

# Target Market Determination – Funds Management

## Gleneagle Asset Management Limited – Gleneagle Investment Trust: Fixed Income Fund

### Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of Gleneagle Asset Management Limited'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 (**PDS**) for Gleneagle Investment Trust and the Supplementary Product Disclosure Statement (**SPDS**) for the Class of the Gleneagle Investment Trust known as "Fixed Income Fund" before making a decision whether to buy this product. Investors may not rely on this TMD for making any investment decision.

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 and SPDS, unless otherwise defined. The PDS and SPDS can be obtained by emailing Customer Relationship Manager as the first point of contact, using the contact details as detailed on their website or GAML at [funds@gleneagle.com.au](mailto:funds@gleneagle.com.au) or by visiting the Customer Relationship Manager website or GAML website at [www.gleneagle.com.au](http://www.gleneagle.com.au).

The Gleneagle Investment Trust has more than one Class. This TMD is only for the Class known as the Fixed Income Fund.

### Target Market Summary

This product is **likely** to be appropriate for a consumer seeking a yield from investments in fixed income products. It can be used as a core or satellite investment component within a portfolio where the consumer has a medium to long investment timeframe, a moderate to high risk/return profile and could need monthly access to capital.

<b>Issuer</b>	Gleneagle Asset Management Limited ("GAML")	<b>ISIN Code</b>	N/A
<b>Issuer ABN</b>	29 103 162 278	<b>Market Identifier Code</b>	N/A
<b>Issuer AFSL</b>	226199	<b>Product Exchange Code</b>	N/A
<b>Fund</b>	Gleneagle Investment Trust: Fixed Income Fund	<b>Date TMD approved</b>	29/09/2021
<b>ARSN</b>	605 489 094	<b>TMD Version</b>	V.1
<b>APIR Code</b>	N/A	<b>TMD Status</b>	Current

## 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.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation or core component*). 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 conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a *High or Very High* risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is *Low or Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

Consumer Attributes	TMD Indicator	Product description including key attributes										
<b>Consumer's investment objective</b>												
Capital Growth	Orange	<p>The investment objectives of the Fund is for investors to receive a consistent and smoother targeted distribution of income through the combination of the investment strategy generating returns from more liquid segments of the fixed income market and access to the Threshold Manager.</p> <p>The Fund also seeks for investors to receive a consistent targeted distribution of income of a maximum of 5% calculated on the Principal per annum or an equivalent of approximately 0.416% per month.</p> <p>Distributions will be made monthly on the last business day of each month and will generally be paid in cash to the investors bank account within 10 business days after the Distribution Date for the Income Distribution Period, unless an investor elects for reinvestment to acquire additional units.</p>										
Capital Preservation	Orange											
Capital Guaranteed	Red											
Income Distribution	Green											
<b>Consumer's intended product use (% of Investable Assets)</b>												
Solution/Standalone (75-100%)	Orange	<p>The Fund is suited to investors who are looking for:</p> <ul style="list-style-type: none"> <li>exposure to investment grade corporate bonds with a weighted average credit weighting of the bond portfolio of no lower than BBB+, asset backed securities, inflation derivatives, interest rate derivatives, bank bills and negotiable certificates of deposit issued by larger Australian banks and other derivatives</li> </ul> <p><u>Features:</u></p> <ul style="list-style-type: none"> <li>the investment strategy targets consistent annual returns;</li> <li>investors have access to Liquidity Manger's investment methodology, which is designed to produce returns and protect investors against inflation risk;</li> <li>investors have access to a highly diversified portfolio of investment grade fixed income investments over the short to longer term;</li> <li>asset are typically invested within the following asset allocation ranges:</li> </ul> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Investment Range</th> </tr> </thead> <tbody> <tr> <td>Global government and corporate bonds</td> <td>0% - 15%</td> </tr> <tr> <td>Australian corporate bonds</td> <td>0% - 100%</td> </tr> <tr> <td>Australian government bonds</td> <td>0% - 10%</td> </tr> <tr> <td>Derivatives (exchange-traded and over the counter)</td> <td>0% - 100%</td> </tr> </tbody> </table> <p><u>Diversification:</u></p> <p>The Fund's portfolio comprises 250 to 300 investments. GAML believes this achieves sufficient diversification to ensure the Fund is not overly correlated to a single company, or to industry specific or macroeconomic risks.</p>	Asset Class	Investment Range	Global government and corporate bonds	0% - 15%	Australian corporate bonds	0% - 100%	Australian government bonds	0% - 10%	Derivatives (exchange-traded and over the counter)	0% - 100%
Asset Class	Investment Range											
Global government and corporate bonds	0% - 15%											
Australian corporate bonds	0% - 100%											
Australian government bonds	0% - 10%											
Derivatives (exchange-traded and over the counter)	0% - 100%											
Core Component (25-75%)	Green											
Satellite / Small allocation(<25%)	Green											
<b>Consumer's investment timeframe</b>												
Short (≤ 2 years)	Green	The Fund is suitable for investors with short to long investment horizons.										
Medium (> 2 years)	Green											

Consumer Attributes	TMD Indicator	Product description including key attributes
Long (> 8 years)		
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low		<b>Risk:</b>
Medium		The Fund is suited to investors with a moderate risk profile and risk tolerance.
High		An investment in the Fund is subject to a number of different risks including manager skill, key person risk, credit risk, liquidity, leverage, diversification, derivatives risk, short selling risk, counterparty risk, currency risk, interest rate risk, foreign taxation, investments in other funds managed by the Liquidity Manager, fund risk, service provider risk, related party risk, legal, regulatory & tax risk, and withdrawal risk.
Very High		These risks can be mitigated by the Threshold Manager or other techniques(refer to the PDS and SPDS for further information).
		<p><b>Return:</b></p> <p>The Fund's investment objective is for investors to receive a consistent and smoother targeted distribution of income over time through the combination of the investment strategy generating returns from more liquid segments of the fixed income market and access to the Threshold Manager.</p> <p>The Fund also seeks for investors to receive a consistent targeted distribution of income of a maximum of 5% calculated on the Principal per annum.</p>
<b>Consumer's need to withdraw money</b>		
Daily		An investor can withdraw all or part of their investment in the Fund by contacting their Customer Relationship Manager to obtain a Redemption Form or by writing to their Customer Relationship Manager.
Weekly		
Monthly		The Fund processes withdrawals and switching between Classes within the Trust, generally on a monthly basis on the Subscription Date, being the first Trading Day of the month, following the first monthly Valuation Date, being the first valuation on the last Trading Day of the month, provided the withdrawal request is received before the Designated Time, being 11:00 am AEST on the 25 <sup>th</sup> of the calendar month. The Fund then generally pays the money to the investor's bank account within 10 business days after the Subscription Date but must be paid within 21 business days of receipt of the withdrawal request.
Quarterly		
Annually or Longer		<p>The minimum withdrawal amount is \$10,000 and switching amount is \$5,000, subject to the discretion of Responsible Entity and subject to the minimum balance always being above \$50,000.</p> <p>In some circumstances, such as when the Fund is illiquid, investors will not be able to withdraw from the Fund, and the Fund may delay withdrawal for 21 days or more. The Threshold Manager as part of the Threshold Services provides a credit facility to advance payments (in its sole discretion) to GAML to assist in satisfying withdrawals if necessary.</p>

## Appropriateness

GAML 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, 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.

### Distribution conditions/restrictions

Distribution Condition	Distribution Condition Rationale
<p>The Fund can only be distributed to a consumer through a Customer Relationship Manager or Gleneagle Securities (Aust) Pty Ltd (GES) or indirectly through an IDPS Operator.</p>	<p>This product is only suitable for distribution:</p> <ul style="list-style-type: none"> <li>through the Customer Relationship Manager (appointed by GAML) or GES (associate of GAML). The Customer Relationship Manager or GES will process electronic application forms which are validly executed and supported by required documentation. The Customer Relationship Managers and GES are authorised by GAML to distribute the product.</li> <li>indirectly through an IDPS Operator who has obtained GAML's authorisation to use the Fund's SPDS.</li> </ul> <p>This authorisation process ensures that GAML has the ability to monitor and supervise the activities of any distributors of the Fund and ensure that they are appropriately trained on the target market for the product, triggers to review the target market and certain other information relevant to distribution and customer support.</p> <p>Each of the distribution channels for the Fund has expertise in the complex nature of the Fund and is subject to a legal requirement to provide financial services efficiently, honestly and fairly. This supports the target that the product will only be issued to investors who fall within the target market.</p>

### 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 negative 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 GAML 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.

<b>Mandatory review periods</b> This part is required under Section 994B(5)(e) and (f) of the Act.	
<b>Review Period</b>	<b>Maximum period for review</b>
Initial review	1 October 2022
Subsequent review	Every 12 months

<b>Distributor reporting requirements</b> This part is required under section 994B(5)(g) and (h) of the Act.		
<b>Reporting requirement</b>	<b>Reporting period</b>	<b>Which distributors this requirement applies to</b>
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.	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
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 end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to Customer Relationship Manager or GAML.

Distributors other than those appointed by GAML must report to the Customer Relationship Manager as the first point of contact by emailing, using the contact details as detailed on their website or GAML at [funds@gleneagle.com.au](mailto:funds@gleneagle.com.au). This email also can be used to provide contact details relating to this TMD for GAML and Customer Relationship Manager.

## Disclaimer

Issued by Gleneagle Asset Management Limited AFSL 226199 ("**GAML**"). GAML is the Responsible Entity and issuer of units in the managed investment scheme referred to in this material. This document does not take into account anyone's investment objectives, financial situation or particular needs. If you are interested in acquiring this product you should carefully read and consider the PDS and SPDS for the product, and consider obtaining professional investment advice tailored to your specific circumstances before making a decision whether to invest in this product. A copy of the relevant PDS and SPDS relating to this product may be obtained by emailing Customer Relationship Manager as the first point of contact, using the contact details as detailed on their website or GAML at [funds@gleneagle.com.au](mailto:funds@gleneagle.com.au) or by visiting the Customer Relationship Manager website or GAML website at [www.gleneagle.com.au](http://www.gleneagle.com.au).

No person guarantees the future performance of the Fund, the amount or timing of any return from it, that asset allocations will be met, that it will be able to implement its investment strategy or that its investment objectives will be achieved. GAML will not be responsible or liable for any losses arising from your use or reliance upon any part of the information contained in this TMD.

## Definitions

Term	Definition
<b>Investment objective</b>	
Capital Growth	The product is designed to generate capital return from the growth of the value of the underlying assets over time. The product provides material exposure to growth assets or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The product is designed to preserve capital and limit loss in the portfolio. The product provides material exposure to defensive assets and seeks to reduce volatility and minimise loss in a market down-turn.
Capital Guaranteed	The product is designed to provide a substantially risk-free investment. The investor's invested capital is "guaranteed" against loss. The product employs a capital protection strategy (typically through investing in capital guaranteed products) or is a structured product (for example, utilises a zero coupon bond or portfolio protection insurance).
Regular Income	The product is designed to generate a positive yield in order to distribute regular investment income to investors. The product provides material exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments). The product may also seek long-term capital growth and be labeled with a 'total return' (or similar) strategy and objective.
Specialist (Sustainable / Ethical / Sharia / ESG)	This includes a speciality overlay, such as ESG, Sharia etc.
<b>Product Use</b>	
Solution/Standalone (75-100%)	A solution strategy is suitable to be held as either a part or the majority (up to 100%) of the total investable assets.
Core Component (25-75%)	A core component is suitable to be held as a major component, up to 75%, of the total investable assets.
Satellite (<25%)	A satellite strategy is only suitable to be held as a smaller part of the total portfolio, as an indication it would be suitable for up to 25% of the total investable assets.
Investable Assets	Those assets that the investor has available for investment, excluding the family home.
<b>Portfolio diversification</b>	
Very low	Single asset class, single country, low holdings of securities - e.g. high conviction Aussie Equities.
Low	Single Asset Class, Single Country, Moderate number of holdings, e.g. Aussie Equities Fund.
Medium	1-2 Asset Classes, Single Country, Broad exposure within asset class, e.g. Aussie Equities All Ords.
Medium High	Greater diversification across either asset classes or countries, e.g. global equities or Australian multi-asset.
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or Global Equities extending beyond benchmark.
Very high	Diversified across asset classes AND across countries e.g. global multi-asset product.

<b>Risk and Return</b>	
<p>Issuers should undertake a comprehensive risk assessment for each product. The FSC strongly recommends adoption of the Standard Risk Measure (<i>SRM</i>) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <i>Standard Risk Measure Guidance Paper For Trustees</i>. SRM is not a complete assessment of risk. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, 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>	
Very high risk & return	<p>Consumer has a more aggressive or very high risk appetite, wishing to maximise returns and willing to accept higher potential losses (e.g. 6 or more negative returns over a 20 year period or SRM 7) and possibly other risk factors, such as leverage, that could increase returns, plus also the size and magnitude of losses.</p> <p>Consumer will typically prefer growth assets such as shares, property and alternative assets</p>
High risk & return	<p>Consumer will be higher risk in nature, wishing to accept higher potential losses (e.g. 4 to less than 6 negative returns over a 20 year period or SRM 6) in order to target a higher target return profile.</p> <p>Consumer will typically prefer predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Medium risk & return	<p>Consumer will be moderate or medium risk in nature, wishing to minimise potential losses (e.g. 1 to less than 4 negative returns over a 20 year period or SRM 3 to 5) and comfortable with a moderate target return profile.</p> <p>Consumer will typically prefer a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
Low risk & return	<p>Consumer will be conservative or low risk in nature, wishing to minimise potential losses (e.g. less than 1 negative returns over a 20 year period or SRM 1 to 2) and comfortable with a low target return profile.</p> <p>Consumer will typically prefer defensive assets such as cash and fixed income.</p>
<b>Redemption frequency</b>	
Daily/Weekly/Monthly/Quarterly/Annually or longer	<p>The frequency at which redemption requests are accepted and the exit price is struck under ordinary circumstances as disclosed in the PDS, provided that the redemption request is typically paid within a reasonable period following acceptance.</p>
<b>Liquidity</b>	
<p><i>Note: Products are likely to be suitable for consumers with lower liquidity needs than the product provides (for example, a product that meets the definition of 'High' liquidity may be marked green for 'Low', 'Moderate' and 'High' liquidity ratings and red for 'Very high'.</i></p>	
Low	<p>The product invests in predominantly non-exchange traded and less liquid assets, e.g. private debt or private equity.</p>
Moderate	<p>The product invests in a mix of liquid and less-liquid assets and typically does not meet the definition of liquid (see below).</p>
High	<p>The product invests in predominantly liquid assets and typically meets the definition of liquid (see below).</p>
Very high	<p>The product invests in entirely exchange traded or cash and cash equivalent assets that are readily realisable.</p>
Liquid (for the purposes of the above definitions)	<p>The product may be able to realise 80% of its assets at market value within 10 days and fall within the definition of a simple managed investment scheme.</p>