

Target Market Determination – Man AHL Alpha (AUD) Class A Units

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 Man Investments Australia 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 Man AHL Alpha (AUD) Class A Units before making a decision whether to buy this product.

Target Market Summary

This product is likely to be suitable for investors seeking capital growth to be used as a small allocation (< 25% of total assets) within a portfolio where the consumer has a minimum 5 year investment timeframe, a high risk / return profile (e.g. has the ability to bear up to 6 negative annual returns over a 20 year period) and may need daily access to capital.

Fund and Issuer identifiers

Issuer	Man Investment Australia Limited
Issuer ABN	47 002 747 480
Issuer AFSL	240581
Fund/Class	Man AHL Alpha (AUD) / Class A
ARSN	138 643 768
APIR Code	MAN0002AU

ISIN Code	AU60MAN00021
Date TMD approved	23 December 2022
End of TMD review period	2 years and 3 months after the new TMD approval date
TMD Version	2.0
TMD Status	Current

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
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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.

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		

Capital Preservation		The investment objective of the Fund is to generate medium to long term returns by identifying and taking advantage of upward and downward price trends through trading in futures, options, forward contracts, contracts for difference, equities, debt, swaps and other derivatives, both on and off exchange using the AHL Alpha Program. Amounts not required for trading using the AHL Alpha Program are held in a Cash Deposit, which is likely to provide a secondary source of return.
Capital Guaranteed		
Regular Income		
Consumer's intended product use	TMD Indicator	Product description including key attributes
Solution/Standalone (75-100%)		The Fund allocates to the AHL Alpha Program via investment in Class D1 Sub-Class A AHL Alpha AUD Shares of AHL Strategies PCC Limited. The AHL Alpha Program has very high portfolio diversification and involves trading in a managed portfolio of investments which may include futures, options, forward contracts, contracts for difference, equities, debt, swaps and other derivatives, both on and off exchange, to access a diverse range of market sectors including stocks, bonds, currencies, interest rates, energies, metals, debt, credit and agricultural. These market sectors may be accessed directly or indirectly. The markets accessed by the AHL Alpha Program are global.
Core Component (25-75%)		
Satellite/small allocation (<25%)		
Consumer's investment timeframe	TMD Indicator	Product description including key attributes
Short (≤ 2 years)		Class A units in the Fund are suitable for investors with a medium to long term investment horizon, generally 5 years or more, who can sustain a degree of volatility
Medium (≤ 6 years)		
Long (> 6 years)		
Consumer's Risk (ability to bear loss) and Return profile	TMD Indicator	Product description including key attributes
Very high		The Fund allocates all of its investments into to the AHL Alpha Program via investment in Class D1 Sub-Class A AHL Alpha AUD Shares of AHL Strategies PCC Limited. The AHL Alpha Program is an absolute return product that targets 10% return volatility and has no formal return target or benchmark, which indicates that the Class A Units in the
High		
Medium		
Low		

		Fund may be suitable for investors who have the ability to accept a high potential for loss (e.g. ability to bear up to 6 negative annual returns over a 20 year period). The AHL Alpha Program employs a systematic, statistically based investment approach that seeks to identify and capitalise on upward and downward price trends across global markets. The Program currently invests both long and short in around 500 international markets across a broad range of sectors.
Consumer's need to withdraw money	TMD Indicator	Product description including key attributes
Daily		<p>Unit holders may withdraw some or all of their investment daily on any business day by providing a notice in writing by 12pm AEST to the administrator.</p> <p>The Responsible Entity expects that withdrawal proceeds will generally be paid with 7 business days of processing the withdrawal request, however, payment can occur up to 30 business days after the processing of a withdrawal.</p> <p>A business day is a day other than Saturday, Sunday or a public holiday in New south Wales and Victoria.</p>
Weekly		
Monthly		
Quarterly		
Annually or longer		

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	
Applicants who apply to the Issuer directly must complete and provide to the Issuer a form entitled 'Your Investment Objectives' with their completed Application Form.	The Issuer has assessed that this distribution condition is appropriate for direct applicants because the filtering questions in the 'Your Investment Objectives' form elicit information for the Issuer relating to the consumer attributes of persons likely to be in the target market.	

Applicants who acquire an interest in the product through a platform must do so through a platform operator who has entered into a platform agreement with the Issuer.	The Issuer has assessed that this distribution condition is appropriate for investors via platforms because the Issuer has a contractual arrangement with the relevant platform operators and the platform may only make available the PDS and marketing documentation for the product which have been approved by the Issuer.	
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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 benchmark / 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	2 years and 3 months (from the initial review date and then from each subsequent review date.)	

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 Man Investments Australia Limited by emailing to ManAustraliaDDO@man.com.

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 (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <u>Standard Risk Measure Guidance Paper For Trustees</u>. 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	<p>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.</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> <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>.

Important Information

Investment in Man AHL Alpha (AUD) (the '**Fund**') is offered by Man Investments Australia Limited ABN 47 002 747 480 AFSL 240581 ('**MIA**'). MIA is the Responsible Entity and issuer of Units in the Fund, and publisher of this document. GSFM Pty Ltd ABN 14 125 715 004 AFSL 317587 is the distributor of the Fund. Offers of Units will be made in the PDS dated 28 March 2022, as amended from time to time, which is available on www.man.com/manahlalpha. Investors wishing to acquire Units will need to complete the Application Form attached to the PDS.

The offer of Units in New Zealand is made pursuant to and in accordance with subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Investors receiving the PDS in New Zealand should read the 'New Zealand Unitholders: Warning Statement' in Section 11 of the PDS.

The information contained and used in this document is general information only and it has been prepared without taking into account anyone's objectives, financial situation or needs so before acting on it, consider its appropriateness to your circumstances. Persons considering investing in the Units should carefully read all of the PDS and speak to their financial advisor before making an investment decision. Please also refer to the Identification Requirements document. US Persons are not eligible to subscribe for Units pursuant to the PDS. Terms capitalised and used in this document have the same meaning as in the PDS.

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