



Target Market Determination

5 October 2021 - Version 1.1

Target Market Determination

This Target Market Determination (“TMD”) is required under section 994B of the *Corporations Act 2001* (Cth) (the Act), and forms part of the design and distribution obligations for the OpenInvest Portfolio Service issued by OpenInvest Limited (“OpenInvest”). It sets out the class of Investors for whom the product, including its key attributes, would likely be consistent with their objectives, financial situation and needs, in the opinion of OpenInvest. The TMD also outlines the triggers to review this TMD and certain other information.

This document is not a product disclosure statement and is not a summary of the product features or terms. Persons interested in investing should carefully read the relevant Product Disclosure Statement (“PDS”) and Investment Menu (“IM”) before deciding whether to invest.

The PDS and IM can be accessed via the Key Documents page.

Fund and Issuer Identifiers

Issuer	OpenInvest Limited
Issuer ABN	61 614 587 183
Issuer AFSL	504 155
ARSN	628 156 052
Name of Scheme	OpenInvest Portfolio Service
Date TMD approved	5 October 2021
TMD Version	Version 1.1
TMD Status	Current

Target Market Summary

This product is likely to be appropriate for investors who are able to consider and distinguish between the contents of a menu which contains a number of professionally managed investment options - to identify certain products which align with their objectives, financial situation and needs; in order to make their selection accordingly.

Additionally, investors must be:

- ▶ over 18 years old.
- ▶ an Australian Tax Resident.

This product is unlikely to be suitable for an investor who is seeking capital guarantees.

High income

Investor's investment objective	Investors are comfortable with a targeted rate of return of 3% (net of fees). This model portfolio is made up of 100% defensive assets being fixed interest and cash. The portfolio provides diversification across Australian and global fixed interest markets thereby minimising the risk of any capital loss.
Investor's intended product use	The construction of the model is such that it may be considered suitable for a broad range of clients seeking either a single investment solution or as part of a wider strategy depending on their particular circumstances and goals.
Investor's investment timeframe	The model is suitable for Investors with a 12 month plus investment timeframe.
Investor's Risk and Return profile	This is suitable for investors seeking a higher rate of return than is currently being offered by bank deposits without taking on excessive risk. It suits investors who fully accept this investment is higher risk than a term deposit.
Investor's need to withdraw money	The portfolio can be redeemed daily, with funds being returned to the investor within 5-10 business days.

Moderately defensive

Investor's investment objective	Investors are comfortable with a targeted rate of return of around 2% above inflation in a rolling 3-4 year period. This Model Portfolio will typically consist of 70% Defensive assets and 30% Growth assets.
Investor's intended product use	The construction of the model is such that it may be considered suitable for a broad range of clients seeking either a single investment solution or as part of a wider strategy depending on their particular circumstances and goals.
Investor's investment timeframe	The model is suitable for Investors with a 3 year plus investment timeframe.
Investor's Risk and Return profile	The portfolio is suitable for Investors wanting stable income and a high degree of capital stability
Investor's need to withdraw money	The portfolio can be redeemed daily, with funds being returned to the investor within 5-10 business days.

Balanced

Investor's investment objective	Investors are comfortable with a targeted rate of return of 3% above inflation in any rolling 5-6 year period. This Model Portfolio will typically consist of 50% Defensive assets and 50% in Growth assets.
Investor's intended product use	The construction of the model is such that it may be considered suitable for a broad range of clients seeking either a single investment solution or as part of a wider strategy depending on their particular circumstances and goals.
Investor's investment timeframe	The model is suitable for Investors with a 5 year plus investment timeframe.
Investor's Risk and Return profile	This is suitable for investors seeking a careful balance between risk and reward.
Investor's need to withdraw money	The portfolio can be redeemed daily, with funds being returned to the investor within 5-10 business days.

Socially responsible balanced

Investor's investment objective	Investors are comfortable with a targeted rate of return of 3% above inflation in any rolling 5-6 year period. This Model Portfolio will typically consist of 50% Defensive assets and 50% in Growth assets. The portfolio takes into account the social and environmental impact of the chosen companies.
Investor's intended product use	The construction of the model is such that it may be considered suitable for a broad range of clients seeking either a single investment solution or as part of a wider strategy depending on their particular circumstances and goals.
Investor's investment timeframe	The model is suitable for Investors with a 4 year plus investment timeframe.
Investor's Risk and Return profile	This is suited to investors seeking a careful balance between risk and reward and who wish to make a positive social impact.
Investor's need to withdraw money	The portfolio can be redeemed daily, with funds being returned to the investor within 5-10 business days.

Growth

Investor's investment objective	Investors are comfortable with a targeted rate of return of 4% above inflation in any rolling 7-8 year period. This Model Portfolio will typically consist of 30% Defensive assets and 70% Growth assets.
Investor's intended product use	The construction of the model is such that it may be considered suitable for a broad range of clients seeking either a single investment solution or as part of a wider strategy depending on their particular circumstances and goals.
Investor's investment timeframe	The model is suitable for Investors with a 7 years plus investment timeframe.
Investor's Risk and Return profile	This is suitable for investors looking for higher potential investment performance and who are prepared to accept increased risk and volatility in order to achieve it.
Investor's need to withdraw money	The portfolio can be redeemed daily, with funds being returned to the investor within 5-10 business days.

High growth

Investor's investment objective	Investors are seeking a targeted rate of return of 5% above inflation in any rolling 8-9 year period. This Model Portfolio will typically consist of 10% Defensive assets and 90% Growth assets.
Investor's intended product use	The construction of the model is such that it may be considered suitable for a broad range of clients seeking either a single investment solution or as part of a wider strategy depending on their particular circumstances and goals.
Investor's investment timeframe	The model is suitable for Investors with a 8 years plus investment timeframe.
Investor's Risk and Return profile	This is suitable for investors seeking to maximise their total returns over the longer term and are prepared to tolerate a high degree of market volatility along the way.
Investor's need to withdraw money	The portfolio can be redeemed daily, with funds being returned to the investor within 5-10 business days.

Appropriateness

OpenInvest has assessed the available model portfolios and formed the view that the model portfolios, including their key attributes and distribution method, is likely to be consistent with the objectives, financial situation and needs of Investors in the target market as described above.

Distribution method: Product available online only.

Distribution Conditions / Restrictions

Suitable for distribution to investors as follows:

- ▶ Investors must be over 18 years old.
- ▶ Investors must be Australian Tax Residents.
- ▶ Investors confirm they are selecting a Model Portfolio(s) and investing an amount that aligns with their objectives, financial situation and needs.

Review Triggers

- ▶ Material changes to key attributes and model portfolio objectives.
- ▶ Material deviation from model portfolio objectives over sustained period.
- ▶ Determination by OpenInvest of Significant Dealing.
- ▶ Material or unexpectedly high number of complaints about the product or distribution of the product.
- ▶ The use of Product Intervention Powers by ASIC, regulator orders or directions that affect the product.

Mandatory Review Periods

Initial review	1 year 3 months
Subsequent review	3 years and 3 months

Distribution Reporting Requirements

Reporting requirement	Reporting period	Distributors applicable
Report on each acquisition that is outside of 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.
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.	All Distributors.
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

A significant dealing, is a dealing with a client which falls outside of the provisions of a TMD for a particular product. Issuers to report to ASIC when they become aware of a significant dealing regarding their financial products.

Whether a dealing is 'significant' is a matter for the issuer and/or distributor to determine, given the particular circumstances around the dealing.

RG 274 outlines factors that may be considered in determining whether a significant dealing exists, including:

- ▶ the proportion of consumers involved in the dealing, who don't align with the TMD;
- ▶ the actual or potential harm to investors involved in the dealing, including any amount of loss;
- ▶ the nature and extent that the distribution is inconsistent with the TMD.

To assist the identification of Significant Dealings, an issuer may set out the kinds of dealings they consider significant, and therefore reportable, in the TMD. Accordingly, OpenInvest has given consideration to the nature of the products described in this TMD and determines that a significant dealing will arise in circumstances where an investor is found to:

1. not be at least 18 years of age; and/or
2. not be an Australian Resident for tax purposes; and/or
3. require a level of capital liquidity that is not achieved by the standard 5-10 business day timeframe required to release funds from investments held in the relevant product(s).

Monitoring and oversight of these circumstances will be achieved through automated system reporting, sample testing and the handling of customer complaints.

Distributors must report to OpenInvest using one of the following methods:

Email: enquiries@openinvest.com.au

Phone: 1800 954 549

This TMD applies from 5 October 2021.