TARGET MARKET DETERMINATION
for units in the
Quantara Pan Pacific Equities Investment Mandate of
Managed Investment Account Service ARSN 164 487 389
issued by
Primary Securities Ltd ABN 96 089 812 635, AFSL 224107

Effective from 1 May 2022

1. Aim of this Target Market Determination

This Target Market Determination (**TMD**) is designed to be read by potential consumers in the Quantara Pan Pacific Equities Investment Mandate of Managed Investment Account Service (**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 Managed Investment Account Service (MIAS) is an account-based scheme divided into different Mandates. There is an Investment Manager who operates each Mandate and some managers have or intend to have more than one Mandate. There is a separate Product Disclosure Statement (PDS) for each Mandate. A Mandate refers to the investment strategy of the particular Investment Manager.

MIAS enables each Member to have their own Individual Account within their chosen Mandate. Their investment and return are not pooled with other Members of the Mandate or with any other Mandates.

This PDS is for investment into this mandate known as Quantara Pan Pacific Equities Investment Mandate, which is for investment in securities listed on the securities exchanges of Australia and the USA. The Investment Manager will look for long and short term investment opportunities by investing in long on shares, Exchange Traded Funds, Australian listed managed funds, listed investment companies and cash..

Investment is subject to certain risks as set out in Section 8 of the PDS.

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.

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

The Product has been designed for:

- Consumers who are seeking capital growth and some income from an actively managed fund;
- Consumers who want exposure to international (US) as well as domestic listed companies including initial public offerings;
- Consumers who are seeking investments that correlate with or aim to perform better than the market over a medium to long term investment timeframe;
- Consumers who are comfortable with the risks of investment in domestic and international listed companies;
- Consumers who want beneficial ownership of the underlying investments in the Mandate and to accrue all net income and gains (or losses) directly (for tax purposes).

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

- Consumers who very risk averse or could not tolerate any capital loss;
- Consumers who want low volatility and certainty of returns;
- Consumers who want Australian-only investments;
- Consumers who want a passively managed index-tracking fund;
- 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 Quantara Asset Management Pty Ltd.

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
- Using other networks of the Distributor
- Via professional networking site LinkedIn.

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- Via company and MIAS reports commentary.
- Via investment and banking professional media channels.

6. What are the distribution conditions?

The Distributor must take steps to distribute via means which would result 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 do not take up the Product.

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

7. Adequacy of distribution conditions

The Distributer 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?
- Is the distribution method likely to target potential consumers who are content to be exposed to short-selling and derivatives positions by investing n the Product?

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.

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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 consumers outside of the TMD, the Issuer will conduct fact-finds on a meaningful random sample of consumers 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 to the consumers 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