

TARGET MARKET DETERMINATION – HUB24 MANAGED PORTFOLIO SERVICE

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 and does not contain any financial product advice. Persons interested in acquiring this product should carefully read the PDS for the product before making a decision whether to invest through 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 on our website at <https://www.hub24.com.au/product-documents/hub24-product-disclosure-statement-for-managed-portfolio-service/>, online through InvestorHUB, or via your financial adviser.

TARGET MARKET SUMMARY

This product is intended for use by a consumer who:

- is seeking to have a portfolio of investments designed, monitored and advised on by a portfolio manager that has been selected by HUB24;
- is either:
 - receiving personal financial product advice from a Financial Adviser of an Australian Financial Services Licensee that is registered to use the product;
 - has become unadvised and is seeking a highly diversified portfolio of investments selected from a more limited menu of investment options; or
 - an internal staff member of the Platform Provider who has completed a questionnaire to determine whether the product is likely to be

consistent with the likely objectives, financial situation and needs of the consumer;

- has an investment objective of Capital Growth, Capital Preservation or Income Distribution that aligns with one or more of the Managed Portfolios options offered through the product;
- who intends to use the Managed Portfolios options offered through the product as a Standalone, Major, Core or Minor allocation of their total investable assets;
- has a minimum investment timeframe of 3-10 years;
- is likely to require access to capital within three months of a request to withdraw from a Managed Portfolios option; and
- wishes to have the flexibility to optimise the management of the tax outcomes of their investments within a Managed Portfolio option.

MANAGED PORTFOLIO AND ISSUER IDENTIFIERS

Issuer	Ironbark Asset Management (Fund Services) Limited
Issuer ABN	63 116 232 154
Issuer AFSL	298626
Portfolio Manager	HUB24 Custodial Services Ltd ABN 94 073 633 664 AFSL 239122 (HUB24). HUB24 may appoint Portfolio Managers to design, construct and advise on each Managed Portfolio option available through the product.
Product Name	HUB24 Managed Portfolio Service
ARSN	645 033 941
TMD issue date	10 November 2023
TMD Version	3
Distribution status of the product	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 and green rating methodology:



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 the product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for the 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 the 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.

INVESTMENT PRODUCTS AND DIVERSIFICATION

A consumer (or class of consumer) may intend to hold investments through the product as part of a diversified portfolio (for example, with an intended 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, an Investment Option 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 the product (including its key attributes) and the Managed Portfolio options available through the product.



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 for the product	Product description including key attributes
Consumer's investment objective	TMD Indicator for the product	Product description including key attributes
Capital Growth	In target market	The product provides a broad range of Managed Portfolio options, including those that are likely to suit consumers who have an investment objective of one or more of Capital Growth, Capital Preservation or Income Distribution. The Issuer has appointed Portfolio Managers to manage the Managed Portfolio options available through the product. The Portfolio Managers (under the supervision of the Issuer) determine the underlying investments to be made in respect of the relevant Managed Portfolio option, the target weighting of those options and any changes to the underlying investments, based on the investment strategy and objectives of the relevant Managed Portfolio option.
Capital Preservation	In target market	
Income Distribution	In target market	
Consumer's intended use (% of Investable Assets)	TMD Indicator for the product	Product description including key attributes
Solution/Standalone (up to 100%)	In target market	Through the product, a consumer can choose to invest a portion of their total investable assets into the Managed Portfolio options.
Major allocation (up to 75%)	In target market	The product provides a broad range of Managed Portfolio options that are likely to be suitable as either a Standalone, Major, Core or Minor allocation of a consumer's Investable Assets.
Core component (up to 50%)	In target market	
Minor allocation (up to 25%)	In target market	
Satellite allocation (up to 10%)	Not in target market	
Consumer's investment timeframe	TMD Indicator for the product	Product description including key attributes
Minimum investment timeframe	3 years	The product contains a broad selection of Managed Portfolio options with varying suggested minimum investment timeframes. Generally, the suggested minimum investment timeframe of the Managed Portfolio options accessible via the product range from 3 to 10 years.

Consumer Attributes	TMD indicator for the product	Product description including key attributes
		Consumers should refer to the relevant PDS for the Managed Portfolio option to determine if the minimum investment timeframe for the relevant Managed Portfolio options aligns with them.
Consumer's Risk (ability to bear loss) and Return profile	TMD Indicator for the product	Product description including key attributes
Low	In target market	The product contains a broad selection of Managed Portfolio options with varying levels of risk. The risk level of a Managed Portfolio option is determined by the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period. Generally, the risk level of the Managed Portfolio options accessible via the product range from Low to Very High which aligns to an SRM of 2 to 7.
Medium	In target market	
High	In target market	
Very high	In target market	
Extremely high	Not in target market	
		Consumers should refer to the relevant PDS for the Managed Portfolio option to determine if the level of risk for the relevant Managed Portfolio options aligns with their risk tolerance.
Consumer's need to access capital	TMD Indicator for the product	Product description including key attributes
Within one week of request	Not in target market	Consumers can access their capital by requesting a withdrawal from the product at any time. The withdrawal amount will be paid to a consumers Platform Cash Account once there is sufficient cash in the Cash Allocation of the relevant Managed Portfolio option. This will generally be within 30 days of a consumer's request to withdraw from the product. When an event outside of the Issuer's control affects the ability to sell investments such as suspension of trading in a market, payment can take longer but, in any event, will be made as soon as is practicable.
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	

Consumer Attributes	TMD indicator for the product	Product description including key attributes
Consumer's Other requirements	TMD Indicator for the product	Product description including key attributes
Management of tax position	In target market	<p>The Issuer considers that the product is likely to be suitable for consumers who are seeking to have the flexibility to optimise the management of the tax outcomes of their investments through the product.</p> <p>Consumers can manage the tax position of their investments held within a Managed Portfolio option by nominating the tax accounting method that suits their circumstances. Refer to the relevant platform disclosure document for further information of the tax optimisation tools available to investors.</p>
Timely adjustment of portfolio	In target market	<p>Each Managed Portfolio option has specific allocations to underlying assets ('Asset Targets') which are determined by the Portfolio Manager. When you invest via the product, your portfolio of investments will be regularly adjusted to follow the Asset Targets determined by the Portfolio Manager for your chosen Managed Portfolio option. For more information on how this operates, refer to Section 7 of Part 1 the PDS under the heading 'Your Portfolio adjustments'.</p>
'Visibility of investments in portfolio	In target market	<p>Through online reporting tools consumers have access to a range of reports including:</p> <ul style="list-style-type: none"> • all transactions, including any purchases and sales of investments, dividends and other income, corporate actions and any payments, • valuation of the underlying investments, including the number of shares or units, the amount paid for the shares or units and the current value, • end of financial year tax reporting.
Customisation of portfolio	In target market	<p>While the Portfolio Manager is responsible for the determining the underlying investments in each Managed Portfolio option, consumers can customise their portfolio to be more specific to their needs. This can include substituting and/or excluding certain investments from an investment portfolio.</p>

Consumer Attributes	TMD indicator for the product	Product description including key attributes
Transfer of existing investments into portfolio	In target market	If a consumer chooses to invest in a Managed Portfolio option via the product, listed securities and other investments that are owned by the consumer may be transferred into the product, provided they can be administered via the product.

DISTRIBUTION CONDITIONS/RESTRICTIONS

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
<p>Only for distribution through dealing if the distributor is reasonably satisfied that distribution is necessary to implement personal advice given to the consumer.</p>	<p>The product is appropriate for distribution to retail consumers who have received personal financial product advice because:</p> <ul style="list-style-type: none"> • the features and attributes of the product are complex in nature; and • The Platform Provider has implemented relevant criteria for determining when to approve a relevant distributor/provider to distribute the product – and has therefore considered whether the approved provider is suitable to distribute the product. 	<p>Distributors, such as financial advisers, that have been approved by the Platform Provider.</p>
<p>Only suitable for distribution through dealing through a Platform Provider where a Platform Account has become unadvised.</p>	<p>The product is suitable for distribution to consumers that have become unadvised because the Platform Provider has processes in place to limit the investment menu to only offer Managed Portfolio options which have high diversification and which may be appropriate for use as a Standalone or Major allocation of a consumer’s total Investable Assets, for these consumers.</p>	<p>The Platform Provider</p>
<p>Only suitable for distribution to consumers that are internal staff members of the Platform Provider.</p>	<p>The product is suitable for distribution to internal staff members of the Platform Provider because the Platform Provider has a questionnaire which is completed by each consumer that wishes to enter the product, which is assessed to determine whether the product is likely to be consistent with the objectives, financial situation and needs of these consumers</p>	<p>The Platform Provider</p>

REVIEW TRIGGERS

Material change to key attributes, Managed Portfolio options, investment liquidity and/or fees.
Key attributes that 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.
Regulator orders or directions that affect the product.
If the Platform Provider questionnaire completed by internal staff members indicates that a material portion of this cohort of clients are outside the target market.
Material outflows from the product.

MANDATORY TMD REVIEW PERIODS

Review period	Maximum period for review
Initial review	By 10 November 2024
Subsequent review	1 year from the prior review.

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. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but 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 no later than 10 business days after distributor becomes aware of the significant dealing.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to the Issuer of the product via email – ddo@hub24.com.au.

DEFINITIONS

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

Term	Definition
Consumer's investment objective	
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).
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).
Consumer's intended product use (% of Investable Assets)	
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 an Investment Option 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 an Investment Option 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 an Investment Option 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 an Investment Option 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 an Investment Option with <i>very low</i> portfolio diversification. Investment Options classified as <i>extremely high</i> risk are likely to meet this category only.

Term	Definition
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the Investment Option attribute section of consumer's intended use of the product) Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
Very low	The Investment Option 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 Investment Option 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 Investment Option 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).
High	The Investment Option 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 Investment Option 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.
Consumer's intended investment timeframe	
Minimum	The minimum suggested timeframe for holding an Investment Option. Typically, this is the rolling period over which the investment objective of the Investment Option is likely to be achieved.
Consumer's Risk (ability to bear loss) and Return profile	

Term	Definition
	<p>This TMD uses the Standard Risk Measure (<i>SRM</i>) 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 <i>Standard Risk Measure Guidance Paper For Trustees</i> (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 Investment Options 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 Investment Option's risk rating.</p> <p>A consumer's desired investment 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"> • has a conservative or low risk appetite, • 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 • is comfortable with a low target return profile. <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • 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 • is comfortable with a moderate target return profile. <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"> • has a high risk appetite, • 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 • seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (for example, shares and property).</p>

Term	Definition
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a very high risk appetite, • 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 • seeks to maximise returns (typically over a medium or long timeframe). <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"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <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	
<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>	
Consumer's Other requirements	
Timely adjustment of portfolio	The consumer seeks a product that enables a directly held portfolio to be monitored and adjusted in a timely and efficient manner by an investment adviser.
Management of tax position	The consumer seeks a product that enables the tax position of the consumer to be optimised or actively managed. This could for example include the selective realisation of gains and losses in a portfolio to reduce capital gains tax (CGT) liabilities, and the quarantining of the consumer's tax position from the tax position of other investors in the same product.

Term	Definition
Visibility of investments in portfolio	The consumer seeks a product that provides the consumer with visibility of the investments in the portfolio.
Customisation of portfolio	The consumer seeks a product that provides the flexibility to add or remove investments from the portfolio. The customer or adviser may include or exclude investments (or categories of investment) for example to implement ESG filtering, for tax reasons, for changing the regularity of income, or to accommodate existing investments.
Transfer of existing investments into portfolio	The consumer seeks a product that permits existing investments to be <i>in specie</i> transferred into the product, with the retention of direct ownership. These prior investments would then be managed inside the product in accord with the management of the whole managed account. The consumer may seek this option to reduce tax, brokerage and other transaction costs.

Term	Definition
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 Managed Portfolio option (which may be indicated by the Managed Portfolio option'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 use of the product 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). <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 quarter, • the consumer's intended product use is <i>solution/standalone</i>, • the consumer's intended product use is <i>core component</i> or higher and the consumer's risk/return profile is <i>low</i>, or • the product has a green rating for consumers seeking <i>extremely high</i> risk/return.