

Target Market Determination – Wilsons Managed Discretionary Account

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 Wilsons Advisory and Stockbroking Limited's managed discretionary account (**MDA**), 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 Wilsons Advisory and Stockbroking Limited's design and distribution arrangements for MDA.

This document is **not** an Investment Program (**IP**) and is **not** a summary of the MDA features or terms of the MDA. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this MDA should carefully read the IP, Statement of Advice (**SOA**) and MDA contract for the MDA before making a decision whether to acquire, or continue to hold this MDA.

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 MDA's IP, unless otherwise defined. The IP can be obtained by contacting Wilsons Adviser on 1300 650 790.

Target Market Summary

Wilsons MDA is **likely** to be appropriate for a consumer seeking professional management of an investment portfolio consisting of one or more asset classes including fixed interest, Australian equities, international equities and alternatives, together with cash, in conjunction with comprehensive record keeping, administration and tax reporting.

Wilsons MDA is **unlikely** to be appropriate for a consumer only seeking capital guaranteed investments and with a short investment timeframe.

MDA and Issuer Details

Issuer	Wilsons Advisory and Stockbroking Limited (Wilsons)
Issuer ABN	68 010 529 665
Issuer AFSL	238375
Financial Product	Managed Discretionary Account
Date TMD approved	5 October 2021
TMD Version	1.0
<i>TMD Status</i>	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.

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	Green	The MDA aims to provide investors with a positive performance after fees generally in a medium or long investment timeframe.
Capital Preservation	Amber	
Capital Guaranteed	Red	
Income Distribution	Green	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Green	Through its investment in the underlying financial products, the MDA's investment strategy may aim to remain highly exposed to one or more asset classes such as domestic developed market securities, international developed market securities and/or managed investment schemes. The MDA can have <i>High, Medium</i> or <i>Low</i> portfolio diversification depending on the underlying investment strategy and the strategic asset allocation.
Core Component (25-75%)	Green	
Satellite/small allocation (<25%)	Amber	
Consumer's investment timeframe		
Short (≤ 2 years)	Amber	

Medium (> 2 years)	Green	The minimum suggested timeframe for holding investments in the MDA is 5 years.
Long (> 8 years)	Green	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Green	Depending on the underlying investment strategy and the strategic asset allocation of an MDA, the MDA may have a risk band ranging from Low to Very High.
Medium	Green	
High	Green	
Very High	Green	
Consumer's need to withdraw money		
Daily	Green	Given the underlying financial products, the investments in the MDA are liquid under normal circumstances. Investors will normally be able to withdraw from the MDA on any Business Day, being a day other than a Saturday or Sunday on which banks are open for general banking business in Australia.
Weekly	Green	
Monthly	Green	
Quarterly	Green	
Annually or longer	Green	

Appropriateness (s994B(8))

Wilson's has assessed the MDA and formed the view that the MDA, 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 MDA 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 (s994B(5)(c))

Distribution Condition	Distribution Condition Rationale
Wilson's MDA can only be distributed by registered financial advisers authorised by Wilson's to provide personal advice in MDAs.	As required by RG179, personal advice must be provided to retail clients before investing in an MDA. Wilson's MDAs are not to be distributed by any third party financial advisers.

<p>Review triggers</p> <p>This part is required under section 994B(5)(d) of the Act.</p>

Material change to key attributes of MDA.
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 Wilsons of an ASIC reportable significant dealing.
Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the MDA or distribution of the MDA.
The use of Product Intervention Powers, regulator orders or directions that affects the product.

Mandatory review periods	
This part is required under section s994B(5)(e), (f) of the Act.	
Review period	Maximum period for review
Initial review	1 year and 3 months
Subsequent review	3 years and 3 months

Distributor reporting requirements		
This part is required under section s994B(5)(g), (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.	Complaints related to MDAs are to be reported to Wilsons using the email address DDO@wilsonsadvisory.com.au within 10 days of receiving the complaint. Nil complaint is not applicable.	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 the end of the calendar quarter.	None

Disclaimer

Issued by Wilsons Advisory and Stockbroking Limited ABN 68 010 529 665 AFSL 238375 (**Issuer**). Issuer is the MDA provider of MDAs 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.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).

Term	Definition
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced product or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
Short (≤ 2 years)	The consumer has a short investment timeframe and may wish to make a material withdrawal within two years.
Medium (> 2 years)	The consumer has a medium investment timeframe and is unlikely to make a material withdrawal within two years.
Long (> 8 years)	The consumer has a long investment timeframe and is unlikely to make a material withdrawal within eight years.
Consumer's Risk (ability to bear loss) and Return profile	
The risk level is not a complete assessment of all forms of investment risks, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than the return a consumer may require to meet their objectives or needs.	
Low	The consumer is conservative or low risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period) and comfortable with a low target return profile. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period) and comfortable with a moderate target return profile. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
High	The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period) in order to target a higher target return profile. Consumer typically prefers 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.

Term	Definition
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
Consumer's need to withdraw money	
<p>Issuers should consider in the first instance the withdrawal request frequency under ordinary circumstances. However, the withdrawal request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay withdrawals) could impact this, this is to be taken into consideration in completing this section.</p>	
Daily/Weekly/Monthly/Quarterly/Annually or longer	<p>The consumer seeks to invest in a product which permits withdrawal requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.</p>
Distributor Reporting	
Significant dealings	<p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p> <p>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.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • 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 consumer (or class of consumer). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), • the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and • the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer). <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p>

Term	Definition
	<ul style="list-style-type: none"> • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, and • the consumer's investment objective is <i>Capital Guaranteed</i> and the consumer's investment timeframe is <i>Short</i>.