

Target Market Determination – Funds Management

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 GSFM Responsible Entity 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 Epoch Global Equity Shareholder Yield (Hedged) Fund (**Fund**) before making a decision whether to buy this product.

Target Market Summary

This product is likely to be appropriate for a consumer seeking regular income to be used as a core component within a portfolio where the consumer has a medium to long term investment timeframe, high risk/return profile and needs daily access to capital.

Fund and Issuer identifiers

| | |
|-------------------------------|---|
| Issuer | GSPM Responsible Entity Services Limited |
| Issuer ABN | 48 129 256 104 |
| Issuer AFSL | 321517 |
| Fund | Epoch Global Equity Shareholder Yield (Hedged) Fund |
| ARSN | 130 358 440 |
| APIR Code | GSP0001AU |
| ISIN Code | AU60GSP00013 |
| Market Identifier Code | N/A |
| Product Exchange code | N/A |
| Date TMD approved | 20.07.2021 |
| TMD Version | 1 |
| <i>TMD Status</i> | Current |
| TMD end date | N/A |

Description of Target Market

This part is required under section 994B(5)(b) of the Act.

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 |
|------------------|------------------------------|---------------------------------|

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.

Definitions of terms are in the attachment or otherwise in the PDS.

| Consumer Attributes | TMD Indicator | Product description including key attributes |
|--|----------------------|--|
| Consumer's investment objective | TMD Indicator | Product description including key attributes |
| Capital Growth | A | <p>The Fund's goal is to generate risk adjusted returns with a dividend yield that exceeds the dividend yield of the benchmark.</p> <p>The Fund generally invests in companies with a market capitalisation of US\$500,000,000 or greater. At least 80% of these are companies located in the developed world.</p> <p>The foreign currency exposure of the Fund is substantially hedged back into Australian Dollars.</p> <p>The benchmark for the Fund is MSCI World (Ex Australia) index in \$A, Net Dividends reinvested, 100% Hedged into \$A.</p> |
| Capital Preservation | A | |
| Capital Guaranteed | R | |
| Regular Income | G | |
| Consumer's intended product use | TMD Indicator | Product description including key attributes |
| Solution/Standalone (75-100%) | A | <p>The Fund is appropriate for an investor to hold as a part or majority of their total investable assets.</p> <p>The expected asset allocation range for the Fund is: Equities 90% to 100%, across a range of countries with no more 20% invested in emerging markets. Cash and cash equivalents such as investment grade interest bearing securities 0% to 10%.</p> |
| Core Component (25-75%) | G | |
| Satellite/small allocation (<25%) | G | |

| Consumer's investment timeframe | TMD Indicator | Product description including key attributes |
|--|----------------------|---|
| Short (≤ 2 years) | R | The recommended investment horizon is a minimum of three years. |
| Medium (≤ 6 years) | G | |
| Long (> 6 years) | G | |
| Consumer's Risk (ability to bear loss) and Return profile | TMD Indicator | Product description including key attributes |
| Very high | A | The Fund's Standard Risk Rating is 6 (high). |
| High | G | 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. |
| Medium | G | |
| Low | R | |
| Consumer's need to withdraw money | TMD Indicator | Product description including key attributes |
| Daily | G | The consumer seeks to invest in a product which permits redemption requests on a daily basis under ordinary circumstances. Withdrawal requests received by 2 pm on any business day will be processed using that day's unit price. Withdrawals are usually paid within 5 business days. |
| Weekly | G | |
| Monthly | G | |
| Quarterly | G | |
| Annually or longer | G | |

Appropriateness

Note: This section is required under RG 274.64–66

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.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

| Distribution Condition | Distribution Condition Rationale | <i>applicable</i> |
|--------------------------------------|----------------------------------|-------------------------------------|
| There are no distribution conditions | | <input checked="" type="checkbox"/> |

| 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 deviation from objective over sustained period. |
| Key attributes have not performed as disclosed by a material degree and for a material period. |
| 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 | |
|--|---------------------------|
| This part is required under section 994B(5)(e) and (f) of the Act. | |
| Review period | Maximum period for review |
| Initial review | 1 year and 3 months. |
| Subsequent review | 1 years and 3 months. |

| Distributor reporting requirements | | |
|--|---|---|
| This part is required under section 994B(5)(g) and (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. | 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 of dealings outside the target market these should be reported to the issuer, 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 GSFM Responsible Entity Services Limited using the method specified below:

- Via email to operations@gsfm.com.au
- CSV format data in FSC data standard

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 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. |
| Capital Guaranteed | The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth. |
| Regular Income | The consumer seeks to invest in a product designed to generate regular investor income. The consumer prefers income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments). |
| Consumer's intended product use | |
| 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). |
| 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). |
| 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). |
| Investable Assets | Those assets that the investor has available for investment, excluding the family home. |
| Portfolio diversification (for completing the key product attribute section of consumer's intended product use) | |
| 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. |
| Consumer's Risk (ability to bear loss) and Return profile | |
| <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 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.</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> |
| 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> |
| Medium | <p>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.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p> |
| Low | <p>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.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p> |
| Consumer's need to withdraw money | |
| <p>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.</p> | |
| Daily/Weekly/Monthly/Quarterly/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. |

Distributor Reporting

Significant dealings

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.

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 consumer (or class of consumer).

In each case, the distributor should have regard to:

- 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).

Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:

- 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 *Solution / Standalone*, or
- the consumer's intended product use is *Core component* and the consumer's risk (ability to bear loss) and return profile is *Low*.