TARGET MARKET DETERMINATION (TMD) – INVESTSMART PROFESSIONALLY MANAGED ACCOUNTS

Issuer and Responsible Entity	InvestSMART Funds Management Limited	**Fund**	**Professionally Managed Accounts (PMA)**
Issuer ABN	62 067 751 759	**Date TMD approved**	30 September 2021
Issuer AFSL	246441	**TMD Version**	1 June 2023
ARSN	620 030 382	**TMD status**	*current*

This is an 'omnibus' TMD for the managed investment schemes (also referred to as Investment Portfolio) offered under the PMA suite of funds. The individual Investment Portfolios are identified in the table below. This TMD can and should be read separately in respect of each individual Investment Portfolio.

Target Market Summary:

The InvestSMART PMAs are suitable for investors seeking diversification via exchange traded funds (ETFs) across a range of assets such as Australian and international shares, property, bonds and cash. A minimum $10,000 investment is required and you must be 18 years old or older. The portfolios offer a range of recommended minimum investment timeframes and risk/return profiles.

PRODUCT DESCRIPTION

Summary

The Investment Portfolios cover various asset class portfolios and diversified portfolios. An investor's application money is held in a broker omnibus account before being invested in the relevant Investment Portfolio(s) by the investment manager in line with prescribed asset allocations in the chosen portfolio(s).

The table below lists the Investment Portfolios within the PMA:

Investment Portfolio name	Investment Manager	Portfolio code
InvestSMART Diversified Portfolios		
InvestSMART Conservative Portfolio	InvestSMART Financial Services Pty Ltd ACN 089 038 531, AFSL 226435	INV 001
InvestSMART Balanced Portfolio		INV 002
InvestSMART Growth Portfolio		INV 003
InvestSMART High Growth Portfolio		INV 004
InvestSMART Ethical Growth Portfolio		INV 011
Single Asset Class Portfolios		
InvestSMART International Equities Portfolio	InvestSMART Financial Services Pty Ltd ACN 089 038 531, AFSL 226435	INV 005
InvestSMART Diversified Property and Infrastructure Portfolio		INV 006
InvestSMART Interest Income Portfolio		INV 007
InvestSMART Hybrid Income Portfolio		INV 008
InvestSMART Australian Equities Portfolio		INV 009

InvestSMART Cash Securities Portfolio		INV 010
Intelligent Investor Portfolios		
Intelligent Investor Australian Equity Income Fund	Intelligent Investor Holdings Pty Ltd ACN 109 360 983 CAR 1255 838	INIF
Intelligent Investor Australian Equity Growth Fund		IIGF
Intelligent Investor Ethical Share Fund		INES
Intelligent Investor Select Value Share Fund		IISV

DESCRIPTION OF TARGET MARKET

Key eligibility requirements

- only applications from individuals or entities with an Australian bank account will be accepted
- the investor must be age 18 or older (minors may invest with an adult acting as trustee for the minor)
- a minimum initial investment amount (in each Investment Portfolios selected at the time of application) of $10,000 ($25,000 for Hybrid portfolio)

Key product attributes

- Investment Portfolios with a range of minimum suggested investment time frames. The minimum suggested timeframe is indicative of the Investment Portfolio's risk/return profile:
  - the longer the minimum suggested investment time frame is, the higher the risk. Returns over the longer term are potentially higher, but there is lower level of capital security
  - the shorter the minimum suggested investment time frame is, the lower the risk. Returns over the longer term are lower but there is greater level of capital security.
- The ability to combine Investment Portfolios in any proportion to create an individual blend of Investment Portfolios that is tailored to each investor's needs. The Investment Portfolios (i.e. investment strategies) are all professionally constructed and managed by the Investment Manager.

Liquidity

- The product is very liquid as it invests in liquid, high quality active and passive ETFs, as well as cash and cash equivalent assets that are readily realisable in normal market conditions. However, there may be occasions when there are no bids for the securities held.
- Investors will normally be able to redeem the Portfolio on any Business Day, with redemption proceeds available on T+2.

Appropriateness

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 PMA is suitable for those who seek a range of investments via exchange traded funds (ETFs) in asset classes such as shares, property, fixed interest securities and cash (or a combination of asset classes).

	Investment Portfolio name	Minimum suggested investment time frame	Risk profile	This Investment Portfolio is likely to be appropriate for:	This Investment Portfolio is not suitable for:
Diversified	InvestSMART Conservative Portfolio	2+ years	Low - Medium Expected loss in 1 to 2 years out of every 20 years.	Investors seeking a sustainable income stream, with a lower risk than ordinary shares and a higher return than cash and cash like investments, to be used as a core holding within a portfolio where the consumer has a short to medium term investment timeframe, low risk/return profile and needs immediate access to capital.	Investors seeking a high return.
	InvestSMART Balanced Portfolio	4+ years	Medium Expected loss in 3 to 4 years out of every 20 years.	Investors seeking a lower degree of volatility in an actively managed portfolio of ETFs in order to achieve a medium return over the long-term, to be used as a core holding within a portfolio where the consumer has a medium to longer term investment timeframe and a medium risk/return profile.	Investors seeking a low risk/low return or very high risk/high returns.
	InvestSMART Growth Portfolio	5+ years	Medium - High Expected loss in 4 to 6 years out of every 20 years.	Investors seeking a greater degree of volatility in an actively managed portfolio of ETFs to achieve a greater return over the long-term, to be used as a core holding within a portfolio where the consumer has a medium to longer term investment timeframe, a high risk/return profile.	Investors seeking a low risk/low return or very high risk/high returns.
	InvestSMART High Growth Portfolio	5+ years	High Expected loss in 6 years out of every 20 years.	Investors seeking a high degree of volatility in an actively managed portfolio of ETFs in order to achieve a high return over the long-term, to be used as a core holding within a portfolio where the consumer has a longer-term investment timeframe and a high risk/return profile.	Investors seeking a low risk/low return or balanced risk/returns.

	Investment Portfolio name	Minimum suggested investment time frame	Risk profile	This Investment Portfolio is likely to be appropriate for:	This Investment Portfolio is not suitable for:
	InvestSMART Ethical Growth Portfolio	5+ years	Medium - High Expected loss in 4 to 6 years out of every 20 years.	Investors seeking a greater degree of volatility in an actively managed portfolio of ethical ETFs to achieve a greater return over the long-term, to be used as a core holding within a portfolio where the consumer has a medium to longer term investment timeframe, a high risk/return profile.	Investors seeking a low risk/low return or very high risk/high returns.
	Intelligent Investor Australian Equity Income Fund	Refer to the INIF TMD located at https://www.investsmart.com.au/target-market-determinations			
	Intelligent Investor Australian Equity Growth Fund	Refer to the IIGF TMD located at https://www.investsmart.com.au/target-market-determinations			
	Intelligent Investor Ethical Share Fund	Refer to the INES TMD located at https://www.investsmart.com.au/target-market-determinations			
	Intelligent Investor Select Value Share Fund	Refer to the IISV TMD located at https://www.investsmart.com.au/target-market-determinations			
Single asset class	InvestSMART International Equities Portfolio	7+ years	Very High Expected loss in 6 or greater years out of every 20 years.	Investors seeking a high degree of volatility in an actively managed portfolio of ETFs to achieve a high return over the long-term, to be used as a satellite holding or core holding for exposure to global equities within a portfolio where the consumer has a longer-term investment timeframe and a high risk/return profile.	Investors seeking a low risk/low return or balanced risk/returns.

	Investment Portfolio name	Minimum suggested investment time frame	Risk profile	This Investment Portfolio is likely to be appropriate for:	This Investment Portfolio is not suitable for:
	InvestSMART Diversified Property and Infrastructure Portfolio	5+ years	High Expected loss in 4 to 6 years out of every 20 years.	Investors seeking a high degree of volatility in an actively managed portfolio of ETFs and specific ASX infrastructure securities to achieve a medium return over the long-term, to be used as a satellite holding for exposure to property and infrastructure within a portfolio where the consumer has a longer-term investment timeframe and a medium to high risk/return profile.	Investors seeking a low risk/low return or balanced risk/returns.
	InvestSMART Interest Income Portfolio	2+ years	Low - Medium Expected loss in 1 to 2 years out of every 20 years.	Investors seeking a sustainable income stream, with a lower risk than growth assets and a higher return than cash and cash like investments, to be used as a satellite holding within a portfolio where the consumer has a short to medium term investment timeframe, low risk/return profile and needs immediate access to capital.	Investors seeking a high return.
	InvestSMART Hybrid Income Portfolio	3+ years	Medium Expected loss in 2 to 3 years out of every 20 years.	Investors seeking a sustainable income stream including imputation credits, with a lower risk than ordinary shares and a higher return than cash and cash like investments, to be used as a satellite holding within a portfolio where the consumer has a short to medium term investment timeframe, low risk/return profile and needs immediate access to capital.	Investors seeking a high return.

	Investment Portfolio name	Minimum suggested investment time frame	Risk profile	This Investment Portfolio is likely to be appropriate for:	This Investment Portfolio is not suitable for:
	InvestSMART Australian Equities Portfolio	7+ years	Very High Expected loss in 6 or greater years out of every 20 years.	Investors seeking a high return over the long-term with a high degree of volatility in an actively managed portfolio of ETFs, to be used as a satellite holding or core holding for exposure to Australian equities within a portfolio where the consumer has a longer-term investment timeframe and a high risk/return profile.	Investors seeking a low risk/low return or balanced risk/returns.
	InvestSMART Cash Securities Portfolio	1+ years	Very Low Expected loss is 0 years out of every 20 years.	Investors seeking a very low risk and return as given by cash and cash like investments, to be used as a satellite holding within a portfolio where the consumer has a very short-term investment timeframe, very low risk/return profile and needs immediate access to capital.	Investors seeking a high return or who have a medium to long term investment horizon.

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 only provide general advice about this product through its marketing channels.	These channels may make marketing material available to people who are not eligible to obtain this product. This provides information about the product to prospective investors and we understand that not all people will be eligible for a PMA or that the PMA may not be suitable for all people. However, the distribution channels used to establish this product for customers are designed to prevent ineligible or unsuitable customers from obtaining this product. All 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.
Distribution channels are limited to: • Staff assisted channels • InvestSMART website	Staff assisted channels - Relevant staff: • 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.

Review triggers This part is required under section 994B(5)(d) of the Act.
Material change to key attributes, fund investment objective and/or fees.
Material deviation from benchmark / objective over sustained period.
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 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, 3 months
Subsequent review	3 years

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	N/A – This product is only available through InvestSMART
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.	N/A – This product is only available through InvestSMART
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.	N/A – This product is only available through InvestSMART

Disclaimer

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 Fund Management Ltd.'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, including the Investment Menu for the InvestSMART Professionally Managed Accounts before making a decision whether to invest through this product.

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