

TARGET MARKET DETERMINATION (TMD) – EUREKA ASSET-BACKED LOAN FUND

Issuer and Responsible Entity	InvestSMART Funds Management Limited	Product	Eureka Asset-backed Loan Fund
Issuer ABN	62 067 751 759	Date TMD approved	31 March 2022
Issuer AFSL	246441	TMD Version	June 2023
ARSN	655 086 338	TMD status	<i>current</i>

This Target Market Determination (**TMD**) sets out the target market for the Eureka Asset-backed Loan Fund, triggers to review the target market for the product and certain other information.

PRODUCT DESCRIPTION
[Summary](#)

The product, units in the Eureka Asset-backed Loan Fund, are units in a pooled fund designed to provide consumers with an opportunity to access stable quarterly returns via exposure to loans to individuals who invest in a limited selection of the portfolio available through the InvestSMART Professionally Managed Accounts. Loans have a maximum value of \$6,000 per individual with the assets of that managed account securing the loan and have a term of 20 months, repaid in equal instalments.

DESCRIPTION OF TARGET MARKET
[Suitability](#)

The product is likely to suit investors with an above-average income or significant assets seeking to generate income through higher yields on riskier assets than bank deposits. Investors in the product should be willing to accept a moderate to high level of risk, very low liquidity and a medium to long recommended investment timeframe of at least 2 years.

This product is designed for a class of customers whose likely needs, objectives and financial situation are aligned with the product and the product's key attributes.

The product is likely to be suitable for:

- **(Income/Assets)** Consumers with higher-than-average income or assets who are seeking an income stream for a term in the form of higher income on illiquid loans.
- **(Portfolio allocation)** Consumers who wish to allocate a small percentage to an illiquid investment.
- **(Risk profile)** Consumers who can tolerate a medium level of risk of not achieving their financial goals to achieve potentially higher income. The risk level for the product is medium meaning there is a risk of between 2 and 4 periods (on average) of negative annual returns over any 20-year period.
- **(Liquidity)** Consumers who do not need liquidity and can wait to redeem their investment for a long period. The product is illiquid and is not an "at call" cash account and should not be treated as such.
- **(Investment term)** Consumers wanting to invest in the medium to long term for at least 2 years or more.
- **(Other)** Consumers wanting an investment that is not correlated with share markets.

The product is unlikely to be suitable for:

- Consumers with limited income and assets
- Consumers seeking capital growth and not income
- Consumers who are risk averse or could not tolerate any capital loss
- Consumers who require their investments to be reasonably liquid and held only for the very short term of less than 24 months

Key eligibility requirements

- only applications with an Australian bank account will be accepted
- investor must be age 18 or older (minors may invest with an adult acting as trustee for the minor)
- a minimum initial investment amount of \$25,000 and thereafter in multiples of \$10,000, unless otherwise agreed.

Key product attributes

The product's investment objective is for investors to receive a consistent distribution of income above the hurdle return, after the management fees. The manager will only receive a fee if the income return is above the Hurdle Return as posted on the website www.eurekafund.com.au. There are no costs other than the management fees.

As the assets (other than any cash balance) of the product are illiquid and have no ready market, the product is illiquid and will only offer withdrawal rights when the product has available cash or other liquid assets. Investors will therefore have limited withdrawal or redemption rights. Any redemption request must be for a minimum of \$10,000 unless otherwise agreed.

The above summary is not intended to be a full description of the product. Details of the product are set out in the Product Disclosure Statement (PDS). Potential consumers should read the PDS carefully in its entirety and obtain their own independent advice from a qualified professional as to whether the product is appropriate to their own objectives, financial circumstances and needs.

Because of the risks and illiquidity of an investment in the product, the product is not suitable for every potential consumer.

DISTRIBUTION CONDITIONS/RESTRICTIONS

This part is required under section 994B(5)(c) of the Act.

Distribution Condition	Distribution Condition Rationale
This product is only available online through InvestSMART's proprietary channels (website and internal customer databases)	InvestSMART can maintain control and oversight.
InvestSMART will have compliance oversight over how the product is promoted and issued	InvestSMART compliance team is to provide compliance review and sign-off prior to release of all public facing material.
InvestSMART will use limited marketing channels.	Marketing channels will be limited to existing clients of the Issuer and its related bodies corporate: <ul style="list-style-type: none"> • using targeted email address lists • using targeted advertising • via the InvestSMART websites <p>The product must not be advertised on broad social media or through normal channels in a way that might imply it is suitable for all consumers indiscriminately.</p> <p>Marketing material will direct prospective investors to obtain further information about the product on its website, which uses key words that are aligned with the target market.</p>
Distribution channels are limited to: <ul style="list-style-type: none"> • Staff assisted channels • InvestSMART website 	Staff assisted channels - Relevant staff: <ul style="list-style-type: none"> • must be RG 146 qualified • must take reasonable steps ensure that the product is distributed to eligible customers within the Target Market • are to be provided training and resources to understand and discuss the key features of the product • have ready access to senior management to seek further information if required.

	InvestSMART website provides customers with access to information about the product's key features. Prospective investors are provided with information about the product, to assist them with determining whether the product meets their objectives, needs and financial situation. InvestSMART uses key words that are aligned with the target market on product webpages to drive search engine optimisation.
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Review triggers

This part is required under section 994B(5)(d) of the Act.

We will review this TMD if:

- we make a material change to the product or the terms and conditions of the product
- we make a change in our acceptance criteria that impacts on the suitability of the product for the target market
- we make a material change to the distribution conditions of the product
- we discover a relevant and material deficiency in the products' disclosure documentation
- a significant number of complaints are received from customers about the product which indicate that the TMD is no longer appropriate
- a significant dealing occurs
- there are material and relevant changes in key product metrics which indicate that the TMD is no longer appropriate. Such metrics include negative trends across sales, complaints, and product usage data, or rates of hardship
- an external event occurs, such as an ASIC surveillance or inquiry or adverse media coverage indicating that the TMD needs to be reviewed
- there is a change in the economy (such as a recession) which indicates that investment in the product is riskier than it previously might have been
- the Issuer for other reasons concludes that the distribution conditions are inadequate or need modification

Mandatory review periods

This part is required under section 994B(5)(e) and (f) of the Act.

Review period	Maximum period for review
Initial review	1 year from the first effective date
Subsequent review	3 years from completion of the last review

Distributor reporting requirements

This part is required under section 994B(5)(g) and (h) of the Act.

Reporting requirement	Reporting period	Which distributors this requirement applies to
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 end of calendar quarter	InvestSMART as the sole distributor of the product.
Significant dealing outside of target market, under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.	InvestSMART as the sole distributor of the product.

To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following the end of calendar quarter.	InvestSMART as the sole distributor of the product.
Sales data including number of accounts opened and cancelled.	Monthly	InvestSMART as the sole distributor of the product.

The Issuer must immediately report any complaint to the Compliance Manager. The Issuer must report to the board of the Issuer within 10 days if the Issuer becomes aware of a significant dealing.

Disclaimer

The product is issued by InvestSMART Funds Management Limited ABN 62 067 751 759 AFSL 246441 (**Issuer**). The Issuer is the responsible entity and issuer of units in the managed investment scheme referred to in this material. This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Legal disclaimer

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of InvestSMART's design and distribution arrangements for the product.

This document is not a product disclosure statement 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 Product Disclosure Statement before making a decision whether to invest in this product.

Capitalised terms have the meaning given to them in the product PDS, unless otherwise defined. The product PDS can be obtained by downloading a copy from the www.investsmart.com.au/invest-with-us.