

# CROMWELL PHOENIX GLOBAL OPPORTUNITIES FUND



● ● ● Phoenix Portfolios

## Target Market Determination

### Target Market Summary

This product is designed for investors who:

- Are seeking Capital Growth
- Are intending to use the fund as a Satellite or Minor allocation
- Are seeking a Portfolio diversification that is Medium
- Have a minimum investment timeframe of more than 5 years
- Have a Very High risk/return profile, and
- Require the ability to access capital Monthly

### Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement (**PDS**) and is **not** a complete 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 PDS for the product 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 can be obtained by request via [Cromwell Phoenix Global Opportunities Fund - Cromwell Funds Management](#), contacting the Cromwell Investor Services Team, phone: 1300 268 078, or via email: [invest@cromwell.com.au](mailto:invest@cromwell.com.au).

### Fund and Issuer identifiers

<b>Issuer</b>	Cromwell Funds Management Limited
<b>Issuer ACN</b>	114 782 777
<b>Issuer AFSL</b>	333214
<b>TMD Contact Details</b>	Head of Risk and Compliance: <a href="mailto:riskandcompliance@cromwell.com.au">riskandcompliance@cromwell.com.au</a>
<b>Fund name</b>	<b>Cromwell Phoenix Global Opportunities Fund</b>
<b>ARSN</b>	654 056 961
<b>APIR Code</b>	CRM0245AU
<b>ISIN Code</b>	AU60CRM02453
<b>TMD issue date</b>	11 September 2024
<b>TMD Version</b>	Three
<b>Distribution status of fund</b>	Available

## 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	See issuer instructions*	Not considered in target market
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\*Please see the 'Product description including key attributes' in the table below for Issuer instructions

### 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.

### 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 the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio for example, with an intended product use of *minor allocation*. 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 balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a *Very High* risk/return profile is consistent with the consumer's objectives for that *minor allocation* notwithstanding that the risk/return profile of the consumer as a whole is *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
<b>Consumer's investment objective</b>		
Capital Growth	●	Investors seeking the best possible total returns over the medium to long term rather than maintaining a particular distribution level.  The Fund's investment objectives are to: <ul style="list-style-type: none"> <li>• deliver a total return (after fees) in excess of 7.5% per annum; and</li> <li>• outperform the Vanguard Total World Stock ETF (AUD) (Benchmark) after fees and costs</li> </ul> The Fund aims to achieve its objective by investing in a globally diverse portfolio of listed, small capitalisation securities.  The Fund is expected to earn foreign income, including interest and may also make foreign exchange and capital gains or losses from these investments.  The Fund aims to pay distributions annually either directly to an investor's nominated bank account or reinvested in further units in the Fund.
Capital Preservation	●	
Income Distribution	●	

Consumer Attributes	TMD Indicator	Product description including key attributes
<b>Consumer's intended product use (% of Investable Assets)</b>		
Solution/Standalone (up to 100%)	●	Investors looking to invest in a geographically diverse portfolio of listed, small capitalisation securities.
Major allocation (up to 75%)	●	The Fund offers exposure to a concentrated portfolio of internationally listed, predominantly small capitalisation securities. The Fund is expected to invest across multiple global equities markets, such as North America, Europe and Asia. It is likely to invest in both developed and emerging markets.  Investments are likely to be selected outside the constituents of global large capitalisation indices and will mostly have a free float market capitalisation of less than US\$5 billion at the time of initial investment. Therefore, the Fund's portfolio diversification is Medium (see Diversification in the Definition section below).  Investors should use the Fund as a Satellite / Minor allocation as part of a balanced investment portfolio.
Core component (up to 50%)	●	
Minor allocation (up to 25%)	●	
Satellite allocation (up to 10%)	●	
<b>Consumer's investment timeframe</b>		
Minimum investment timeframe	●	The minimum suggested timeframe for holding an investment in the Fund is more than 5 years.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low	●	Investors who are comfortable tolerating Very High risk (see risk definitions below).  The aim of the Fund is to provide investors with a total return (after fees) in excess of the Vanguard Total World Stock ETF (AUD) (Benchmark) and to deliver lower total risk than the Benchmark, with total risk being defined as the volatility of total returns.  However, the returns from the Fund are not guaranteed and there are risks involved in the Fund, which may include the following: <ul style="list-style-type: none"> <li>• The Fund's assets can and do rise and fall in value for many reasons including security specific risk and general market factors;</li> <li>• If a security is not actively traded it may not be readily bought or sold without some adverse impact on the price paid or obtained; and</li> <li>• The Fund is held in foreign currency investment and is not hedged. This can cause a bigger movement in the fund than the movement in the securities.</li> </ul> It is expected the Fund may experience an estimated 6 to 7 years negative returns over a 20-year period (SRM Risk Band 6 or 7).  Please refer to Section 4 of the Fund's PDS for more information on the risks of an investment in the Fund.
Medium	●	
High	●	
Very High	●	
Extremely high	●	
<b>Consumer's need to access capital</b>		
Daily	●	Investors seeking an investment with Monthly liquidity under ordinary circumstances.  The withdrawal cut-off time is 4.00pm AEST (or AEDT when observed) on the last Sydney business day prior to the 26th day of any month. For withdrawal forms received before the cut-off time, investors receive the withdrawal price calculated on the last day of the month, adjusted for any income distributed. Withdrawal forms received after the cut-off time are taken to be received on the next Sydney business day and therefore will be processed the following month.  Usually, proceeds will be paid within 15 business days of the processing date.  The minimum amount that can be withdrawn is \$10,000 (or a lesser amount at the Issuer's discretion).  In some circumstances, such as when withdrawals are suspended, investors may not be able to withdraw from the Fund within the usual period and the Issuer can suspend withdrawals for up to 180 days.  Direct investors can transfer units in the Fund to another person by providing the Issuer with a completed transfer in a form the Issuer approves. The Issuer reserves the right to decline transfer requests in certain circumstances.
Weekly	●	
Monthly	●	
Quarterly	●	
Annually	●	
5 years or more	●	

## Distribution conditions/restrictions

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

Distribution conditions	Distribution condition rationale
Distribution Directly by the Issuer	<ul style="list-style-type: none"> <li>Direct investors who are wholesale or sophisticated investors can invest in the Fund.</li> <li>Retail investors are asked to complete an online or paper application form, including filtering questions relating to the TMD.</li> </ul>
Distribution by Adviser	<ul style="list-style-type: none"> <li>Investor to confirm in the online or paper application form that they have received personal advice.</li> <li>Financial advisers to provide details in the online or paper application form of their AFS licence, including their adviser number from the ASIC Moneysmart Number website, and confirm they have reviewed and considered the TMD in providing personal advice to the investor.</li> </ul>
Distribution by Platform/Wrap	<ul style="list-style-type: none"> <li>Additional steps are not required for advised clients beyond consideration of the issuer's TMD by the adviser.</li> <li>Clients who have not received personal advice may not be able to access the Fund unless the platform provider has a process where the client is asked to complete basic filtering questions relating to the TMD.</li> </ul>

### Review triggers

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

Where the Issuer considers that there has been a material change to the investment strategy, Fund description (including its key attributes), risk profile or liquidity profile of the Fund or taxation consequences for investors in the Fund.

Where the Issuer considers that the Fund has underperformed relative to its investment objective to a material degree for two consecutive financial years.

A significant number, or an unexpectedly high number, of complaints about the Fund or its distribution.

20% increase over average number of unit withdrawals measured across a rolling quarterly basis.

A significant dealing in this Fund in relation to retail clients that is inconsistent with this TMD.

Material changes to the fees or other costs of the Fund that may affect the return of the Fund.

Any inquiry, surveillance, direction, notice, investigation or enforceable instrument by or from ASIC about or relating to the Fund's features, target market or distribution strategy.

### 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	Initial review has already occurred.
Subsequent review	At least once every year since the date of the last review of the TMD (for whatever reason).

### 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. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 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

If practicable, distributors should adopt the FSC data standards for reports to the Issuer. Distributors must report to the Issuer using the method specified on this website: [www.cromwell.com.au/ddo](http://www.cromwell.com.au/ddo)

This link also provides contact details relating to this TMD for the Cromwell Funds Management Limited.

### Definitions

Term	Definition
<b>Consumer's investment objective</b>	
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 that are generally lower in risk and less volatile than growth investments.
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).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer likely to seek a product with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of the total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total <i>investable assets</i> . The consumer likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of their total <i>investable assets</i> . The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (eg gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
<b>Consumer's intended investment timeframe</b>	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.

Term	Definition
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
<p>This TMD uses the Standard Risk Measure (<b>SRM</b>) to calculate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the <b>Standard Risk Measure Guidance Paper For Trustees</b>. (note the bands in the SRM guidance differ from the bands used in this TMD). However, 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 (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; 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> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite,</li> <li>• seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and</li> <li>• is comfortable with a low target return profile.</li> </ul> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a moderate or medium risk appetite,</li> <li>• seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a high risk appetite,</li> <li>• can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and</li> <li>• Seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>Consumer typically prefers growth assets (for example, shares, and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a very high-risk appetite,</li> <li>• can accept high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and</li> <li>• seeks to maximise returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has an extremely high risk appetite,</li> <li>• can accept significant volatility and losses, and</li> <li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li> </ul> <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>
<b>Consumer's need to access capital</b>	
<p>The Issuer has considered 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. The Issuer has considered the extent that the liquidity of the underlying investments or possible liquidity constraints (eg ability to stagger or delay redemptions) could impact this, and has been taken into consideration.</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>

Term	Definition
<b>Review Triggers and Distributor Reporting</b>	
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 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 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> <p>The distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes),</li> <li>• 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</li> <li>• 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).</li> </ul> <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"> <li>• the consumer's intended product use is <i>Solution / Standalone</i>,</li> <li>• the consumer's intended product use is <i>core component</i> or higher and the consumer's risk return profile is low.</li> </ul>



### IMPORTANT NOTICE & DISCLAIMER

Cromwell Funds Management Limited ABN 63 114 782 777, AFSL 333214 (CFM, we, us) is the responsible entity of, and issuer of units in, the Fund and the issuer of this TMD. Phoenix Portfolios Pty Ltd ABN 80 117 850 254, AFSL 300302 (Phoenix) is the investment manager of the Fund. None of CFM, Phoenix or their related entities, directors or officers makes any promise or representation or gives any guarantee as to the success of the Fund, distributions, the amount you will receive on any withdrawal, your income or capital return or the taxation consequences of investing.

For the answer to any questions you have regarding the Fund, contact your financial adviser or :

#### Responsible Entity:

##### Cromwell Funds Management Limited

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