

TARGET MARKET DETERMINATION
for units in the
Primary Investment Board Class J ARSN 618 038 323
(investing into BlackPearl Masters Fund)
issued by
Primary Securities Ltd ABN 96 089 812 635, AFSL 224107

Effective from 5 October 2021

1. Aim of this Target Market Determination

This Target Market Determination (**TMD**) is designed to be read by potential consumers in units in Class J of Primary Investment Board (**the Product**) issued by Primary Securities Ltd (**the Issuer**).

This TMD sets out details of:

- The target market for the Product, that is, who the Product has been designed for;
- How the Issuer will monitor the performance of the Product; and
- What information the Issuer will need from the party distributing the Product (**the Distributor**) to help with that monitoring.

2. What is the Product?

The Product, units in Class J of Primary Investment Board are units in a class of a pooled fund designed to provide consumers with an opportunity to invest indirectly in a range of investments designed to produce absolute, risk adjusted, total returns.

Consumer money is pooled with the money of other consumers and used to make investments into the BlackPearl Masters Fund which is a wholesale fund which invests in a range of funds, and with certain risks as set out in Section 7 of the Product Disclosure Statement for the Product (**the PDS**), including the risks of short selling and derivatives.

The above summary is not intended to be a full description of the Product. Details of the Product are set out in the PDS. Potential consumers should read the PDS carefully in its entirety and obtain their own independent advice from a qualified professional as to whether or not the Product is appropriate to their own objectives, financial circumstances and needs.

Because of the risks of investment in the Product, the Product is not suitable for every potential consumer.

3. Who the Product has been designed for and not for?

The Product has been designed for:

- Consumers with higher than average income or assets who are seeking higher returns and who can tolerate a moderate to high level of risk of not achieving their financial goals (Financial Risk) to achieve those returns.
- Consumers are investing only some of their capital for higher returns with the accompanying Financial Risk.
- Consumers who do not need immediate liquidity and can wait if they wish to redeem.

The Product has **not** been designed for:

- Consumers with limited income and assets;
- Consumers who are risk-averse or could not tolerate any capital loss;
- Consumers who are borrowing the whole or part of what they invest;
- Consumers who require their investments to be highly liquid.

4. Consistency between target market and the Product

Based on an analysis of the key terms, features and attributes of the Product, the Issuer has determined that these are consistent with the likely objectives, financial situation and needs of the identified class of consumer.

5. How is the Product to be distributed?

The Distributor of the Product is BlackPearl Capital Partners Pty Ltd ABN 8460 1537 786

The Distributor will be promoting the Product by the following means:

- Directly to existing clients of the Distributor and related companies of the Distributor
- Using its mailout list
- Via the Distributor's website, social media sites and webinars
- Via Distributor presentations including one-to-one meetings
- Using other networks of the Distributor

6. What are the distribution conditions?

The Distributor must take steps to distribute via means, resulting in the distribution being slanted towards consumers with higher than average income or assets, including consumers with their own self-managed super funds, who are seeking higher returns and who can tolerate a moderate to high level of investment risk to achieve those returns.

This can be achieved by the Distributor selecting its distribution methods so that the likelihood of consumers outside the target market taking up the Product is low.

The Product must not be advertised on broad social media or through normal channels in a way that might imply it is suitable for all consumers indiscriminately.

7. Adequacy of distribution conditions

The Distributor should consider the following to determine the adequacy of its distribution methods:

- Is the distribution method likely to target potential consumers seeking capital growth over the medium to long term?
- Is the distribution method likely to target potential consumers who can tolerate a moderate to high level of investment risk to achieve their investment goals?
- Is the distribution method likely to target potential consumers who do not need a high level of liquidity and can up to a month to redeem their investment without an adverse impact on their financial situation?
- Is the distribution method likely to target potential consumers who want an investment which is correlated with the Australian share market, that is, the value of the investment will increase or decrease as share markets go up and down?

Where the distribution methods result in significant dealing outside of the Target Market this is an indication that the distribution methods are not adequate and need to be reconsidered to ensure compliance with the TMD.

A significant dealing is:

- By analysis or sampling, the Issuer concludes that the proportion of consumers not in the target market is greater than 10% of all consumers in the Product (by number of consumers), including consumers who have received personal advice;
- Complaints are received by the Distributor and the Issuer from at least 10 consumers in a 12 month period which indicate that the Product was not suitable for them.

If the Distributor becomes aware of a significant dealing, the Distributor must notify the Issuer within 10 days.

8. How will the Issuer review this TMD?

12 months following this TMD, or earlier if there are any review triggers, the Issuer will conduct a review to see if this TMD is operating satisfactorily or needs to be modified.

The Issuer will follow a risk-based approach to determine the extent and depth of the review. Where it is considered that there is a very high or high risk of adverse consequences to consumer outside of the TMD, the Issuer will conduct fact-finds on a meaningful random sample of consumer to determine their financial objectives, circumstances and needs, and their reasons for investing in the Product.

Based on this review the Issuer may modify the TMD, or may require modifications be made to the Product to ensure that its key features and attributes meet the needs of the class of consumer likely to invest in it.

Thereafter, this TMD will be reviewed every three years.

Review triggers are as follows:

- A material change to the design, target market or distribution of the Product;
- A significant number of complaints which indicate that the Product was not suitable for the consumer complaining;
- Occurrence of a significant dealing;
- An external event such as an ASIC surveillance or inquiry or adverse media coverage indicating that the TMD needs to be reviewed;
- A change in the economy (such as a recession) which indicates that investment in the Product is riskier than it previously might have been;
- The Issuer for other reasons concludes that the distribution conditions are inadequate or need modification.

9. How the Issuer will report on and monitor this TMD?

The Distributor must immediately report any complaint to the Issuer.

The Distributor must report to the Issuer within 10 days if the Distributor becomes aware of a significant dealing.



Rob Garton Smith
Managing Director
Primary Securities Ltd