

Target Market Determination – CPF Diversified Property Fund

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 One Managed Investment Funds 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 the CPF Diversified Property Fund (formerly 601 Coronation Drive Fund) before making a decision whether to buy this product.

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, unless otherwise defined. The PDS is available at <https://www.oneinvestment.com.au/ddo/>

Target Market Summary

This product is likely to be appropriate for a consumer seeking capital growth and income distribution through exposure to a portfolio of property related assets, to be used as a core or satellite component within a portfolio. The product is likely to be appropriate for a consumer that has a medium or long investment timeframe, and high or very high risk/return profile that does not need frequent access to capital. This product is not appropriate for consumers requiring frequent access to their capital.

Fund and Issuer identifiers

Issuer	One Managed Investment Funds Limited	APIR Code	OMF0020AU
Issuer ABN	47 117 400 987	Market Identifier Code	N/A
Issuer AFSL	297042	Date TMD approved	08 July 2022
Fund	CPF Diversified Property Fund	TMD Version	1

ARSN	610 941 654	TMD Status	Current
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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
Consumer's investment objective		
Capital Growth	In target market	The Fund aims to provide investors with regular property-based income combined with potential capital stability and the potential for longer term capital growth and targets a return of 6.00% p.a. (net of all fees and expenses). While an investment in the Fund could experience capital loss and is higher risk and more volatile than cash or fixed income
Capital Preservation	Potentially in target market	
Capital Guaranteed	Not in target market	

Consumer Attributes	TMD Indicator	Product description including key attributes
Income Distribution	In target market	<p>securities, the Fund is expected to exhibit lower volatility than listed equities in a market downturn.</p> <p>Given the nature of the Fund's investment strategy (property), the performance of the Fund is dependent on various external factors such as the performance of the property market, the cash rate and the Fund manager's ability to find suitable investments.</p> <p>The Fund aims to distribute income to investors on a quarterly basis. However, the Fund will only pay distributions from cash from operations and reserves (not borrowings) and the Responsible Entity's ability to pay a distribution from the Fund is contingent on the income the Fund receives from the Fund's assets.</p>
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Not in target market	<p>The Fund is intended for investors who already have established investments in 1 or 2 other funds. The Fund is suitable for investors seeking to diversify their portfolio and manager-concentration risk.</p>
Core Component (25-75%)	In target market	
Satellite/small allocation (<25%)	In target market	
Consumer's investment timeframe		
Short (≤ 2 years)	Not in target market	<p>The optimal investment period for the Fund is in the medium and long term range. As limited withdrawals will only be offered each March and September (and depend on the availability of liquid assets), the Fund is suited for investors who are willing to carry their investment longer than the short term.</p>
Medium (2 -5 years)	In target market	
Long (> 5 years)	In target market	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Not in target market	<p>The Fund is considered High to Very High risk due to the inherent risks associated with the Fund's portfolio of property related assets which are highly susceptible to uncontrollable economic factors such as the overall performance of the property market, cash rate, and ability of the residential tenants of the properties forming part of the Fund's portfolio to repay their leases/mortgages. Although the Fund may be suitable for investors with a Medium risk appetite due to the Fund's conservative investment strategy, it is more suitable for investors who are looking for a higher income return while noting the possibility of losses where the Fund's portfolio of assets do not perform as expected.</p>
Medium	Potentially in target market	
High	In target market	
Very High	In target market	
Consumer's need to withdraw money		
Daily	Not in target market	<p>Investors need to be comfortable with their investment having low liquidity as the Fund only offers a limited bi-annual withdrawal facility occurring on the 31st of March and the 30th of</p>
Weekly	Not in target market	

Consumer Attributes	TMD Indicator	Product description including key attributes
Monthly	Not in target market	September each year. The amount available for withdrawal (if any) is subject to the availability of sufficient liquid assets.
Quarterly	Not in target market	
Bi-Annually	Not in target market	
Annually or longer	In target market	

Appropriateness

The Issuer 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.

The Issuer considers that the Fund, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of investors in the target market on the basis of:

- The relationship between the key attributes of the Fund and the target market as set out in this TMD.
- The terms of issue of units in the Fund.
- The investment mandate of the Fund.
- The investment capability of the manager of the Fund.
- The Issuer's assessment of the risks and benefits of the Fund.

The Issuer considers that the distribution conditions below will make it likely that the investors who acquire units in the Fund are in the target market because of the following:

- The Fund's advertisements and website content is directed towards consumers in the Fund's target market.
- The online and paper application forms for the Fund include filtering questions and alerts relevant to the distribution conditions.
- Where applicable, the restrictions imposed by, and level of supervision required under, the terms of any distribution agreements entered into by the Issuer and the distributors of the Fund.
- The distributors' past performance in relation to the distribution of financial products, about which the Issuer is aware.
- Any other relevant information about a distributor, about which the Issuer is aware.

Distribution conditions/restrictions

Distribution Channel	Distribution Condition
Direct—Ordinary Units	<ul style="list-style-type: none"> • The application forms (both online and paper) will include filtering questions. The marketing material and general marketing program will be directed towards consumers in the Fund's target market.

Platform/Wrap—Ordinary Units	<ul style="list-style-type: none"> • Additional steps are not required for advised clients beyond consideration of the issuer’s TMD by the adviser. • Unadvised clients may not be able to access the Fund unless the platform provider has a process where clients are asked basic filtering questions relating to the TMD.
Adviser—Ordinary Units	<ul style="list-style-type: none"> • Investor to confirm through online application, they are financially advised. • Financial advisers to provide details of their AFS licence, including their adviser number from the Moneysmart website, and confirm they have reviewed and considered the TMD in providing personal advice to the investor.

Review triggers
Material change to key attributes, fund investment objective and/or fees or expenses.
Material deviation from benchmark / objective to a material degree or over a sustained period (eg two consecutive financial years).
Key attributes have not performed as disclosed by a material degree and for a material period.
Where the Issuer is unable to satisfy all withdrawal requests within the usual period for two consecutive withdrawal periods (ie consecutive 6-month periods).
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	
Review period	Maximum period for review
Initial review	12 months
Subsequent reviews	At least once every year from date of last review of the TMD

Distributor reporting requirements		
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.	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 the issuer. Distributors must report to One Managed Investment Funds Limited using the method specified at <https://www.oneinvestment.com.au/ddo/>. This link also provides contact details relating to this TMD for One Managed Investment Funds Limited.

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).

Term	Definition
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).
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 fund 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 redeem within two years.
Medium (2 - 5 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long (> 5 years)	The consumer has a long investment timeframe and is unlikely to redeem within five years.
Consumer's Risk (ability to bear loss) and Return profile	
Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20-year period, using the guidance and methodology outlined in the Standard Risk Measure Guidance Paper For Trustees. SRM is not a complete assessment of risk and potential loss. 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. A consumer's desired product return profile would generally consider the impact of fees, costs and taxes.	
Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is 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 (SRM 3 to 5)) and comfortable with a moderate target return profile.

Term	Definition
	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	<p>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 (SRM 6)) in order to target a higher target return profile.</p> <p>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.</p>
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 (SRM 7) 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	
Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption 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 redemptions) could impact this, this is to be taken into consideration in completing this section.	
Daily/Weekly/Monthly/Quarterly/Bi-annually/Annually or longer	The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.
Review triggers and 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. Section 994G of the Act requires the Issuer to notify ASIC if it becomes aware of a significant dealing in the Fund that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors and the Issuer have discretion to apply its ordinary meaning. Whether or not a dealing is significant is a matter to be determined in the circumstances of each case and must be determined having regard to ASIC's policy in RG 274.</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

Term	Definition
	<ul style="list-style-type: none"> • 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> <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, • the consumer’s intended product use is <i>Solution / Standalone</i>, or • the consumer’s intended product use is <i>Core component</i> and the consumer’s risk (ability to bear loss) and return profile is <i>Low</i>.

Disclaimer

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