

# Pathways 85

Target Market Determination  
30 September 2024

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement (**PDS**) and is **not** a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for the product before making a decision whether to buy this product.

Important terms used in this TMD are defined in the *TMD Definitions* which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained from [northonline.com.au/iaccess](http://northonline.com.au/iaccess).

## Target Market Summary

This product is intended for a consumer who is seeking capital growth and potentially some income distributions. It has a high risk/return profile and is intended for use up to a standalone solution of an investment portfolio.

It is likely to be consistent with the financial situation and needs of a consumer with a minimum investment timeframe of 7 years and who is unlikely to need to withdraw their money on less than one week's notice.

## Fund and Issuer Identifiers

<b>Issuer</b>	ipac Asset Management Limited (IAML)	<b>Registered fund name</b>	Pathways 85
<b>Issuer ABN</b>	22 003 257 225	<b>ARSN</b>	105 021 912
<b>Issuer AFSL</b>	234655	<b>APIR Code</b>	IPA0048AU Pathways 85
<b>Fund Manager</b>	National Mutual Funds Management Ltd (AMP Investments)	<b>TMD contact details</b>	DDO_investments@amp.com.au
<b>TMD issue date</b>	30 September 2024	<b>TMD Version</b>	5
<b>Distribution status of the Fund</b>	Available		

## Description of Target Market

### TMD indicator key

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:

In Target Market	See Issuer Instructions	Not in Target Market
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### Instructions

In the tables below, Column 1, Consumer attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in Column 1 is likely to be in the target market for this product.

Where a TMD indicator has been assessed as **AMBER** (ie See Issuer Instructions), the distributor should refer to the further information provided in the product description, to determine the suitability for the consumer, based on their objectives, financial situation and needs.

### 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 the features of this product in the 'Product description including key attributes' sections are likely to be suitable for consumers with the attributes identified with a green TMD Indicator against the relevant consumer attributes.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of *minor allocation*). 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 balanced or moderate portfolio with a *minor allocation* to growth assets. In this case, a product with a *High* risk/return profile may be consistent with the consumer's objectives for that *minor allocation* notwithstanding that the risk/return profile of the consumer as a whole is *Medium*. In making this assessment, Distributors should consider all features of a product (including its key attributes).

The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the FSC website ([fsc.org.au/resources/target-market-determination-templates](https://www.fsc.org.au/resources/target-market-determination-templates)).

Consumer attributes	TMD indicator	Product description including key attributes
<b>Consumer's investment objective</b>		
Capital Growth	In Target Market	The Fund aims to provide moderate to high growth in your investment over the long term, with larger fluctuations in value likely. Diversification of asset types and investment managers helps to manage risk.
Capital Preservation	Not in Target Market	
Income Distribution	See Issuer Instructions	
<b>Consumer's intended product use (% of Investable Assets)</b>		
Solution/Standalone (up to 100%)	In Target Market	The Fund invests in a diversified mix of primarily growth assets and some defensive, with a 'growth' risk profile.
Major allocation (up to 75%)	In Target Market	
Core component (up to 50%)	In Target Market	
Minor allocation (up to 25%)	In Target Market	
Satellite allocation (up to 10%)	In Target Market	

Consumer attributes	TMD indicator	Product description including key attributes
<b>Consumer's investment timeframe</b>		
Minimum investment timeframe	7 years	The suggested minimum investment timeframe is 7 years.
<b>Consumer's risk (ability to bear loss) and return profile</b>		
Low	<b>Not in Target Market</b>	The Fund has a risk band of 6. High. The Fund's risk band and risk label are based on an estimation that the number of negative annual returns over any 20-year period would be within the range of 4 to less than 6. Information about the methodology used for calculating the risk level can be obtained by contacting us. This summary is not a complete description of the risks of investing in the Fund.
Medium	<b>Not in Target Market</b>	
High	<b>In Target Market</b>	
Very high	<b>In Target Market</b>	
Extremely high	<b>Not in Target Market</b>	
<b>Consumer's need to access capital</b>		
Within one week of request	<b>In Target Market</b>	Withdrawals are allowed daily. Withdrawals are normally processed within 5 business days. The constitution allows for payments to be made within 30 calendar days.
Within one month of request	<b>In Target Market</b>	
Within 3 months of request	<b>In Target Market</b>	
Within one year of request	<b>In Target Market</b>	
Within 5 years of request	<b>In Target Market</b>	
Within 10 years of request	<b>In Target Market</b>	

## Distribution conditions or restrictions

Distribution condition	Distribution condition rationale
Distribution through approved investment platforms only.	<p>Under DDO, investment platforms:</p> <ul style="list-style-type: none"> <li>– must take reasonable steps to ensure that their distribution activities will, or are reasonably likely to, result in the product distribution conduct being consistent with this TMD, and</li> <li>– are required to comply with distributor reporting requirements (set out below).</li> </ul> <p>IAML will monitor complaints and significant dealings in order to assess the effectiveness of the product distribution.</p>

## 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 Act) about the product or distribution of the product.

The use of Product Intervention Powers, regulator orders or directions that affects the product.

## Mandatory TMD review periods

Review period	Maximum period for review
Initial review	15 months
Subsequent review	36 months

## Distributor reporting requirements

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable, but no later than 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under s994F(6) of the Act. See <i>TMD Definitions</i> for further detail.	As soon as practicable, but no later than 10 business days after the distributor becomes aware of the significant dealing.	All distributors

*If practicable, Distributors should adopt the FSC data standards for reports to the Issuer. Distributors must report to the Issuer via a bilaterally agreed protocol or intermediary or via email - [DDO\\_investments@amp.com.au](mailto:DDO_investments@amp.com.au). This email address should also be used to contact the Issuer regarding any details relating to this TMD.*

## TMD Definitions

Term	Definition
<b>Consumer's investment objective</b>	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. 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 designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income Distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total <i>investable assets</i> (see definition below). The consumer is likely to seek a product with <i>very high</i> portfolio diversification (see definition below).
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> (see definition below). The consumer is likely to seek a product with at least <i>high</i> portfolio diversification (see definition below).
Core component (up to 50%)	The consumer may hold the investment as up to 50% of their total <i>investable assets</i> (see definition below). The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification (see definition below).
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total <i>investable assets</i> (see definition below). The consumer is likely to seek a product with at least <i>low</i> portfolio diversification (see definition below).
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of their total <i>investable assets</i> (see definition below). The consumer may seek a product with <i>very low</i> portfolio diversification (see definition below). Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
<b>Portfolio diversification (for completing the key product attribute section of the consumer's intended product use)</b> <b>Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.</b>	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (eg gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors <u>and</u> geographic markets with limited correlation to each other.

Term	Definition
<b>Consumer's intended investment timeframe</b>	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.

### Consumer's Risk (ability to bear loss) and Return profile

This TMD starts with the Standard Risk Measure (**SRM**) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the **Standard Risk Measure Guidance Paper For Trustees** (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.

A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.

Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>– has a conservative or low risk appetite</li> <li>– seeks to minimise volatility and potential losses (eg has the ability to bear up to 1 negative return over a 20-year period (SRM 1 to 2)), and</li> <li>– is comfortable with a low target return profile.</li> </ul> <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>– has a moderate or medium risk appetite</li> <li>– seeks low volatility and potential losses (eg has the ability to bear up to 4 negative returns over a 20-year period (SRM 3 to 5)), and</li> <li>– is comfortable with a moderate target return profile.</li> </ul> <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>– has a high risk appetite</li> <li>– can accept high volatility and potential losses (eg has the ability to bear up to 6 negative returns over a 20-year period (SRM 5 or 6)), and</li> <li>– seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>– has a very high risk appetite</li> <li>– can accept very high volatility and potential losses (eg has the ability to bear 6 to 7 negative returns over a 20-year period (SRM 6 or 7)), and</li> <li>– seeks to maximise returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>– has an extremely high risk appetite</li> <li>– can accept significant volatility and losses, and</li> <li>– seeks to obtain accelerated returns (potentially in a short timeframe).</li> </ul> <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

### Consumer's need to access capital

Consumer's need to access capital	This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (eg ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.
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Term	Definition
<b>Distributor Reporting</b>	
Significant dealings	<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.</p> <p>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> <ul style="list-style-type: none"> <li>– the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes),</li> <li>– 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</li> <li>– the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer).</li> </ul> <p>Objectively, a Distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>– it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the quarter,</li> <li>– the consumer's intended product use is <i>solution/standalone</i>, or</li> <li>– the consumer's intended product use is <i>core component</i> or higher and the consumer's risk/return profile is <i>low</i>, or</li> <li>– the relevant product has a green rating for consumers seeking <i>extremely high risk/return</i>.</li> </ul>

## Important Information

While every care has been taken in the preparation of this document, ipac Asset Management Limited (IAML) ABN 22 003 257 225, AFSL 234655 makes no representations or warranties as to the accuracy or completeness of any statement in it. IAML is the Responsible Entity and Issuer of units in the Pathways 85.

This document has been prepared for the purpose of providing general information only and does not take into account any particular investor's objectives, financial situation or needs. Before making an investment decision, an investor should consider the appropriateness of the information in this document, and seek professional financial advice, having regard to their objectives, financial situation and needs.

This document is solely for the use of the party to whom it is provided.

## Contacting the Responsible Entity and NMFM

For information about investing with the Responsible Entity, please contact us.

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