

CROMWELL PHOENIX PROPERTY SECURITIES FUND



● ● ● Phoenix Portfolios

Target Market Determination

Target Market Summary

This product is designed for investors who:

- Are seeking Capital Growth and Income Distribution
- 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 3 years
- Have a High risk/return profile, and
- Require the ability to request to withdraw Daily with withdrawal proceeds typically being paid within five business days (in normal operating conditions)

Introduction

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 Property Securities Fund - Cromwell Funds Management](#), contacting the Cromwell Investor Services Team, phone: 1300 268 078, or via email: invest@cromwell.com.au.

Fund and Issuer identifiers

Issuer	Cromwell Funds Management Limited
Issuer ABN	63 114 782 777
Issuer AFSL	333214
TMD Contact details	Head of Risk and Compliance: riskandcompliance@cromwell.com.au
Fund name	Cromwell Phoenix Property Securities Fund
ARSN	129 580 267
APIR Code	CRM0008AU
ISIN Code	AU60CRM00085
TMD issue date	3 October 2023
TMD Version	Three
Distribution status of fund	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 in target market

* 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.

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 *High* risk/return profile may be 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
Consumer's investment objective		
Capital Growth	●	<p>Investors seeking the best possible total returns over the medium term rather than maintaining a particular distribution level.</p> <p>The Fund's investment objectives are to:</p> <ul style="list-style-type: none"> maximise investment returns over the medium term; minimise the risk of permanent capital loss; and deliver sustainable and growing distributions over the medium term. <p>The Fund aims to achieve its objective by investing in a broad range of listed property and property related securities.</p> <p>The Fund is expected to earn income, such as distributions, dividends, interest, foreign income and other Australian income from its investments. The Fund may also make capital gains or losses from these investments.</p> <p>The Fund aims to pay distributions quarterly, either directly to an investor's nominated bank account or reinvested in further ordinary units in the Fund.</p>
Capital Preservation	●	
Income Distribution	●	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	●	<p>Investors looking to invest in a diversified portfolio of ASX listed property and property related securities.</p> <p>The Fund offers exposure to an actively managed and diversified portfolio of primarily Australian property securities listed on the ASX which can hold underlying investments that may include office, retail, industrial and hotel assets. The Fund may also invest in a selected range of other assets, including international listed property securities, infrastructure securities, property development companies, cash and fixed interest. While the Fund is diversified by security, it will comprise largely of single asset class and single country exposures, and therefore, the Fund's portfolio diversification is Medium (see Diversification in the Definition section below).</p> <p>Investors should use the Fund as a Satellite or Minor allocation as part of a balanced investment portfolio.</p>
Major allocation (up to 75%)	●	
Core component (up to 50%)	●	
Minor allocation (up to 25%)	●	
Satellite allocation (up to 10%)	●	

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment timeframe		
Minimum investment timeframe	●	The minimum suggested timeframe for holding an investment in the Fund is more than 3 years.
Consumer's Risk (ability to bear loss) and Return profile		
Low	●	<p>This Fund is designed for Investors who are comfortable tolerating a High level of risk (see Definitions below).</p> <p>The aim of the Fund is to provide investors with a total return (after fees) in excess of the S&P/ASX 300 A-REIT Accumulation Index (Benchmark) over rolling three year periods and to deliver lower total risk than the Benchmark, with total risk being defined as the volatility of total returns over rolling three year periods.</p> <p>However, the returns from the Fund are not guaranteed.</p> <p>It is expected that the Fund may experience an estimated 6 years of negative returns over a 20 year period (Standard Risk Measure (SRM) Risk Band 6). SRM is based on industry guidance and is not a complete assessment of all forms of investment risk (see Definitions below).</p> <p>Please refer to Section 4 of the Fund's PDS for more information on the risks of an investment in the Fund.</p>
Medium	●	
High	●	
Very High	●	
Extremely High	●	
Consumer's need to access capital		
Daily (payment usually within five business days)	●	<p>Withdrawal requests can be made daily and withdrawal prices will normally be calculated at the close of business on the day the withdrawal request is received if the redemption form is received by 1pm AEDT and will normally be processed and paid within five business days of receipt. The minimum amount that can be withdrawn is \$10,000 (or a lesser amount at the Issuer's discretion).</p> <p>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.</p> <p>The Fund is more likely to be suitable for investors who are comfortable with, in normal operating conditions, withdrawal proceeds typically being paid within a week of the withdrawal request being accepted and who are not seeking more frequent access to their capital.</p>
Weekly	●	
Monthly	●	
Quarterly	●	
Annually or longer	●	

Distribution conditions/restrictions

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

Distribution channel	Distribution condition and rationale
Distribution Directly by the Issuer	<ul style="list-style-type: none"> Direct investors who are wholesale or sophisticated investors can invest in the Fund. Retail investors are asked to complete an online or paper application form, including filtering questions relating to the TMD.
Distribution by Adviser	<ul style="list-style-type: none"> Investor to confirm in the online or paper application form that they have received personal advice. 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.
Distribution by Platform/Wrap	<ul style="list-style-type: none"> Additional steps are not required for clients receiving personal advice beyond consideration of the issuer's TMD by the adviser. 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.

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 benchmark or 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 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	N/A – <i>initial review has already occurred.</i>
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 design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but not 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. This link also provides contact details relating to this TMD for Cromwell Funds Management Limited.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. 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 designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income Distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).

Term	Definition
Consumer's intended product use (% of Investable Assets)	
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 is 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 their total <i>investable assets</i> . The consumer is likely to seek a product with <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 is 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 is likely to 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.
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)	
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.
Consumer's intended investment timeframe	
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.
Consumer's Risk (ability to bear loss) and Return profile	
<p>This TMD uses the Standard Risk Measure (SRM) 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 Standard Risk Measure Guidance Paper For Trustees (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"> • has a conservative or low risk appetite, • 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 • is comfortable with a low target return profile. <p>The consumer typically prefers stable, 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"> • has a moderate or medium risk appetite, • seeks low volatility and limit any potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <p>The consumer typically prefers defensive assets (for example, fixed income).</p>

Term	Definition
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a high risk appetite, • 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 • seeks high returns (typically over a medium or long timeframe). <p>The 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"> • has a very high-risk appetite, • can accept very 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 • seeks to maximise returns (typically over a medium or long timeframe). <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative assets).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <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>
Consumer's need to access capital	
<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 taken this 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>
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.</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"> • 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 and/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"> • the consumer's intended product use is <i>solution/standalone</i>, or • the consumer's intended product use is <i>core component</i> or higher and the consumer's risk/return profile is <i>low</i>.



Disclaimer

This document is issued by Cromwell Funds Management Limited (ABN 63 114 782 777) (AFSL 333214) (**Issuer**) as responsible entity of the Cromwell Phoenix Property Securities Fund ARSN 129 580 267 (**Fund**). Phoenix Portfolios Pty Ltd (ABN 80 117 850 254) (AFSL 300302) is the investment manager of the Fund (**Investment Manager**).

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Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

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You should obtain and carefully consider the Product Disclosure Statement (PDS) for the Fund before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund.

A copy of the PDS, continuous disclosure notices and relevant application form may be obtained from www.cromwell.com.au/invest/cromwell-phoenix-property-securities-fund/

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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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