

# CFML Schroder Equity Opportunities Fund

## Target Market Determination (TMD)

Date issued 1 February 2024

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 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. Consumers 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 appear at the end of this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS and TMD are available on the website at [clearview.com.au/pds](https://clearview.com.au/pds) or by contacting our Service Centre on **132 977**.

### Target Market Summary

This product is likely to be appropriate for a consumer:

- seeking a portfolio designed to generate capital growth with some income, through a diversified exposure, primarily in listed equities;
- intending to use it as a minor or satellite part of their total portfolio;
- who has a medium to long investment timeframe and a suggested minimum of 5 years or more;
- with a very high risk/return profile; and
- who needs to withdraw money as and when required.

### Product and Issuer Identifiers

<b>Issuer</b>	ClearView Financial Management Limited ('CFML', 'Issuer')
<b>Issuer ABN</b>	99 067 544 549
<b>Issuer AFSL</b>	227677
<b>Product name</b>	CFML Schroder Equity Opportunities Fund
<b>ARSN</b>	154 057 173
<b>APIR Code</b>	NRM0028AU
<b>Date TMD approved</b>	1 February 2024
<b>TMD Version</b>	4
<b>TMD Status</b>	Current

## Description of Target Market

(for whom this product is likely to be appropriate)

### Needs and Objectives of Consumer

#### TMD Indicator Key

The consumer attributes for which the product is likely to be appropriate have been assessed using a red and green rating methodology:

In target market

Not in target market

### Objectives of Consumers in the Target Market

#### Instructions

In Table 1 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 attributes correspond to a red rating.

Important terms used in this TMD are defined in the Definitions section at the end of this document.

#### 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 as corresponding to 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 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).

**Table 1: TMD indicator based upon consumer attributes and product description**

Consumer Attributes	TMD Indicator	Product description, including key attributes
<b>The consumer's investment objective</b>		
Capital Growth		An unconstrained actively managed portfolio investing in a broad range of companies from Australia and New Zealand with the objective of specifically seeking out higher quality companies characterised by strong returns on capital with a sustainable competitive advantage. The Fund invests across a broad universe of securities, investing in companies of all sizes. The Fund's objective is to provide a total return (before the deduction of fees, charges and tax) that exceeds the return from its benchmark the S&P ASX 300 Accumulation Index over a period of 5 or more years.
Capital Preservation		
Income Distribution		
A mix of Capital Growth & Income Distribution		
<b>The consumer's intended product use (% of investable assets)</b>		
Standalone Portfolio (up to 100%)		The Fund may invest in Australian and NZ securities including equities, hybrids, cash & cash equivalents, property trusts, ETFs, futures, options & listed equity market derivatives. It suits investors looking for capital growth and some income.
Major Allocation (up to 75%)		
Core Component (up to 50%)		
Minor Allocation (up to 25%)		
Satellite Allocation (up to 10%)		
<b>The consumer's investment timeframe</b>		
Minimum investment timeframe	5 years	The minimum suggested timeframe for holding investments in the Fund is 5 or more years.
<b>The consumer's risk (ability to bear loss) and return profile</b>		
Low		The Fund has a Standard Risk Measure of 7 (very high risk).
Medium		
High		
Very High		
<b>The consumer's need to access capital</b>		
Within one week of request		Under normal circumstances, withdrawal requests may be made on any Business Day and requests received after the cut off time on any Business Day will generally be processed on the following Business Day.
Within one month of request		
Within one year of request		
Within 5 years of request		
Within 10 years of request		
10 years or longer		

## Distribution Conditions/Restrictions

**Table 2: Distribution Conditions/Restrictions**

Distribution Channel	Distribution Conditions	Permitted channel
Distribution to consumers who have received personal financial advice	Distribution is permitted where the distributor is implementing personal financial advice recommendations.	✓
Distribution through an investment or superannuation platform or wrap product	This product can be distributed through an investment or superannuation platform or wrap product.	✓
Robo advised	Excluded from target market	X

**Table 3: When a review of the TMD is required**

**A review of the TMD is required, where the Issuer has determined that any of the following has occurred:**

- Material change to key product attributes, terms and/or conditions, investment objective and/or fees.
- Material deviation from benchmark / objective over sustained period.
- Key product 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 or feedback about the product or distribution of the product.
- The use of Product Intervention Powers, regulator orders or directions that affect the product.

**Table 4: TMD mandatory review periods**

Review period	Maximum period for review
Date which this target market determination is effective	1 February 2024
Date when this target market determination will be next reviewed	1 year

**Table 5: Distributor reporting requirements for all distributors**

Reporting requirement	Reporting period
Complaints relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	The reporting period is the end of each calendar quarter.
A significant dealing that is not consistent with the TMD, including dealings in breach of the distribution conditions or outside the target market.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.
Any Product Intervention Powers, regulator orders or directions imposed on the distributor relevant to the product	As soon as practicable, but no later than 10 business days after the distributor becomes aware of the imposition of the relevant order or direction.

Distributors must report to us using the method specified on the website at [clearview.com.au/tmd](https://clearview.com.au/tmd)

## Definitions

**Table 6: Definitions**

Term	Definition
<b>The 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 (such as cash or fixed income securities) 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).
A mix of Capital Growth & Income Distribution	The consumer seeks to invest in a product designed to generate capital return whilst also receiving a regular and/or tax effective income. The consumer prefers exposure to a range of growth and defensive assets (such as shares, property, dividend-yielding equities and other money market instruments).
<b>The consumer's intended product use (% of Investable Assets)</b>	
Standalone Portfolio (up to 100%)	The consumer may hold the investment as up to 100% of their total investable assets. Products which are not highly diversified are unlikely to meet this definition.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total investable assets. Products which are not highly diversified are unlikely to meet this definition unless they are low or medium risk.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total investable assets.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total investable assets.
Satellite (up to 10%)	The consumer may hold the investment as up to 10% of the total investable assets.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
Highly diversified	A product is highly diversified if it provides exposure to a broad range of asset classes, sectors and geographies with limited correlation to each other.
<b>Portfolio diversification (for completing key product attribute section of consumer's intended product use)</b>	
Low	Single asset class, single country, low or moderate holdings of securities, e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie 'All Ords'.
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
<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.

## The consumer's risk (ability to bear loss) and return profile (applying Standard Risk Measure guidance)

This TMD uses the Standard Risk Measure (SRM) to estimate 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.

A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.

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>The consumer typically prefers 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>The consumer typically prefers a balance of growth assets such as shares, property &amp; alternative assets, and defensive assets such as cash and fixed income.</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>The 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>
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>The consumer typically prefers growth assets such as shares, property &amp; alternative assets.</p>

## The consumer's need to access capital

This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. 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 aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.

## 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 access to capital 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)

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 quarter,
- the consumer's intended product use is *solution/standalone*,
- the consumer's intended product use is *core component* or higher and the consumer's risk/return profile is *low*, or

the relevant product has a green rating for consumers seeking *extremely high risk/return*.

## Need more information?

Please speak to your financial adviser or contact our Service Centre on **132 977**.

ClearView Service Centre

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