

**Issue Date: 5 October 2022**

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (Act). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of La Trobe Financial’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 consider any person’s individual objectives, financial situation or needs. Consumers interested in acquiring this product should carefully read the Product Disclosure Statement (PDS) for the La Trobe Australian Credit Fund (Fund) before deciding whether to invest in the Fund.

### 1. Product Description

Fund Product	La Trobe Australian Credit Fund – 90 Day Notice Account
Issuer	La Trobe Financial Asset Management Limited (AFSL 222213, ABN 27 007 332 363) (La Trobe Financial)
ARSN	088 178 321
APIR	LTC9067AU
TMD Version	2.0

### 2. Class of consumers that fall within the target market for the Fund Product

<b>Consumer Type</b>	<p>This Fund Product is likely to be suitable for consumers who fall within any of the following classes:</p> <ul style="list-style-type: none"> <li>• Individuals in their own capacity or as trustee (including self-directed and professional consumers);</li> <li>• Retirees;</li> <li>• Companies/trusts;</li> <li>• Self-managed super funds (SMSFs) and superannuation funds;</li> <li>• Associations &amp; not for profits;</li> <li>• Family offices;</li> <li>• Fund managers;</li> <li>• Asset managers;</li> <li>• Institutions;</li> <li>• Platforms.</li> </ul>
<b>Likely Objectives and Needs</b>	<p>The Fund Product is likely to be suitable for consumers seeking the following:</p> <ul style="list-style-type: none"> <li>• monthly interest income based on a variable rate of return;</li> <li>• low volatility of returns;</li> <li>• investments in loans secured by first mortgages;</li> <li>• investments in diversified loan portfolios;</li> <li>• ability to invest available cash; and</li> <li>• ability to invest for an open-ended period of time, or a shorter period of time given the Fund Product’s moderate liquidity (refer to description of “Moderate liquidity” attribute in 3. below).</li> </ul>
<b>Consumer Risk Profile</b>	<p>Suitable for consumers who, based on their financial situation, are able to bear the following kinds of risks:</p> <ul style="list-style-type: none"> <li>• No guarantee of the investment result, the return of capital, interest payments to consumers or liquidity;</li> <li>• Variable rates of return;</li> <li>• Investments in which returns depend on the performance of the underlying assets;</li> <li>• Investments in which consumers may lose some or all of their invested capital; and</li> <li>• Investments in which consumers may not be able to access their capital at maturity.</li> </ul>
<b>Likely Financial Situation</b>	<p>Suitable for consumers whose financial situation enables an investment with:</p> <ul style="list-style-type: none"> <li>• Returns that may vary monthly;</li> <li>• No capital or liquidity guarantee requirement.</li> </ul>

<b>Consumer's Intended Product Use</b>	<b>Solution/Standalone (75-100%) Stable monthly income stream</b>
	<b>Core Component (25-75%)</b>
	<b>Satellite/Small Allocation (&lt;25%)</b>
	<p>■ = In target market   ■ = Potentially in target market   ■ = Not in target market</p> <p><b>Solution/Standalone (75-100%)</b> The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total investable assets<sup>1</sup>. The consumer typically prefers exposure to a product with at least High portfolio diversification<sup>2</sup>.</p> <p><b>Core Component (25-75%)</b> The consumer intends to hold the investment as a major component, up to 75%, of their total investable assets<sup>1</sup>. The consumer typically prefers exposure to a product with at least Medium portfolio diversification<sup>2</sup>.</p> <p><b>Satellite (&lt;25%)</b> 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 their total investable assets<sup>1</sup>. The consumer is likely to be comfortable with exposure to a product with Low portfolio diversification<sup>2</sup>.</p>
<b>Indicative Risk Level</b>	<p><b>Indicative Risk Level (refer to the PDS) – Low.</b></p> <p>The Fund Product is considered to be of 'Low' level of risk, based on the Joint ASFA/FSC Guidance Paper on Standard Risk Measures (that is, over any 20 year period, the Fund Product is likely to experience between 0.5 and less than 1 year of negative annual returns).</p> <p>Note that the Indicative Risk Level is a guide only, and assessed with reference to the categories of risk detailed in <a href="#">the Joint FSC/AFSA's Standard Risk Measures Guidance Paper for Trustees</a> (see below for further information).</p>

The Joint ASFA/FSC Guidance Paper on Standard Risk Measures provides a seven level classification system intended to provide sufficient granularity to investors. Analysis shows that the number of annual negative periods over any 20 year period is likely to fall in the range of 0 to 7 for the majority of investment options. The Risk Band, Risk Label and Estimated number of negative annual returns over any 20 year period is as follows:

Risk Band	Risk Label	Estimated number of negative annual returns over any 20 year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

1. Investable Assets means those assets that the investor has available for investment, excluding the residential home.

**Portfolio diversification**

2. High: Highly diversified across either asset classes, countries or investment managers, e.g. Australian multimanager balanced fund or global multi-asset Managed Discretionary Account (or global equities).

Medium: 1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".

Low: Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.

### 3. Consistency between target market and Fund Product

The Fund Product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and periodic reviews of the TMD to ensure that these continue to be consistent with the identified class of consumers.

The table below sets out the key attributes of the Fund Product, along with a corresponding explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market (as summarised above):

Key attributes of product	Consistency with likely Objectives, Financial Situation & Needs of the class of consumers in the target market	
<b>Monthly income</b>	The Fund Product provides variable interest determined and paid monthly, which can be received by the consumer as income or reinvested to achieve a compounding rate of return.	The Fund Product is likely to be suitable for consumers looking for a variable monthly return of interest.
<b>Diversified loan portfolios</b>	The Fund Product invests into a diversified portfolio of mortgage securities, with a holding of cash. Risk diversification is aided by the Fund's conservative portfolio construction approach and strict asset selection underwriting.	Accordingly, the Fund Product is likely to be suitable for consumers looking for access to loan portfolios with an emphasis on diversification across asset location and sectors.
<b>First mortgages</b>	The Fund Product invests in first mortgages only, with a holding of cash.	Accordingly, the Fund Product is likely to be suitable for consumers looking for access to investments in loans secured by first mortgages.
<b>Low volatility</b>	The portfolio holdings of diversified first mortgages and an allocation to cash is supportive of ongoing, monthly income characterised by low volatility of returns.	Consumers looking for investments with low volatility of returns.
<b>Moderate liquidity</b>	La Trobe Financial aims to release funds 90 days after receiving the withdrawal notice. However, this is not guaranteed and under the Constitution of the Fund, La Trobe Financial has 12 months from receipt of the withdrawal notice within which to comply with the withdrawal request. Withdrawals may be suspended while and for as long as La Trobe Financial is reasonably of the view that it is necessary to do so in order for it to comply with its obligations under the law.	The Fund Product is therefore likely to be suitable for consumers whose financial situation means they are able to invest for an open-ended period of time given the Fund Product's moderate liquidity.

### 4. How the Fund Product is to be distributed

The Fund Product may only be distributed through one or more of the following channels:

Type of Distribution	Distribution Channel and Conditions
<b>Direct to Consumer</b>	<p>La Trobe Financial may distribute the Fund Product to consumers who can apply directly via post, email or fax, via La Trobe Financial's website, mobile application (La Trobe Direct) or by telephone.</p> <p>No Fund Product marketing, advertising or promotional materials may be sent or made available by La Trobe Financial unless La Trobe Financial has completed an external communications compliance checklist.</p>
<b>Direct to Institutions/not-for-profits</b>	<p>La Trobe Financial may distribute the Fund Product to institutions, associations &amp; not-for-profits who can apply directly via post, email or fax, via La Trobe Financial's website, mobile application (La Trobe Direct) or by telephone.</p> <p>No Fund Product marketing, advertising or promotional materials may be sent or made available by La Trobe Financial unless La Trobe Financial has completed an external communications compliance checklist.</p>

<b>Third-Party Distribution (including Investment Platforms)</b>	<p>The Fund Product may be distributed through the following third-party distributors:</p> <ul style="list-style-type: none"> <li>• financial advisers;</li> <li>• referrers;</li> <li>• authorised representatives; and</li> <li>• third-party hosted investment platforms.</li> </ul> <p>All third-party distributors must meet all ongoing regulatory and disclosure obligations relating to their position in the market.</p> <p>Third-party distributors may not use marketing, advertising or promotional materials that are inconsistent with La Trobe Financial issued materials.</p> <p>Financial advisers are also required to hold an Australian Financial Services License or maintain an appointment as a Credit Representative authorised to engage in activities on behalf of a financial services licensee as part of La Trobe Financial's accreditation requirements.</p> <p>Each third-party distributor must meet on an ongoing basis La Trobe Financial's accreditation requirements and referrers, investment platforms and authorised representatives must have and comply with their respective distribution agreement with La Trobe Financial.</p> <p>La Trobe Financial has the capacity to restrict distribution by a distributor in the event of a breach of a material obligation under the Act.</p>
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## 5. Reviewing this TMD

This TMD will be reviewed on:

- a scheduled basis (**Periodic Reviews**); and
- where a Review Trigger (as defined below) has occurred.

### Periodic Review

La Trobe Financial will complete a Periodic Review of this TMD within 12 months of the Issue Date. It will conduct subsequent reviews within 12 months of completion of the last review. Based on the outcome of a Periodic Review, La Trobe Financial may determine that a **Material Issue** has arisen. A Material Issue is an event or a circumstance which reasonably suggests to La Trobe Financial that the TMD may no longer be appropriate.

### Review Triggers

The events and circumstances described below (**Review Triggers**) will also require a review of this TMD:

- material change to the terms or attributes of the Fund Product;
- where and when the Fund Product is not being distributed and purchased as envisaged by this TMD;
- an event or circumstance that would materially change a factor considered in making the TMD for the Fund Product;
- reporting from multiple distributors of 'significant dealings' in the Fund Product or numerous reports from one distributor of 'significant dealings' in the Fund Product;
- the issuer considers a 'significant dealing' has occurred;
- a sudden and unexpected increase in complaints about the suitability of the Fund Product or distribution of the Fund Product;
- regulatory inquiry by AFCA, ASIC or another regulatory authority as to the design or distribution of the Fund Product; and/or
- the use by ASIC or other regulators of Product Intervention Powers, regulatory orders or directions that affect the Fund Product.

Where a Material Issue has been identified during a Periodic Review or where a Review Trigger (defined above) has occurred, La Trobe Financial will as soon as practicable, or within 6 business days review the TMD. There are several outcomes that can arise from this review:

1. **No action:** La Trobe Financial may determine that the TMD remains appropriate;
2. **Amend or replace the TMD:** An amended or new version of the TMD will be publicly available and provided to distributors within 10 business days of the Material Issue being identified or the occurrence of a Review Trigger;
3. **Cease Fund Product distribution:** If it is determined that the TMD is no longer appropriate within 10 business days of the Material Issue being identified or the occurrence of a Review Trigger, La Trobe Financial will issue an Immediate Cessation of Distribution Notice (**Notice**) to all people and entities distributing this Fund Product. La Trobe Financial and any distributor of the Fund Product must cease distribution of the Fund Product immediately on receipt of the Notice. Product distribution may only resume once a new or revised TMD has been published.

## 6. Reporting and monitoring this TMD

The following reporting requirements apply to all distributors of the Fund Product:

Reporting requirements	Reporting period
Where the distributor is aware or ought to reasonably be aware, it should report on each 'significant dealing' (see guidance below) by completing the Notification of Significant Dealing Form and submitting it to: <a href="mailto:targetmarketdistribution@latrobefinancial.com.au">targetmarketdistribution@latrobefinancial.com.au</a> .	As soon as practicable but no later than 10 business days after the distributor becomes aware of the 'significant dealing'.

<p>Distributors must report to La Trobe Financial (at <a href="mailto:targetmarketdistribution@latrobefinancial.com.au">targetmarketdistribution@latrobefinancial.com.au</a>):</p> <ul style="list-style-type: none"> <li>• if required by law, whether the distributor received complaints<sup>3</sup> in relation to the Fund Product during the reporting period;</li> <li>• the number of complaints it received; and</li> <li>• provide a copy of each complaint, or where this is not possible, report on the substance of the complaint received on the product and its performance.</li> </ul>	<p>Within 10 business days of the end of each quarter.</p>
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In determining whether a 'significant dealing' has occurred, La Trobe Financial expects that the following non-exhaustive list of factors may be relevant for distributors:

- whether a customer outside of the target market has acquired the product; and/or
- the extent to which the acquisition of the product by the customer outside of the target market has the potential to harm or has caused harm (including the amount of any financial loss); and/or
- the nature and extent to which the distribution of the product is inconsistent with the TMD.

The above list is not exhaustive and distributors should consider, having regard to the circumstances of their business, whether other factors or events may suggest that a significant dealing has occurred. A significant dealing may be identified through the distributor's product governance arrangements, as a result of a consumer complaint or the occurrence of a Review Trigger. The purpose of having this information is to enable La Trobe Financial to identify promptly whether a Review Trigger, or another event or circumstance that would reasonably suggest that the TMD is no longer appropriate, has occurred.

## 7. Contact Us

Please contact La Trobe Financial at [targetmarketdistribution@latrobefinancial.com.au](mailto:targetmarketdistribution@latrobefinancial.com.au) with any questions or feedback with respect to this TMD.

Historical versions of this TMD and the Notice of Significant Dealing Form are available at <https://latrobefinancial.com.au/investments/investment-solutions/tmd/>.

3. A complaint is "An expression of dissatisfaction made to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required." RG 271.27.