

Australian Property Fund

Target Market Determination
30 July 2021

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 National Mutual Funds Management Ltd's design and distribution arrangements for the product.

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. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (PDS) for the Australian Property Fund before making a decision whether to buy this product.

The PDS can be obtained from www.ampcapital.com (go to the Fund page).

Important terms used in this TMD are defined in the *TMD Definitions* which supplement this document.

Target Market Summary

This product is likely to be appropriate for a consumer seeking a mix of capital growth and regular income to be used as a small allocation within a portfolio where the consumer has a medium to long investment timeframe and a medium to high risk/return profile. The fund provides monthly access to capital.

Fund and Issuer Identifiers

Issuer	National Mutual Funds Management Ltd (NMFM)	Fund	Australian Property Fund
Issuer ABN	32 006 787 720	ARSN	096 853 619
Issuer AFSL	234652	APIR Code	NML0337AU Australian Property Fund
Date TMD approved	30 July 2021	TMD Version	1
TMD Status	Current		

Description of Target Market

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.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). 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 conservative portfolio with a *satellite/small allocation* to growth assets. In this case, it may be likely that a product with a *High* or *Very High* risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is *Low* or *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	In target market	The Fund aims to provide income and long term capital growth. The Fund may be suitable for investors seeking exposure to a diversified property portfolio.
Capital Preservation	Potentially in target market	
Capital Guaranteed	Not considered in target market	
Income Distribution	In target market	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Not considered in target market	The Fund invests primarily in direct property within Australia, which is held directly by the Fund, or through units in the Wholesale Australian Property Fund. The Fund also invests in cash and listed property securities.
Core Component (25-75%)	Potentially in target market	
Satellite/small allocation (<25%)	In target market	
Consumer's investment timeframe		
Short (<=2 years)	Potentially in target market	The minimum suggested investment timeframe is 5 years.
Medium (>2 to <= 8 years)	In target market	
Long (> 8 years)	In target market	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Not considered in target market	The Fund has a risk band of 5. Medium to high. The Fund's risk band and risk label are based on an estimation that the number of negative annual returns over any 20-year period would be within the range of 3 to less than 4. Information about the methodology used for calculating the risk level can be obtained by contacting us. This summary is not a complete description of the risks of investing in the Fund.
Medium	In target market	
High	In target market	
Very High	Not considered in target market	
Consumer's need to withdraw money		
Daily	Not considered in target market	Withdrawal requests are generally processed monthly according to specified withdrawal dates. Generally, withdrawal requests will be satisfied within five Business Days of the specified withdrawal date, but may take up to 12 months, or longer, as allowed under the Fund's constitution.
Weekly	Not considered in target market	
Monthly	In target market	
Quarterly	In target market	
Annually or longer	In target market	

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 described above, as the features of this product in the 'Product description including key attributes' sections are likely to be suitable for consumers with the attributes identified with a green TMD Indicator against the relevant Consumer Attributes.

Distribution conditions or restrictions

Distribution condition	Distribution condition rationale
There are no distribution conditions.	There are no distribution conditions for this product due to its broad application and retail nature.

Review triggers

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

Review period	Maximum period for review
Initial review	15 months
Subsequent review	3 years

Distributor reporting requirements

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 <i>TMD Definitions</i> 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, dealings outside the target market, 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 NMFM via a bilaterally agreed protocol or intermediary or via email - AMPCDDO@ampcapital.com. This email address should also be used to contact NMFM regarding any details relating to this TMD.

TMD 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 (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.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
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).
Consumer's intended product use (% of Investable Assets)	
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). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</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). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</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). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definition below).
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 the consumer's intended product use)	
Low	Single asset class, single country, low or moderate holdings of securities eg high conviction Australian equities
Medium	1-2 asset classes, single country, broad exposure within asset class eg Australian equities "All Ords"
High	Highly diversified across either asset classes, countries or investment managers eg Australian multi-manager balanced fund or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
Short (<= 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (> 2 to <= 8 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long (> 8 years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.

Consumer's Risk (ability to bear loss) and Return profile

NMFM has adopted the Standard Risk Measure (**SRM**) as a proxy for risk and return, the SRM is a calculation of the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the [Standard Risk Measure Guidance Paper For Trustees](#). 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.

Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (eg 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. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (eg 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. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
High	The consumer is higher risk in nature and can accept higher potential losses (eg 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. 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.
Very high	The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (eg 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). Consumer typically prefers growth assets such as shares, property and alternative assets.

Consumer's need to withdraw money

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	<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

While every care has been taken in the preparation of this document, National Mutual Funds Management Ltd (NMFM) ABN 32 006 787 720, AFSL 234652 makes no representations or warranties as to the accuracy or completeness of any statement in it. NMFM is the responsible entity and issuer of units in the Australian Property Fund.

This document has been prepared for the purpose of providing general information only and does not take into account any particular investor's objectives, financial situation or needs. Before making an investment decision, an investor should consider the appropriateness of the information in this document, and seek professional financial advice, having regard to their objectives, financial situation and needs.

This document is solely for the use of the party to whom it is provided.

Contacting AMP Capital

For information about investing with AMP Capital, please contact us.

www.ampcapital.com

Registered office

AMP Capital Investors Limited
33 Alfred Street
SYDNEY NSW 2000

Mailing address

AMP Capital - Unit Registry
GPO Box 804
Melbourne VIC 3001

Client Services

T: 1800 658 404
8.30am - 5.30pm Sydney time
Monday to Friday
F: 1800 630 066
E: clientservices@ampcapital.com