

Target Market Determination

5 October 2021

This Target Market Determination (TMD) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524, as the issuer of Shadforth Portfolio Service - Pension, Unique Superannuation Identifier IIMLSPP.

This TMD seeks to offer clients and distributors an understanding of the class of clients for which Shadforth Portfolio Service - Pension has been designed, having regard to the objectives, financial situation and needs of the target market. It applies to the Shadforth Portfolio Service - Pension product referred to in the Product Disclosure Statement (PDS) available at www.sfg.com.au

It is **not** a PDS and is **not** to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. This document does not take into account any person's individual objectives, financial situation or needs. Clients must refer to the PDS and any supplementary documents when making a decision about the product.

Shadforth Portfolio Service – Pension is a comprehensive retirement and administration solution designed for clients working with a financial adviser. It offers an extensive range of investments to help the client design a unique portfolio that is tailored to their personal financial objectives.

Target Market

| Suitable for clients who: | Not suitable for clients who: |
|---|--|
| <ul style="list-style-type: none"> are financially knowledgeable and like the freedom to tailor their retirement solution including the option of a Transition to Retirement (TTR) pension are receiving personal financial advice from the Shadforth Financial Group have an understanding of the risks associated with investing prefer a wide and versatile range of investment choices and want to invest in one or a combination of the investment options which are made available through Shadforth Portfolio Service - Pension like to be kept informed and be involved in investment decisions want the flexibility to monitor their pension as much as they'd like by checking their balances and transactions online want to cap their administration fees and/or reduce their administration fees through fee aggregation. | <ul style="list-style-type: none"> are totally risk averse and cannot tolerate any losses with their investments are not receiving personal financial advice from the Shadforth Financial Group when applying for an account have not received the PDS within Australia have not satisfied a relevant condition of release have less than \$30,000 to invest. |

Likely Objectives, Financial Situation and Needs of Consumers in the Target Market

Shadforth Portfolio Service – Pension has been designed for clients whose likely objectives, financial situation and needs are such that they:

- are retired or have otherwise met a condition of release (and want to draw an income from super)
- want the flexibility to control and monitor their pension as much as they'd like by checking any contributions and balance
- are looking for:
 - a comprehensive retirement and administration solution that can be tailored for their needs
 - a TTR pension

- access to over 200 managed investments, the majority of listed investments in the S&P/ASX 300 Index plus other listed investments approved by the Trustee from time to time, term deposits, fixed-term annuities and a managed discretionary account service
- a cap on their administration fees and/or a reduction in their administration fees through fee aggregation.

Please note: Whilst the product is designed to be used with a financial adviser, direct retail members are not excluded from continuing to hold an account in Shadforth Portfolio Service - Pension.

Key Attributes

Product attributes

The key attributes of Shadforth Portfolio Service - Pension are as follows:

- the flexibility to commence a pension as a retirement phase or TTR pension
- the ability to move your super account to commence a pension without selling down assets or realising capital gains
- access to approximately 200 managed investments (including the Strategic Funds and Specialist Funds), listed investments in the ASX300 Index, Exchange Traded Funds and a selection of term deposits and fixed-term annuities
- a managed discretionary account service which provides access to professionally managed models that are constructed, monitored and rebalanced in accordance with an investment strategy chosen with the client's financial adviser
- a competitive and transparent fee structure, with the ability to cap and reduce fees by linking accounts through fee aggregation
- secure online access to account details with simple, fast and effective reporting.

Investment attributes

Clients have a choice of investment options across 17 investment strategies depending on their investment objective, preference for risk and return and investment timeframe. The types of clients for whom the different categories of investment options are intended for, are broadly described below.

An individual client, however, should have regard to the information provided in the PDS for this product before making an investment selection. The client may choose to invest in multiple options (with different characteristics) to meet their investment needs. Clients should speak to their financial adviser to determine which best suits their needs (where appropriate).

| Investment Attribute Key | | | | | | |
|---|--------------------------------|---|---|---|---------------------------------|---------------|
|  | In target market |  | Potentially in target market |  | Not considered in target market | |
| Standard risk measure | | | | | | |
| 1 = Very low | 2 = Low | 3 = Low to Medium | 4 = Medium | 5 = Medium to High | 6 = High | 7 = Very High |
| Investment Strategy | Usually held for a minimum of: | Investment Objective | | Standard Risk Measure* | | |
| | | Capital Growth | Capital Preservation | | | |
| Cash Funds | No minimum |  |  |  | | |
| | | | | 2-3 | | |
| Diversified Conservative Funds | Short-Medium Term 2+ Years |  |  |  | | |
| | | | | 3-5 | | |
| Alternative Funds ¹ | Medium Term 5+ Years |  |  |  | | |
| | | | | 5-7 | | |

| Investment Strategy | Usually held for a minimum of: | Investment Objective | | Standard Risk Measure* |
|--|----------------------------------|---------------------------------------|----------------------|--|
| | | Capital Growth | Capital Preservation | |
| Australian Fixed Interest Funds ² | Medium Term 4+ Years | △ | ✓ |  3-6 |
| Diversified Balanced Funds | Medium Term 5+ Years | ✓ | ✗ |  4-6 |
| International Fixed Interest Funds ³ | Medium Term 4+ Years | △ | ✓ |  3-6 |
| Exchange-traded funds | Medium to Long Term 3 - 6+ Years | As per underlying pool of investments | | |
| Australian Share Funds ⁴ | Long Term 7+ Years | ✓ | ✗ |  6-7 |
| Commodities | Long Term 7+ Years | ✓ | ✗ |  7 |
| Diversified Growth Funds | Long Term 7+ Years | ✓ | ✗ |  5-6 |
| Global Infrastructure Funds | Long Term 7+ Years | ✓ | ✗ |  6-7 |
| Global Share Funds ⁵ | Long Term 7+ Years | ✓ | ✗ |  6-7 |
| Listed Australian property trusts | Long Term 6+ Years | ✓ | ✗ |  6 |
| Listed investment companies - Australian Shares | Long Term 6+ Years | ✓ | ✗ |  6 |
| Listed High yielding investments | Long Term 6+ Years | △ | △ |  6 |
| Listed investment companies - International Shares | Long Term 6+ Years | ✓ | ✗ |  6 |
| Property Funds ⁶ | Long Term 7+ Years | ✓ | ✗ |  6-7 |

* Standard Risk Measure is a guide to the likely number of negative annual returns expected over any 20 year period.

1 Includes hedge funds, private equity, managed futures and multi asset funds.

2 Includes Australian Government, semi Government, corporate, inflation-linked, mortgage securities and high-yielding securities.

3 Includes foreign Government, semi Government, corporate, inflation-linked, mortgage securities and high-yielding securities.

4 Includes large, mid and small caps.

5 Includes large unhedged and large hedged global shares, small caps and regional shares.

6 Includes both Australian and global property exposures.

Appropriateness of the target market

This product should be consistent with the likely objectives, financial situation and needs of the class of clients in the target market. This is based on an analysis that the key features and attributes of Shadforth Portfolio Service - Pension:

- have previously benefited target market clients in the past and continues to do so; and
- fulfil a need for clients who are looking for a comprehensive retirement solution that offers an extensive range of investments to help construct a unique portfolio.

The Shadforth Portfolio Service - Pension TMD will be reviewed as specified below to ensure it continues to be suitable for clients in the target market.

Distribution Channels

This product can be distributed only via a financial adviser within the Shadforth Financial Group, with a \$30,000 minimum initial contribution amount.



Financial Adviser

Distribution Conditions

This product should only be distributed via an application form where the client meets all eligibility criteria.

Appropriateness of distribution conditions

The distribution conditions and restrictions will make it likely that clients who purchase the product are in the class of clients for which the Shadforth Portfolio Service - Pension has been designed given the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

Review Period and triggers

| Review period | Maximum period for review |
|-----------------|---|
| Effective date | 5 October 2021 |
| Next review by | 5 January 2023 |
| Periodic review | At least every 3 years and 3 months from the previous review. |

| Review triggers | |
|-----------------|---|
| | <p>The following events and circumstances would reasonably suggest the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> • material changes to key product attributes and the terms and conditions of the product • significant number of clients exiting the product • the issuer determines that the financial interests of the clients are not being promoted as part of its member outcomes assessment • significant dealing outside the TMD • material or unexpectedly high number of complaints about the product • the use of 'product intervention powers', regulator orders or directions that affect the product • regulatory changes that have a significant impact on the attributes of the product |

Reporting

Significant Dealings Reporting

Distributors are required to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD.

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 client (or class of client).

In each case, the distributor should have regard to:

- the actual or potential harm to a client,
- the nature and extent of the inconsistency of distribution with the TMD (including an explanation of why the dealings occurred outside the target market),
- the date range of when the significant dealing occurred,
- the number of clients impacted by the significant dealing (i.e. the number of clients who are not in the target market (or who have been excluded from the target market) as a proportion of all clients who have acquired the product), and
- the time period in which these acquisitions outside the target market occurred.

The reporting period is as soon as practicable but no later than 10 business days after becoming aware of the significant dealing.

Complaints

The distributor will provide details of the number and nature of complaints relating to product design, product availability and distribution, having regard to privacy.

The distributor should provide details as soon as practicable but no later than 10 business days following the end of the calendar quarter.

IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818) (Fund) and Shadforth Portfolio Service – Pension is part of the Fund. The information in this TMD is of a general nature only and has been prepared without taking into account a client's objectives, financial situation or needs. Before making a decision based on this information, you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. IIML is part of the IOOF group of companies comprising IOOF Holdings Ltd (ABN 49 100 103 722) and its related bodies corporate ('IOOF Group'). An investment with IIML is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Past performance is not an indication of future performance. The repayment of capital, the performance or any rate of return of an investment with IIML is not guaranteed by any member of the IOOF Group or any other related or associated company.