

## Target Market Determination – Funds Management

### Legal disclaimer

This Target Market Determination (**TMD**) sets out the class of consumers for whom units in the PIMCO Capital Securities Fund, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information.

This document is **not** a product disclosure statement and does not take into account any person's individual objectives, financial situation or needs.

### Target Market Summary

**This product is likely to be appropriate for a consumer seeking maximum total returns, capital preservation, and quarterly income, which can be used where the consumer has a suggested investment timeframe of 5 to 7 years, a medium risk/return profile and needs daily access to capital.**

### Fund and Issuer identifiers

<b>Issuer</b>	PIMCO Australia Management Limited
<b>Issuer ABN</b>	37 611 709 507
<b>Issuer AFSL</b>	487505
<b>Fund</b>	<b>PIMCO Capital Securities Fund</b>
<b>ARSN</b>	607 181 868
<b>APIR Code</b>	ETL0445AU
<b>Date of TMD</b>	1 August 2022

## Description of Target Market – TMD key indicators

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding: One or more red ratings or three or more amber ratings for a Consumer Attribute indicates that a consumer is unlikely to be in the Target Market.

In target market	Potentially in target market	Not considered in target market
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### Investment products and diversification

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, 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 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 a product (including its key attributes).

Consumer Attributes	TMD Indicator	Product description including key attributes
<b>Consumer's investment objective</b>	<b>TMD Indicator</b>	<b>Product description including key attributes</b>
<b>Capital Growth</b> The consumer seeks to invest in a product designed to generate income and 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.		The Fund is suitable for a client that is looking to achieve maximum total return while also preserving capital, through prudent investment management. The Fund seeks to provide a regular income stream by way of quarterly distributions.
<b>Capital Preservation</b> 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.		Accordingly, the Fund aims to offer maximum total returns, capital preservation, and regular income. Investment in the Fund does not, however, guarantee a profit or protect against loss.
<b>Capital Guaranteed</b> 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, conditions and risks that are associated with such products.		
<b>Income Generation</b> The consumer seeks to invest in a product designed to generate material, 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).		
<b>Consumer's intended product use (% of Investable Assets)</b>	<b>TMD Indicator</b>	<b>Product description including key attributes</b>
Solution/Standalone (75-100%)		Investors should have a diversified portfolio, with exposure to different funds or other assets, and different asset classes, in order to reduce overall investment risk. This fund is not intended to be used as a standalone product.
Core Component (25-75%)		
Satellite/small allocation (<25%)		
<b>Consumer's investment timeframe</b>	<b>TMD Indicator</b>	<b>Product description including key attributes</b>
Short ( $\leq 2$ years)		The Fund is suitable for a client that is looking to invest in a fund with a minimum suggested timeframe for investment of 5 to 7 years, but may be suitable for investment for shorter timeframes.
Medium ( $\leq 6$ years)		
Long ( $> 6$ years)		
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	<b>TMD Indicator</b>	<b>Product description including key attributes</b>
<b>Very high</b>		The Fund is suitable for a client that is looking to invest in a fund with a medium level risk of loss of investment over one year. It is suitable for a client with a high returns profile.
<b>High</b>		
<b>Medium.</b>		
<b>Low</b>		
<b>Consumer's need to withdraw money</b>	<b>TMD Indicator</b>	<b>Product description including key attributes</b>
Daily		

Weekly		PIMCO will generally allow investors in the Fund to access their investment within 7 business days of receipt of a withdrawal request, as provided under the Fund's constitution.
Monthly		
Quarterly		
Annually or longer		
Applications for withdrawal are processed daily.		
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.		

## 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 described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

## Distribution conditions/restrictions

Distribution Conditions
The PIMCO Capital Securities Fund does not have any conditions or restrictions on its distribution.

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 or unexpectedly high number of complaints (as defined in section 994A(1) of the <i>Corporation Act 2001</i> (Cth) ( <b>Act</b> )) 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	1 year and 3 months

Subsequent review	3 years and 3 months
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Distributors must report to PIMCO Australia Management Limited via the IRESS BC Gateways Solution, or, if a distributor is unable to report via IRESS, then via email, to [DDO@au.pimco.com](mailto:DDO@au.pimco.com). This email address is also the contact for PIMCO Australia Management Limited for any matters relating to this TMD

<b>Distributor reporting requirements</b>		
<b>Reporting requirement</b>	<b>Reporting period</b>	<b>Which distributors this requirement applies to</b>
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.	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 other than execution-only brokers

<b>Significant Dealings</b>
<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. 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"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• 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).</li> </ul> <p>In each case, the distributor should have regard to:</p>

- 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 or amber ratings attributed to the consumer).
- Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period.