

TARGET MARKET DETERMINATION (TMD) – INVESTSMART FUNDLATER

Loan provider	InvestSMART Financial Services Pty Ltd	Product	InvestSMART Fundlater Loans
Loan provider ABN	62 067 751 759	Date TMD approved	30 September 2021
Loan provider AFSL	246441	TMD Version	25 May 2023
Next Review date	25 May 2026	TMD status	<i>current</i>

This Target Market Determination (**TMD**) sets out the target market for Fundlater Loans, triggers to review the target market for Fundlater Loans and certain other information.

PRODUCT DESCRIPTION
[Summary](#)

The non-recourse Fundlater Loan is designed for people looking to borrow a specific amount of money over a fixed period of time to invest in a limited choice of portfolios in a InvestSMART Professionally Managed Account (i.e. Growth, High Growth or Ethical Growth portfolios) and prefer the certainty of fixed repayments over 20 months with a fixed facility fee.

DESCRIPTION OF TARGET MARKET
[Suitability of Fundlater Loans](#)

InvestSMART Fundlater Loans are likely to be appropriate for people who want to borrow money for a short term on a limited recourse basis, specifically to invest in specific Eligible Portfolios through the InvestSMART Professionally Managed Accounts managed investment scheme.

Fundlater Loans are not appropriate for investors who do not have regular cash flow to pay the monthly instalments and do not want the increased volatility of returns from leverage created by the Fundlater Loan.

The Fundlater Loan is likely to be suitable for people who:

- seek funds to increase their investment in a portfolio of Exchange Traded Funds available through select portfolios in the InvestSMART PMA, with minimum loan amount of \$1,000 up to maximum of \$6,000
- want a short-term loan over a fixed term of 20 months
- want consistency and certainty in 20 equal repayments over the term of the loan
- want the certainty of a fixed facility fee to maintain the loan
- may want the option to repay the loan more quickly. Unlimited free extra repayments are permitted and there are also no early payout fees.

[Key eligibility requirements](#)

You must be eligible to invest in the InvestSMART PMA to be eligible for a Fundlater Loan. The following eligibility criteria applies:

- you must be a permanent resident of Australia with a valid and verifiable Australian residential and email address, mobile telephone number
- only applications with an Australian bank account which can be direct debited or used for BPay payments for the duration of the Fundlater Loan will be accepted
- the investor must be age 18 or older (minors may invest with an adult acting as bare trustee for the minor)
- have a minimum initial investment amount of \$4,000, which in conjunction with the Fundlater Loan amount of \$6,000

is to comprise the PMA minimum initial investment amount of \$10,000.

In addition, InvestSMART reserves the right to refuse your application for a Fundlater Loan at its sole discretion including on the basis of our assessment of your credit worthiness.

Key product attributes

A Fundlater Loan is only available for investment in select InvestSMART Professionally Managed Account (**PMA**) portfolios (**Eligible Portfolio**). This document should be read in conjunction with the PMA Target Market Determination to see if an investment in the PMA is suitable for you.

Broadly speaking, the Eligible Portfolios are designed for people looking for a greater degree of volatility in an actively managed portfolio of exchange traded funds to achieve a greater return over the long-term, to be used as a core or satellite holding within a portfolio where the consumer has a medium to longer term investment timeframe and a high risk/return profile. The Fundlater Loans will magnify the volatility and the potential returns or losses on these portfolios.

The Eligible Portfolios are not suitable for investors seeking a low risk/low return or are seeking capital preservation or guarantees.

Investment Eligible Portfolio name	Minimum suggested investment time frame	Risk profile	This Investment Portfolio with a Fundlater Loan is likely to be appropriate for:	This Investment Portfolio is not suitable for:
InvestSMART Growth Portfolio	5+ years	Medium - High Expected loss in 4 to 6 years out of every 20 years. Higher drawdowns due to leverage	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 unleveraged returns.
InvestSMART High Growth Portfolio	5+ years	High Expected loss in 6 years out of every 20 years. Higher drawdowns due to leverage	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, balanced, medium growth returns or unleveraged high growth risk/returns.
InvestSMART Ethical Growth Portfolio	5+ years	Medium - High Expected loss in 4 to 6 years out of every 20 years. Higher drawdowns due to leverage	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.

DISTRIBUTION CONDITIONS/RESTRICTIONS

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

Distribution Condition	Distribution Condition Rationale
<p>This product must only be distributed by InvestSMART (and its related entities) to customers whose needs match the potential investment outcomes and who meet the eligibility requirements in relation to the product.</p> <p>Applications are only available via the InvestSMART Fundlater website or Fundlater app.</p>	<p>The product is designed for non-intermediated distribution via the internet, email marketing and social media marketing with follow up phone calls conducted by authorised representatives of InvestSMART as needed.</p>

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
- 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

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 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.

Disclaimer

Fundlater Loans are issued by InvestSMART Financial Services Pty Ltd ACN 089 038 531 AFSL 226435 (**InvestSMART**). InvestSMART is the loan originator 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 PMA 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 PMA PDS, unless otherwise defined. The PMA PDS can be obtained by downloading a copy from the www.investsmart.com.au/invest-with-us.