

Macquarie International Infrastructure Securities Fund (Unhedged)

Target Market Determination - 29 October 2021 (Version 1.1)

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Issuer: Macquarie Investment Management Australia Limited

ABN 55 092 552 611 AFSL No. 238321

Important note

This Target Market Determination (TMD) sets out the target market for the Fund, along with the distribution conditions, the review triggers and certain other information. It forms part of Macquarie Investment Management Australia Limited's design and distribution framework.

This document is not a product disclosure statement and is not a summary of the Fund's features or terms. This document does not take into account the investment objectives, financial situation or needs of any person. In deciding whether to acquire or continue to hold an investment in the Fund, a consumer should consider the Fund's product disclosure statement, available on our website at macquarieim.com/pds or by contacting us on 1800 814 523. This information is intended for recipients in Australia only.

Important terms used in this TMD are defined in the 'TMD Definitions' available at macquarieim.com/TMD. Capitalised terms have the meaning given to them in the Fund's product disclosure statement, unless otherwise defined. References to **the Act** are to the Corporations Act 2001 (Cth).

Other than Macquarie Bank Limited (MBL), none of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

TARGET MARKET SUMMARY

The Fund is designed for consumers who:

- are seeking capital growth and regular income
- are intending to use the Fund as a satellite within a portfolio
- have a medium to long-term investment timeframe
- have a high or very high risk/return profile, and
- require the ability to have daily access to capital.

In certain limited circumstances described in the 'Description of Fund including key attributes' column in the table below, the Fund is designed for consumers who:

- are seeking capital preservation, and
- are intending to use the Fund as a core component within a portfolio.

TMD indicator key

The consumer attributes for which the Fund is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market

Potentially in target market

Not considered in target market

Investment products and diversification

Some consumers 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 appropriateness of the product should be assessed in relation to the relevant portion of the portfolio, rather than in relation to the consumer's portfolio as a whole. For example, a consumer may wish to construct a conservative portfolio with a 'satellite'/small allocation to growth assets. In this case, a product with a high or very high risk/return profile may be consistent with the consumer's objectives for that allocation, notwithstanding that the overall risk/return profile of the consumer is low or medium. In making this assessment, distributors should consider all features of a product (including its key attributes) and the size of any proposed allocation to the product (as a proportion of the consumer's overall portfolio).

DESCRIPTION OF TARGET MARKET OF FUND

This part is required under section 994B(5)(b) of the Act.

Consumer attributes Please refer to macquarieim.com/TMD for definitions.	TMD indicator for Fund	Description of Fund including key attributes				
Consumer's investment objective						
Capital growth	In target market	<p>The Fund aims to outperform the S&P Global Infrastructure Index (Net Total Return \$A) over the medium to long term (before fees). It aims to provide a return comprising both income and capital growth.</p> <p>The Fund provides exposure to a diversified portfolio of global infrastructure securities which are listed, or expected to be listed, and are issued by entities that have as their primary focus (in terms of income and/or assets) the management, ownership and/or operation of infrastructure and utilities assets.</p>				
Capital preservation	Potentially in target market	<p>We will generally seek to distribute any net income on a quarterly basis.</p> <p>The Fund has the following key attributes:</p> <ul style="list-style-type: none"> Provides exposure to a systematic fundamentals-based approach to identify long-term potential value in infrastructure companies which will enable the Fund to provide an attractive return over the medium to long term. 				
Capital guaranteed	Not considered in target market	<ul style="list-style-type: none"> Attractive characteristics of infrastructure assets generally help support resilient earnings. Demand for the essential products or services provided by infrastructure can potentially be more stable and less sensitive to changes, and often have revenue streams linked to inflation. 				
Income distribution	In target market	<ul style="list-style-type: none"> Potential to be defensive relative to global equities given the Fund's investment criteria. However, there is no guarantee that the Fund will be able to preserve capital in the future. The Fund is a global listed infrastructure fund and therefore, although it has the potential to be defensive relative to global equities, the Fund may still experience large falls in value, including over short time periods. 				
Consumer's intended Fund use (as percentage of assets available for investment excluding family home)						
Solution/Standalone (75% to 100%) Intends to hold investment as either a part or the majority (up to 100%) of total investable assets	Not considered in target market	<p>The Fund provides exposure to a diversified portfolio of global infrastructure securities which are listed, or expected to be listed, and are issued by entities that have as their primary focus (in terms of income and/or assets) the management, ownership and/or operation of infrastructure and utilities assets.</p> <p>Asset allocation¹</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">Infrastructure securities</td> <td style="border-left: 1px solid black; padding-left: 10px;">90% – 100%</td> </tr> <tr> <td>Cash²</td> <td style="border-left: 1px solid black; padding-left: 10px;">0% – 10%</td> </tr> </table>	Infrastructure securities	90% – 100%	Cash ²	0% – 10%
Infrastructure securities	90% – 100%					
Cash ²	0% – 10%					
Core component (25% to 75%) Intends to hold investment as a major part (up to 75%) of total investable assets	Potentially in target market	<p>¹ The above ranges are indicative only. The Fund will be rebalanced within a reasonable period of time should the exposure move outside these ranges.</p> <p>² The Fund is expected to be fully invested. A portion of the portfolio may be allocated to cash for liquidity purposes.</p> <p>As the Fund provides exposure to global listed infrastructure securities, its portfolio diversification has been assessed as 'High'. Please refer to macquarieim.com/TMD for definitions.</p>				
Satellite (Less than 25%) Intends to hold investment as a smaller part (up to 25%) of total investable assets	In target market	<p>The Fund may be used as a core component of total investable assets by consumers with a high risk/return profile. It is generally not intended for use as a core component by consumers with a low to moderate risk/return profile. The percentage of total investable assets that may be invested in the Fund will depend on each consumer's risk tolerance. However, unless a consumer has a high risk/return profile, it is generally not intended to be used by consumers for investment at the high end of the core component percentage band.</p>				
Consumer's investment timeframe						
Short (Less than or equal to two years)	Not considered in target market	Suggested minimum investment timeframe for Fund: Five years				
Medium (More than two years and less than or equal to eight years)	In target market					

Long (More than eight years)	In target market	
Consumer's risk (ability to bear loss) and return profile		
Standard Risk Measure (SRM) The measure is based on industry guidance and is not a complete assessment of all forms of investment risk. Please refer to the Section 4 of the Fund's product disclosure statement for more information on the risks of an investment in the Fund.	1 Very low	2 Low
	3 Low to medium	4 Medium
	5 Medium to high	6 High
	7 Very high	
Low	Not considered in target market	The Fund aims to outperform the S&P Global Infrastructure Index (Net Total Return \$A) over the medium to long term (before fees). It aims to provide a return comprising both income and capital growth. As the Fund is estimated to experience up to 6 negative annual returns over any given 20-year period, it has been assigned an SRM of 6 or high.
Medium	Not considered in target market	
High	In target market	As such, the Fund is designed for consumers who: <ul style="list-style-type: none"> are seeking a financial product that is higher risk in nature, and can accept higher potential losses in order to target a higher return profile.
Very high	In target market	

Consumer's need to withdraw money		
Daily	In target market	Consumers can generally request to redeem all or part of their investment in the Fund by 12.00pm Sydney time on a Business Day.
Weekly	In target market	However, in some circumstances, such as where there is a suspension of redemptions, consumers may not be able to redeem their investment within the usual period. For example, we may be required to suspend redemptions from the Fund (including indefinitely) where the Fund is no longer 'liquid', as defined in the Corporations Act. While the Fund is not liquid, we may, at our discretion, offer consumers the ability to redeem (wholly or partly) from the Fund but only if there are assets available that are able to be converted to cash to meet redemptions under the offer. Consumers should read the Product Disclosure Statement for the Fund for further information on the potential for non-acceptance or delay of redemptions or a delay between receipt of a redemption request and payment of redemption proceeds.
Monthly	In target market	
Quarterly	In target market	
Annually or longer	In target market	

APPROPRIATENESS		
Note: This section is expected under RG 274.64–66		
The issuer has assessed the Fund and formed the view that the Fund is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above. Among other things, the attributes of the Fund in the 'Description of Fund including key attributes' column of the table above are consistent with the corresponding consumer attributes identified with a green rating (in the 'TMD indicator for Fund' column) or, in the limited circumstances described in the 'Description of Fund including key attributes' column, with an amber rating (in the 'TMD indicator for Fund' column).		

DISTRIBUTION CONDITIONS/RESTRICTIONS	
This part is required under section 994B(5)(c) of the Act.	
Channel	Distribution condition
Platform providers	Only available for distribution through a platform if the platform provider has an arrangement with the issuer governing their relationship with the issuer.
Advisers	Only available for distribution with the assistance of a dealer group and/or an adviser if the dealer group and/or adviser is registered with the issuer and has satisfied themselves that the Fund, or a portfolio that the Fund would form part of, is suitable for the consumer.
Issuer	Only available for direct distribution if the application includes the results of the consumer's use of the issuer's website filtering system.

APPROPRIATENESS	
Note: This section is expected under RG 274.96 and RG 274.100	
The issuer has assessed the distribution conditions, in the context of the distribution channels, and formed the view that the conditions are likely to guide the distribution of interests in the Fund towards the class of consumers for whom the Fund has been designed and that it is therefore likely that consumers who acquire interests in the Fund will be within the target market.	

REVIEW TRIGGERS

This part is required under section 994B(5)(d) of the Act.

<ul style="list-style-type: none">Material change made to the Fund's key attributes, investment objective and/or fees	<ul style="list-style-type: none">Material deviation from the Fund's benchmark/objective over sustained period
<ul style="list-style-type: none">Fund's key attributes have not performed as disclosed by a material degree and for a material period	<ul style="list-style-type: none">Issuer determines a significant dealing in the Fund outside of the target market has occurred
<ul style="list-style-type: none">Issuer receives a material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the Fund or its distribution	<ul style="list-style-type: none">Use of Product Intervention Powers, regulator orders or directions that affect the Fund

MANDATORY REVIEW PERIODS

This part is required under section 994B(5)(e) and (f) of the Act.

Review period	Maximum period for review
Initial review	Twelve months from date of issue
Subsequent review	Annually

DISTRIBUTOR REPORTING REQUIREMENTS

This part is required under section 994B(5)(g) and (h) of the Act.

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the Fund's design, availability or distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within ten business days following end of calendar quarter	All distributors
Details of any significant dealing in the Fund outside of the target market (where a significant inconsistent dealing is determined in the same way as for section 994F(6) of the Act). Please refer to macquarieim.com/TMD for further detail.	As soon as practicable but no later than ten business days after distributor becomes aware of the significant dealing outside of the target market	All distributors
To the extent a distributor is aware, dealings in the Fund (whether or not significant) outside of the target market, including reason why dealing was outside of the target market.	Within ten business days following end of calendar quarter	All distributors
Any information the issuer reasonably requires in order to assess the distributor's arrangements for compliance with Part 7.8A of the Act and/or to identify promptly whether a review trigger or other similar event or circumstance has occurred.	Within ten business days after distributor receives notice of the required information	All distributors

Distributors must report required information to Macquarie Investment Management Australia Limited by email to MAMDDO@macquarie.com.

For more information, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarieim.com/TMD.