

# Target Market Determination

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MDA Services

QuietGrowth MDA Portfolio 3/5

Amplus Global Pty Ltd

ACN 162 631 325

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# Summary of Services

## Introduction

Amplus Global Pty Ltd (“Amplus Global”) is the holder of AFS Licence number 505929 and operates a financial services business covering a broad spectrum of products. Amplus Global is a product issuer and issues units in Managed Investment Schemes (“MIS”) to retail clients, by way of an MDA Service.

The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (Cth) (“the DD Obligations”) apply to the issue and distribution of an MDA Service to retail clients (“Consumers”) from 5 October 2021.

The DD Obligations aim to assist Consumers to obtain appropriate financial products by requiring product issuers and distributors to have a consumer-centric approach to the design and distribution of financial products.

## Purpose

The purpose of this Target Market Determination (“TMD”) is to describe the target market of Consumers for our MDA Service, and to address the DD Obligations that apply to TMDs.

If you are a retail client, you should refer to the relevant Product Disclosure Statement (PDS) and / or MDA Contract before deciding whether to acquire or continue to hold the relevant product. Amplus Global is able to provide you with copies of relevant disclosure documentation, pending your suitability.

## Issued Financial Products

Amplus Global is authorised to operate an MDA Service to retail clients. Despite the MDA Service being subject to additional obligations, pursuant to *ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968* (“the Instrument”), including the requirement that an extensive suitability test is conducted prior to the provision of such services, an MDA Service is still a MIS, and it is with this in mind that Amplus Global has issued this TMD.

## Our Target Market

The target market includes the following classes of Consumers:

### Consumers who satisfy each of the following criteria:

- Consumers above the age of 18.
- Consumers who have the requisite knowledge for the purposes of participating in MDA Services.
- Consumers who have the requisite knowledge of the underlying products that comprise the MDA Service.
- Consumers who have at least medium investment risk appetites on a holistic level.
- Consumers who have not borrowed funds to participate in the MDA Service.
- Consumers with a medium to long term investment horizon.

### For those Consumers who satisfy the above criteria

Those Consumers who satisfy the above criteria and wish to trade MDA Services for investment purposes, including for one or more of the following purposes:

- Capital growth;
- Diversification; and
- Gaining exposure to price movements of the underlying assets,

are in the target market for Amplus Global's MDA Service.

## Target market – criteria, scope and key attributes

A Consumer may intend to hold a product or managed account as part of a diversified portfolio. In such circumstances, the product or managed account 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 conservative portfolio with a small allocation to growth assets. In this case, it may be likely that a product or managed account 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 a product (including its key attributes).

Further details regarding Amplus Global's target market for operating an MDA Service are set out below.

Criteria	Scope and key attributes
<b>Consumer type</b>	<p>Retail clients.</p> <p>This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors.</p>
<b>Knowledge and experience</b>	<p>Consumers are required to have a requisite level of knowledge in regard to the relevant financial products. Due to the nature of the investment offering, prior experience in the relevant financial products is not an important consideration.</p> <p>Amplus Global undertakes its own suitability assessment on each applicant prior to opening an account and distributing the products to the Consumer.</p>
<b>Ability to bear losses</b>	<p>Consumers who have the financial resources or the ability to sustain high levels of losses.</p> <p>The product is suitable to a Consumer with a balanced risk profile. On a scale of increasing risk profiles ranging from conservative to aggressive that the product considers, this product is suitable for Consumers who are in the &gt;40% to ≤60% section of that scale.</p> <p>In the product, growth assets have a higher weightage than defensive assets, with some probability of capital loss over the medium term.</p>
<b>Tolerance to risk</b>	<p>The product is suitable for Consumers with a balanced investment risk appetite tolerance.</p> <p>This product is likely to be appropriate for a Consumer seeking both capital growth and capital preservation in the long term in a balanced manner.</p>
<b>Consumer's investment objective</b>	<p>The product comprises of a diversified set of asset classes such as Australian equity, global equity, bonds and natural resources such as gold. The product may also comprise asset classes representing additional investing strategies such as Australian high dividend equity. Each asset class is represented by one or more Exchange Traded Funds ("ETFs") or other Exchange Traded Products ("ETPs").</p> <p>The product has &gt;61% to ≤75% weighting to growth assets and the rest in defensive assets. This product is constructed for Consumers who opt for</p>

both capital growth and capital preservation in the long term in a balanced manner.

The product focusses more on total return than on income. That said, there will be some income for the Consumer.

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<b>Consumer's investment timeframe</b>	The product focusses on long-term investment timeframe. That said, the product is suitable for Consumers with a medium to long-term investment timeframe. The minimum suggested investment timeframe is 5 years.
<b>Consumer's intended product use</b>	<p>The product is likely appropriate for Consumers as a standalone solution, core component of their investments or satellite component of their investments.</p> <p>The product aims for a pretty good level of diversification. Hence this product is suitable for all percentages of investible assets of the Consumer.</p>
<b>Consumer's need to withdraw money</b>	The product is very liquid as it invests most of the deposits in ETFs having high liquidity and other ETPs having high liquidity. The rest of the deposited amount is available as cash in the cash account.
<b>Consumer needs</b>	<p>Amplus Global MDA Services and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those Consumers who:</p> <ol style="list-style-type: none"><li>1. Have a medium to long term investment horizon;</li><li>2. Wish to:<ol style="list-style-type: none"><li>a) Participate in MDA Services, primarily for capital growth or diversification purposes, or</li><li>b) To gain exposure to price movements of the relevant underlying assets;</li></ol></li><li>3. Have at least medium investment risk tolerance on a holistic level; and</li><li>4. Have the financial resources or the ability to sustain high levels of losses.</li></ol> <p>The Amplus Global MDA Service is designed to be suitable only for Consumers with the likely objectives, financial situation and needs described above.</p> <p>Consumers who meet all of the requirements (1, 2(a) or 2(b), 3 and 4), as set out in the above bullet points are likely to be in the target market for our MDA Service.</p> <p>Consumers who do not meet all of the requirements (1, 2(a) or 2(b), 3 and 4), as set out above, are potentially in the target market for our MDA Service, but may not be.</p> <p>Consumers who do not satisfy both 3 and 4 above, are unlikely to be in the target market for the MDA Service.</p>

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Amplus Global's products are not compatible with the needs of Consumers who:

- Are seeking highly volatile and speculative returns.
- Are not seeking capital protection or stability.
- Are extremely risk-adverse.

- Are seeking regular or otherwise predictable returns on their investments;
- Cannot afford to bear losses;
- Are vulnerable Consumers as described below.

Consumers who fall into any of the categories set out immediately above, are not in the target market for MDA Services.

## Consumers for whom an MDA Service is unsuitable

An MDA Service is generally unsuitable for the following classes of Consumers:

- Consumers below the age of 18.
- Consumers who are in financial hardship or going through bankruptcy.
- Consumers who do not have the requisite knowledge for the purposes of participating in an MDA Service.
- Consumers who are extremely risk-adverse.
- Consumers who do not have the ability and willingness to sustain high levels of losses.
- Consumers who have low levels of literacy or numeracy, financial literacy and technological literacy.
- Consumers who wish to trade using cash that they would rely on for living expenses of up to three months.
- Consumers whose investments with us form a substantial part of their overall wealth if those Consumers do not have sufficient income.
- Vulnerable Consumers, including Consumers who are vulnerable for any of the following reasons:
  - Suffering from elder or financial abuse;
  - Job loss with no sufficient liquid assets to meet short-term living expenses;
  - Suffering from mental or other forms of serious illness affecting capacity;
  - Suffering from any form of addiction; or
  - Any other personal or financial circumstances causing significant detriment.

Consumers who fall into any of the above categories are not in the target market for MDA Services.

## Distribution conditions

Amplus Global's MDA Services are distributed by:

- Amplus Global; and
- Various third parties are also involved in the distribution of our financial products, including QuietGrowth Pty Ltd (ACN 602 754 692) – Authorised Representative number 1233619 (“QuietGrowth”) and various introducing brokers and referrers (“the Distributors”).

Amplus Global will take reasonable steps to ensure that both it and any Distributors, distribute the financial product to the identified target market.

To ensure that the distribution strategy is consistent with the identified target market, Amplus Global has several processes in place to ensure that the Consumers who are potential clients fall within the identified target market. Amplus Global has instituted a process by which all new customers are required to complete an onboarding questionnaire to determine their suitability for MDA Services as well as for the applicable investment portfolio. The process is administered by QuietGrowth – the MDA Manager of the QuietGrowth MDA Portfolio 3/5.

The questionnaire assesses an applicant's investment risk tolerance by requiring the applicant to disclose certain characteristics – for example, their financial resources, their employment status and other relevant considerations.

Where necessary, applicable representatives of the licensee will contact the applicant to discuss their responses to ensure they satisfy the target market criteria for onboarding. Once Amplus Global has verified that a potential client falls within the identified target market, they will be issued with an MDA Contract which forms the basis of onboarding them as a client. If the applicant does not fall within the parameters of the identified target market, then they will not be offered the opportunity to become a client.

The applicant is required to read and sign the Statement of Advice and MDA Contract to ensure that they have the requisite knowledge and understanding of MDA Services.

Amplus Global will also take reasonable steps to ensure that its marketing strategy and the marketing strategy of Distributors is targeting potential clients who fall within the identified target market. No Distributor may release marketing materials without obtaining Amplus Global's prior written consent.

Amplus Global requires any Distributor to provide all marketing material to the Compliance Department for review. The Compliance Department will ensure that the material:

- Includes any regulatory requirements (for example, relevant disclaimers).
- Is not false, misleading or deceptive in any way.
- Is consistent with Amplus Global's Target Market Determination – that is, to ensure that the material does not contain elements which may attract potential clients outside of the intended target market.

## **Monitoring and reviewing the TMD**

### **Periodic reviews**

Amplus Global will perform periodic reviews of this TMD.

The first review of this TMD will occur on 28 February 2025.

Subsequent reviews of the TMD will occur on each anniversary of the first review date.

### **Review triggers – Additional Reviews**

Amplus Global will also review the TMD where the following review triggers occur:

- Where there are significant dealings in Amplus Global's MDA Services, which are not consistent with the target market or this TMD. This trigger occurs where significant distribution is occurring outside the target market and does not refer to any one particular dealing.
- Where a Distributor has reported a significant number of complaints or noted relevant complaint trends.
- Where Amplus Global has received a significant number of complaints or noted relevant complaints trends.
- Where Amplus Global has detected significant issues with the distribution of its MDA Services through its monitoring of daily activities, or the monitoring and supervision of its Distributors.

## **Distributors – Information Collecting and Reporting Requirements**

As part of the process of monitoring and reviewing the TMD to determine whether it is still appropriate, each Distributor must provide the following to Amplus Global on a quarterly basis, within ten (10)

business days of the end of each quarter – 31 March, 30 June, 30 September and 31 December, each year:

- Complaints data – information about the complaints received.
- Consumer feedback (including regarding performance of the product).
- Requests for information that the Distributor has received from Consumers.
- Percentage of sales to Consumers who are not in the target market.

Amplus Global reserves the right to amend this TMD at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance, or for any reason we consider as a proper reason to amend the TMD.