

Target Market Determination

Walker Capital Fixed Income Fund ARSN 653 791 916

This Target Market Determination (TMD) sets out the class of consumers for whom units in Walker Capital Fixed Income Fund (the Product), including its key attributes, would likely to be suitable for given their likely objectives, financial situation and needs.

This document is **not** a Product Disclosure Statement (PDS) and is **not** a summary of the features or terms of the Product. This document does not take into account any person's individual objectives, financial situation or needs. Customers interested in acquiring this Product should carefully read the PDS before making a decision whether to acquire this product. Terms used in this TMD are defined in the TMD Definitions and capitalised terms not defined in the TMD Definitions have the meaning given to them in the PDS. The PDS can be obtained from www.walkercapital.com.au.

Target Market Summary

This Product is most likely to be appropriate for a consumer:

- seeking Capital Preservation and Income Distribution to hedge inflation with the accompanying Financial Risk
- using it as a Core Component, Satellite Component or potentially as a Standalone Solution within a portfolio;
- who has a short to Long Term investment timeframe;
- and a Medium or potentially a High risk/return profile who does not need access to capital for at least 6 months and
- Consumers wanting an investment that is not correlated with share markets;

Fund and Issuer Identifiers

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|-------------|----------------------------------|
| Issuer | Primary Securities Ltd |
| Issuer ACN | 089 812 635 |
| Issuer AFSL | 224107 |
| Fund | Walker Capital Fixed Income Fund |
| ARSN | 651 645 715 |

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|--------------|---------------------------------------|
| Manager | Walker Consulting (Australia) Pty Ltd |
| Manager ACN | 650 455 486 |
| TMD Approved | 23 February 2022 |
| TMD Version | 1.0 |
| TMD Status | Available |

Target Market Assessment

The Consumer Attributes for which the Product is likely to be appropriate have been assessed using the following TMD indicator keys:

In target market

Potentially in target market

Not considered in target

Generally, a consumer is unlikely to be in the target market for the Product if:

- one or more of their Consumer Attributes correspond to the indicator: Not considered in target market
- three or more of their Consumer Attributes correspond to the indicator: Potentially in target market

One 'Not considered in target market' rating does not always mean a consumer is outside of the target market. For example, 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, this 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. As such, 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 this Product (including its key attributes).

| Consumer Attributes | TMD Indicator | Product Key Attributes |
|---|---------------------------------|--|
| Consumer's investment objective | | |
| Capital Growth | Not considered in target market | The Product's objective is for investors to receive a consistent targeted distribution of income of 5% per annum stable monthly returns via exposure to indirect investments, by investing in other funds which invest, in investment grade corporate bonds, government bonds, asset backed securities, inflation derivatives, interest rate derivatives, bank bills and negotiable certificates of deposit issued by Australian banks and other derivatives specifically to achieve fixed income investments. In addition, loans up to a maximum of 25% of the Fund's assets, made available to related and non-related companies to earn interest income. The loans are secured by a general Security Agreement or other form of security. |
| Income Distribution | In target market | |
| Capital Preservation | In target market | |
| Capital Guaranteed | Not considered in target market | |
| Consumer's intended product use | | |
| Solution/Standalone (75-100%) | Potentially in target market | The Product provide consumers with an opportunity to access stable monthly returns via exposure to fixed income assets and loans. |
| Core Component (25-75%) | In target market | |
| Satellite / small allocation (< 25%) | In target market | |
| Consumer's investment timeframe | | |
| Short (≤ 2 years) | In target market | There is no minimum investment term, however, penalties will apply to withdrawals made within the first 6 months of investing. |
| Medium (>2 years) | In target market | |
| Long (> 8 years) | In target market | |
| Consumer's Risk (ability to bear loss) and Return Profile | | |
| Low | Potentially in target market | |

| Consumer Attributes | TMD Indicator | Product Key Attributes |
|-----------------------------------|---------------------------------|---|
| Medium | In target market | The Product is in target market for consumers of Medium to potentially High risk/return profile when applying the Standard Risk Measure guide and exists in the defensive fixed income asset class. The Product is designed to preserve capital through investing in a capital stable Fixed income producing investment grade bonds with a weighted average credit rating of no lower than BBB-assets with a high level of diversification. |
| High | Potentially in target market | |
| Very High | Not considered in target market | |
| Consumer's need to withdraw money | | |
| Daily | Not considered in target market | You can request to withdraw all or part of your investment in the Fund on a monthly basis subject to cut off times, resulting in the redemption proceeds being paid to you, by providing a redemption request in the required form to Primary Securities Limited. |
| Weekly | Not considered in target market | |
| Monthly | Not considered in target market | |
| Quarterly | In target market | The there is no minimum investment term, however, penalties will apply to withdrawals made within the first 6 months of investing. |
| Annually or longer | In target market | The minimum withdrawal amount is \$10,000 and subject to the minimum balance always being above \$100,000. In certain circumstances, such as a freeze on redemptions or if the Fund is illiquid (as defined in the Corporations Act), you may have to wait a longer period of time before you can redeem your investment. |

TMD 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. |
| 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, |
| 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 | |
|--|--|
| Solution/Standalone (75-100%) | The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total investable assets (see definition below). The consumer typically prefers exposure to a product with at least High portfolio diversification (see definitions below). |
| Core Component (25-75%) | The consumer intends to hold the investment as a major component, up to 75%, of their total investable assets (see definition below). The consumer typically prefers exposure to a product with at least Medium portfolio diversification (see definitions below). |
| Satellite / small allocation (25-75%) | 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 investable assets (see definition below). The consumer is likely to be comfortable with exposure to a product with Low portfolio diversification (see definitions below). |
| Portfolio diversification (for analysing the key product attribute section of consumer's intended product use) | |
| Low | Single asset class, single country, low or moderate holdings of securities. |
| Medium | 1-2 asset classes, single country, broad exposure within asset class. |
| High | Highly diversified across either asset classes, countries or investment funds. |
| Consumer's intended investment timeframe | |
| Short (<2 years) | The consumer has a short investment timeframe and may wish to redeem within two years. |
| Medium (>2 years) | The consumer has a medium investment timeframe and is unlikely to redeem within two years. |
| Long (>8 years) | The consumer has a long investment timeframe and is unlikely to redeem within eight years. |

| Consumer's Risk | |
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| <p>The Standard Risk Measure (SRM) is an industry guide which has been used to assist in the Consumer's Risk component of this TMD. It is based on guidance from the Australian Prudential and Regulation Authority (APRA) to allow consumers to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The SRM is not a complete assessment of all forms of investment risk, consumers of this Product should ensure they are comfortable with the risks and potential losses associated with their chosen investment options including the impact of fees, costs and taxes.</p> | |
| Low | <p>The consumer is conservative or low risk in nature and 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.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p> |
| 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> |

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| | 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. |
| Very high | 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). Consumer typically prefers growth assets such as shares, property and alternative assets. |
| Consumer's need to withdraw money | |
| Daily / Weekly / Monthly / Quarterly or longer | The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period. |

Distributor Information

The following section is for Distributors only. Distributors include AFS licensees or authorised representatives that engage in retail distribution of the Product.

Distribution Conditions / Restrictions:

- The Product is only suitable for distribution through the specified distributors: Walker Consulting (Australia) Pty Ltd (Walker Capital); Netwealth Investments Limited (Netwealth) and HUB24 Custodial Services Ltd (HUB24);

Review Triggers:

- Material change to investment strategy, objectives, key attributes or fees.
- Material difference between actual monthly distributions and the Offered Returns published for the Product 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 or unexpectedly high number of complaints about the Product or distribution of the Product.
- The use of ASIC's product intervention powers, regulator orders or directions that affects the product.

Mandatory Review Periods:

- 12 months following the issuance of this TMD or earlier if there are any review triggers
- Subsequent reviews annually

Distributor Reporting Requirements:

| Reporting requirement | Reporting period | Applicable distributors |
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| Complaints received by a distributor relating to the product design, product availability and distribution of the Product. The distributor should | Within 10 business days following end of calendar quarter. | Walker Capital, Netwealth and HUB24 |

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| provide all the content of the complaint, having regard to privacy. | | |
| Significant dealing outside of the target market. | As soon as practical but no later than 10 days after the distributor becomes aware of the significant dealing. | Walker Capital, Netwealth and HUB24 |
| To the extent a distributor is aware, dealings outside the target market, including reason why the acquisition is outside of target market, and whether the acquisition occurred under personal advice. | Within 10 business days following end of calendar quarter. | Walker Capital, Netwealth and HUB24 |