Distribution Obligations.

6. Definitions

In some instance, examples have been provided below. These examples are indicative only and are not exhaustive.

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 <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> 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 <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of the total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of their total <i>investable assets</i> . The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
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 multiple broad asset classes, sectors or geographic markets (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 timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.
Consumer's Risk (ability to bear loss) and Return profile	
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, SRM is not a complete assessment of risk and potential loss.	

Term	Definition
	<p>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 use leverage, derivatives or short selling; may have 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>Although the Issuer discloses the SRM for each Fund in its PDS, the Issuer adopts a risk assessment model designed to provide investors with a more complete assessment of potential risk than SRM alone. Both SRM and UBS's assessment of risk have been assessed in categorising the Fund for the purposes of the Consumer's Risk and Return profile as part of this TMD.</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>
Consumer's need to access capital	
<p>This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.</p>	

Distributor Reporting

Significant Dealings

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.

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.

Dealings outside this TMD may be significant because:

- 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).

In each case, the distributor should have regard to:

- 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).

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 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.

