

# Target Market Determination

## *Gyrostat Risk Managed Equity Fund - Gyrostat Leveraged Absolute Return Income Equity Class or Class B Units*

### 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 at [www.gyrostat.com.au/application-forms](http://www.gyrostat.com.au/application-forms).

### Target Market Summary

**This product is intended for use for a consumer who is seeking Capital Preservation and Income Distributions to be used as a Satellite or Minor allocation within a portfolio and has a Medium to High risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a minimum investment timeframe of three years and who is unlikely to need to withdraw their money on less than a fortnight’s notice.**

### Fund and Issuer identifiers

<b>Issuer</b>	One Managed Investment Funds Ltd	<b>Fund name</b>	Gyrostat Risk Managed Equity Fund - Gyrostat Leveraged Absolute Return Income Equity Class or Class B Units
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<b>Issuer ABN</b>	47 117 400 987	<b>ARSN</b>	651 853 799
<b>Issuer AFSL</b>	297042	<b>APIR Code</b>	CIS3754AU
<b>Fund manager</b>	Gyrostat Capital Management Advisers Pty Ltd ACN 168 737 246	<b>Product ISIN</b>	AU60CIS37547
<b>TMD contact details</b>	DDO@Oneinvestment.com.au	<b>Market Identifier Code</b>	N/a.
<b>TMD issue date</b>	22 October 2024	<b>Product Exchange code</b>	N/a
<b>TMD Version</b>	3.0.	<b>Distribution status of fund</b>	Available

## 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	See issuer instructions (Please see the 'Product description including key attributes' in the table below for Issuer instructions.)	Not 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.

### 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.

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#### 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).



The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the [FSC website](#).

Consumer Attributes	TMD indicator	Product description including key attributes
<b>Consumer’s investment objective</b>		
Capital Growth	See issuer instructions (column 3)	Investors who are looking for capital preservation and quarterly income with the possibility of some capital growth, while hedging equity market risk. The Product is designed to produce higher income (compared to an investment in the Class A Units) through the complete investment cycle (downside protection always in place). In contrast to the Class A Units, this Product may not necessarily gain from major market falls. The Product has low correlation to the Australian market. Investors can elect to have distributions reinvested or directly credited to a nominated bank account, in AUD. While the Product is suitable for an investor seeking the possibility of capital growth, the Product is not capital guaranteed, and the value of an investment is subject to movements in the value of the portfolio owned by the Product. The Product is not suitable for an investor who cannot accept any loss of their capital.
Capital Preservation	In target market	
Capital Guaranteed	Not in target market	
Income Distribution	In target market	
<b>Consumer’s intended product use (% of Investable Assets)</b>		
Solution/Standalone (up to 100%)	Not in target market	This Product offers investors exposure to Australian and international equity markets by investing predominantly in high yielding blue chip stocks listed on the ASX, and AUD
Major allocation (up to 75%)	Not in target market	

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Consumer Attributes	TMD indicator	Product description including key attributes
Core component (up to 50%)	See issuer instructions (column 3)	denominated cash, while investing in the ASX options market or international options market to mitigate risk. This Product is designed to produce higher income (compared to an investment in the Class A Units) through the complete investment cycle (downside protection always in place to address sequencing risk). In contrast to the Class A Units, this Product may not necessarily gain from major market falls. The Product's portfolio diversification is high within the equities asset class. Investors could use the Product as a satellite or minor allocation to spread the risks across a broad portfolio of investments. The Product may also be suitable for some investors seeking to make it a core component of their investment portfolio, where an investor has a high conviction to the Product's strategy and has at least a High risk/return profile.
Minor allocation (up to 25%)	In target market	
Satellite allocation (up to 10%)	In target market	
<b>Consumer's investment timeframe</b>		
Minimum investment timeframe	3 years	The Fund is managed with the intention of achieving stable returns with regular income streams over the medium to long term. The recommended investment timeframe for an investor in the Fund is at least 3 years.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low	Not in target market	The Fund aims to provide investors in this Product with distributions of a minimum BBSW 90 + 6% p.a. however returns are not guaranteed and may be higher or lower than the minimum distribution and are subject to the risks disclosed in the PDS. The Product may borrow up to 100% of the value of Relevant Scheme Assets (measured at the time of debt incurrence) on a secured or unsecured basis. The risk level of the Class B Units is considered Medium to High Because the Product always has downside protection in place through an options overlay to address sequencing risk. The protection objective of the Product is no quarterly Net Asset Value draw-downs exceeding 6%. The Product may also be suitable for investors with a Very High to Extremely High risk/return profile where the return profile of the Product (Medium to High) is an acceptable level of return for the investor.
Medium	In target market	
High	In target market	
Very high	See issuer instructions (column 3)	
Extremely high	See issuer instructions (column 3)	

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Consumer Attributes	TMD indicator	Product description including key attributes
<b>Consumer's need to access capital</b>		
Within one week of request	Not in target market	Valid withdrawal requests from Investors will normally be accepted each Business Day. Withdrawal requests are generally processed and paid within 10 days of acceptance of a valid withdrawal request, although 21 days is permitted under the Trust Deed, and this period may be extended in specified circumstances, for example if it is, for any reason, impractical to calculate the net asset value of the Relevant Scheme Assets, including because of the closure of an exchange or trading or withdrawal restrictions in respect of a security. This has not occurred to date and is considered very unlikely.
Within one month of request	In target market	
Within three months of request	In target market	
Within one year of request	In target market	
Within 5 years of request	In target market	
Within 10 years of request	In target market	
10 years or more	In target market	

## Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
Direct - wholesale investors	The paper and online application form for the Product requires an applicant to confirm that they are a wholesale client for the purposes of section 761G of the Act.  Wholesale client status is verified at the application stage by an accountant's certificate for investors relying on the gross assets/net income test.	All distributors
Platform/Wrap	Additional steps are not required for advised clients beyond consideration of the issuer's TMD by the adviser.	Platform and wrap operators

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Distribution conditions	Distribution condition rationale	Distributors this condition applies to
	Unadvised clients may not be able to access the Product unless the platform provider has a process where client is asked basic filtering questions relating to the TMD.	

## Review triggers

Distribution of the Product to a retail client.
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 TMD review periods

Review period	Maximum period for review
Initial review	N/A – initial review has already occurred.
Subsequent review	At least once every 3 years since the date of the last review of the TMD (for whatever reason).

## Distributor reporting requirements

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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 in any case, no later than 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under section 994F(6) of the Act. See Definitions for further detail.	As soon as practicable but in any case, within than 10 business days after distributor becomes aware of the significant dealing.	All distributors

## Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
<b>Consumer's investment objective</b>	
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).
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 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).

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Term	Definition
<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 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 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 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 the 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.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
<b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>	
Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
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 (e.g. 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).

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Term	Definition
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 <u>and</u> 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.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
<p>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.</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>The consumer typically prefers stable, defensive assets (such as cash).</p>

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Term	Definition
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>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"> <li>• has a very high risk appetite,</li> <li>• 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</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>
Consumer's need to access capital	

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Term	Definition
	<p>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.</p>
Distributor Reporting	

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Term	Definition
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"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• 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).</li> </ul> <p>In each case, 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 and/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>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the quarter,</li> <li>• the consumer’s intended product use is solution/standalone,</li> <li>• the consumer’s intended product use is core component or higher and the consumer’s risk/return profile is low, or</li> <li>• the relevant product has a green rating for consumers seeking extremely high risk/return.</li> </ul>

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## Disclaimer

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