

MA Secured Real Estate Income Fund

Asset Management

Target Market Determination

Target Market summary

This product is intended for up to 25% of a portfolio for a consumer who is seeking monthly income and capital preservation and has a medium 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 medium investment timeframe and who is unlikely to need to withdraw their money on less than three month's notice.

Introduction

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). It forms part of Issuer'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. Consumers 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 appear at the end of this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS and previous versions of the TMD can be obtained by contacting client services on (02) 8288 5594 or on our website at mafinancial.com/asset-management/retail-funds/ma-secured-real-estate-income-fund/.

Fund and Issuer identifiers

Issuer	MAAM RE Limited (Issuer or Responsible Entity)
Issuer ABN	34 135 855 186
Issuer AFSL	335 783
Fund name	MA Secured Real Estate Income Fund (Product)
ARSN	648 810 904
APIR Code	MAA6243AU
ISIN Code	-
Market Identifier Code	N/A
Product Exchange code	N/A
TMD issue date	1 March 2024
TMD Version	3.0
TMD Status	Current

Description of Target Market

This part is required under section 994B(5)(b) of the Act.

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a green/red rating methodology with appropriate colour coding:

In target market	Not considered in target market
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Instructions

In the tables below, Column one, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column two, TMD indicator, indicates whether a consumer meeting the attribute in column one 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*

* An individual Fund may still be suitable for a consumer if it is outside of the consumer's risk/return profile where it is a satellite allocation used as part of a consumer's diversified portfolio.

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.

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 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
Consumer's investment objective		
Capital Growth		The Fund is an unlisted mortgage scheme which provides investors with exposure to a range of first mortgage loans secured by Australian property. It aims to preserve and protect investor's capital through active management of loan recoverability. However, the Fund is not suitable for investors who cannot tolerate any loss of capital. The Responsible Entity expects to pay distributions monthly, however, this may depend on a number of factors, including future earnings, capital requirements, financial conditions.
Capital Preservation		
Income Distribution		
Consumer's intended product use (% of Investable Assets)		
Whole Portfolio (up to 100%)		The Fund has Low portfolio diversification.
Major allocation (up to 75%)		
Core Component (up to 50%)		
Minor allocation (up to 25%)		
Satellite/small allocation (up to 10%)		
Consumer's investment timeframe		
Minimum investment timeframe	5 years or longer	The minimum suggested timeframe for holding investments in the Fund is five years.
Consumer's Risk (ability to bear loss) and Return profile		
Low		<p>The Fund has a risk band of three (low- medium).</p> <p>Key risks of an investment in the Fund include:</p> <ul style="list-style-type: none"> the inability of the Fund to meet redemption requests the risk that the Fund does not achieve its investment objective; and the risk that Unitholders may lose some or all of their capital invested in the Fund. <p>The Fund aims to distribute a net cash yield (after all fees and costs) equal to the RBA Cash Rate + 5.00% per annum assessed over a 12 month period. This is a target only and may not be achieved.</p>
Medium		
High		
Very High		
Extreme		

Consumer attributes	TMD Indicator	Product description including key attributes
Consumer's need to access capital		
Within one week of request		Under normal market conditions whilst the Fund is liquid, Withdrawal Requests, when accepted by the Responsible Entity, will be processed on the first Business Day of each calendar month (Redemption Date) following expiry of the Notice Period. Under the Constitution, the maximum period for redeeming units the subject of an accepted Withdrawal Request is 545 days. The Fund is not suited to investors seeking daily or weekly liquidity.
Within one month of request		
Within three months of request		
Within one year of		
Within 5 years of request		
Within 10 years of request		

Distribution conditions/restrictions

Distribution condition	Distribution condition rationale
<p>The Product is considered suitable for:</p> <ul style="list-style-type: none"> Consumers who have received personal financial advice. Consumers who have not received personal financial advice. 	<ul style="list-style-type: none"> Where a consumer is a client of a distributor and has received personal financial advice the distributor may rely on the excluded conduct provisions set out at section 994E(3) of the Corporations Act 2001. Where a consumer is a client of a distributor and has not received personal financial advice from them, the distributor must ensure the client has been reviewed by the distributor and deemed to be within the TMD. Where a consumer is making an application for the product directly with the issuer, as part of the investment application process, and in addition to confirming that the PDS has been read, the consumer has acknowledged the product's attributes set out in the target market determination and a record of the acknowledgement is retained.

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 and/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	N/A Initial Review Complete
Subsequent review	1 year and 3 months

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 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 the end of the calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to the Issuer using the method specified on this website: MAFinancial.com/asset-management/retail-funds/ma-secured-real-estate-income-fund/. This link also provides contact details relating to this TMD for the Issuer.

Issued by MAAM RE Limited ABN 34 135 855 186 AFSL 335 783 (Issuer or Responsible Entity). Issuer is the responsible entity and issuer of units in the managed investment scheme referred to in this material. This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

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.
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 (up to 100%)	The consumer may hold the investment as up to 100% of their total investable assets. 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 investable assets. 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 investable assets. 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 investable assets. The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite (up to 10%)	The consumer may hold the investment as up to 10% of the total investable assets. The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as extreme risk are likely to meet this category only.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for considering the key product attribute section of consumer's intended product use)	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, less than 10 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, 10 to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global healthcare equities).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in more than one broad asset class, sector or geographic market (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other. The product is likely to provide a similar exposure to a single diversified investment option offered by a superannuation trustee.

Term	Definition
Consumer's intended investment timeframe	
Minimum Investment Timeframe	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.
Consumer's Risk (ability to bear loss) and Return profile	
<p>This TMD uses the Standard Risk Measure (SRM) to estimate 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. The Responsible Entity may supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, or otherwise may have a complex structure or increased investment risks, which may 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"> • 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 (such as 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 6)), and • seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (such as 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"> • 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 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>
Extreme	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has an extreme risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <p>The consumer seeks extremely risky, 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>

Term	Definition
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.</p>	
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 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 quarter, • the consumer's intended product use is whole portfolio, or • the consumer's intended product use is core component or higher and the consumer's risk (ability to bear loss) and return profile is low, or • the relevant product has a green rating for consumers seeking extreme risk/return.

