

# Target Market Determination – Funds Management

## Legal disclaimer

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 Columbus Investment Services Ltd's design and distribution arrangements for the product.

This document is **not** a product disclosure statement 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 Gyrostat Risk Managed Equity Fund 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 likely to be appropriate for a consumer seeking Capital Growth to be used as a Satellite/Small allocation or Core allocation within a portfolio where the consumer has a Long term investment timeframe, High risk/return profile and needs access to capital paid within 10 days under ordinary circumstances.**

## Fund and Issuer identifiers

<b>Issuer</b>	Columbus Investment Services Ltd	<b>Product</b>	Gyrostat Risk Managed Global Equity Class or Class E Units
<b>Issuer ACN</b>	095 162 931	<b>APIR Code</b>	CIS6911AU
<b>Issuer AFSL</b>	No. 221183	<b>Date TMD approved</b>	1 October 2021
<b>Fund</b>	Gyrostat Risk Managed Equity Fund	<b>TMD Version</b>	2.0
<b>ARSN</b>	651 853 799	<b>TMD Status</b>	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
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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.

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
<b>Consumer's investment objective</b>		
Capital Growth	Green	Investors who are looking for capital growth and some income through exposure to global markets while hedging equity market risk. This Product is designed to outperform the Morningstar® Global Markets Index™ over rolling 12 months whilst mitigating against major losses on large global equity market falls with downside protection always in place (i.e. to address sequencing risk). Investors can elect to have distributions reinvested or directly credited to a nominated bank account, in USD.
Capital Preservation	Amber	
Capital Guaranteed	Red	
Income Distribution	Amber	

Consumer Attributes	TMD Indicator	Product description including key attributes
<b>Consumer's intended product use (% of Investable Assets)</b>		
Solution/Standalone (75-100%)	Red	<p>Designed to outperform the Morningstar® Global Markets Index™ over rolling 12 months whilst mitigating against major losses on large global equity market falls (downside protection always in place through an options overlay).</p> <p>This Product offers investors exposure to predominantly the Morningstar® Global Markets Index™ (or component parts thereof), USD denominated cash and cash-equivalent investments and exchange-traded derivatives on the Chicago Board of Exchange or Intercontinental Exchange to mitigate risk. Holdings may also include individual international listed equities and exchange-traded derivatives listed on the Chicago Board of Exchange or Intercontinental Exchange.</p> <p>Therefore, the Product's portfolio diversification is Medium.</p> <p>Investors could use the Product as a Satellite / Small allocation to spread the risks across a broad portfolio of investments.</p> <p>Investors may also use the Product as a Core Component of their investment portfolio.</p>
Core Component (25-75%)	Green	
Satellite/small allocation (<25%)	Green	
<b>Consumer's investment timeframe</b>		
Short (≤ 2 years)	Red	<p>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 to 5 years.</p>
Medium (2 - 5 years)	Amber	
Long (> 5 years)	Green	
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low	Red	<p>The Fund aims to provide investors in this Product with returns that match the Morningstar® Global Markets Index™ however returns are not guaranteed and are subject to the risks disclosed in the PDS. The Fund 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.</p> <p>The risk level of the Class E Units is considered High.</p>
Medium	Red	
High	Green	
Very High	Green	
<b>Consumer's need to withdraw money</b>		
Daily	Red	<p>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 the request would cause</p>
Weekly	Red	
Fortnightly	Green	

Consumer Attributes	TMD Indicator	Product description including key attributes
Monthly	Green	the Fund to cease to be liquid or where the Fund is not liquid. Withdrawals are paid in USD. This has not occurred to date and is considered very unlikely.
Quarterly	Green	
Annually or longer	Green	

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

The Issuer considers that the distribution conditions below will make it likely that the investors who acquire units in the Fund are in the target market because of the following:

- The Fund's advertisements and website content is directed towards wholesale clients only and not towards retail clients.
- The application form for the Fund requires an applicant to confirm that they are a 'wholesale' client for the purposes of section 761G of the Corporations Act 2001 (Cth).
- Wholesale client status is verified at the application stage by an accountant's certificate for investors relying on the gross assets/net income test.

## Distribution conditions/restrictions

Distribution Condition	Distribution Condition Rationale
Restricted to investors who qualify as 'Wholesale Clients' as defined under section 761G of the Corporations Act	PDS offer is only to Wholesale Clients

Review triggers
Distribution of the Product to a retail client.

Mandatory review periods	
Review period	Maximum period for review
Initial review	1 year and 6 months from the date the TMD is first issued.
Subsequent review	At least once every 3 years since the date of the last review of the TMD (for whatever reason).

<b>Distributor reporting requirements</b>		
<b>Reporting requirement</b>	<b>Reporting period</b>	<b>Which distributors this requirement applies to</b>
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 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
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 Columbus Investment Services Ltd using the email address [DDO@oneinvestment.com.au](mailto:DDO@oneinvestment.com.au) or the method specified at <https://www.oneinvestment.com.au/ddo/>.

## ***Disclaimer***

This document is issued by Columbus Investment Services Ltd (ABN 69 095 162 391) (AFSL 221183) as responsible entity of the Gyrostat Risk Managed Equity Fund ARSN 651 853799 (**Fund**). Gyrostat Capital Management Advisers Pty Ltd (ACN 168 737 246) is the investment manager of the Fund (**Investment Manager**).

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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 dated 15 February 2022, continuous disclosure notices and relevant application form may be obtained from

<http://www.gyrostat.com.au/application-forms/>

### **Morningstar disclaimer**

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THE MORNINGSTAR ENTITIES DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR® GLOBAL MARKETS INDEX™ OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR ENTITIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

## **Definitions**

<b>Term</b>	<b>Definition</b>
<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.
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).

Term	Definition
<b>Consumer's intended product use (% of Investable Assets)</b>	
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 definitions 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 definitions 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 definitions below).
Investable Assets	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>	
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 equities "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>	
Short ( $\leq$ 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (2 - 5 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two to five years.
Long ( $>$ 5 years)	The consumer has a long investment timeframe and is unlikely to redeem within five years.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
The Issuer has adopted the Standard Risk Measure ( <i>SRM</i> ) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <i>Standard Risk Measure Guidance Paper For Trustees</i> . The assessment has been undertaken assuming likely returns after fees and costs but before taxes. 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 (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.

Term	Definition
	Consumer typically prefers defensive assets such as cash and fixed income.
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>Consumer typically prefers a balance of growth assets such as shares, property and 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>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>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
<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 Fund 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. 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.</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 will be significant if an investor other than a “Wholesale Client” as defined under section 761G of the Act is issued the Product.</p>