

Target Market Determination – Funds Management

Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the product, 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. It forms part of the Issuer's design and distribution arrangements for the product.

This document is **not** a product disclosure statement and is **not** a 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 Product Disclosure Statement (**PDS**) for the Fund 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 at <https://centuria.com.au/diversified-property-fund/request-a-pds/> or by contacting the Issuer on +61 2 8923 8923 or at contactus@centuria.com.au.

Target Market Summary

This product is likely to be appropriate for a consumer seeking Capital Growth and Income Distribution to be used as a Satellite / small allocation or a core component not exceeding 50% allocation within a portfolio where the consumer has a Long investment timeframe, Medium risk/return profile and needs limited access to capital.

Fund and Issuer identifiers

Issuer	Centuria Property Funds Limited & Primewest Management Limited
Issuer ABN	11 086 553 639 & 63 091 415 833
Issuer AFSL	231 149 & 250963

Fund	Centuria Diversified Property Fund (a stapled fund that will comprise the Centuria Diversified Property Fund and the Primewest Property Income Fund)
ARSN	Centuria Direct Property Fund 611 510 699 and Primewest Property Income Fund 645 597 404
APIR Code	CNT0032AU and PWG8492AU
Date TMD approved	11 March 2022
TMD Version	1.0
<i>TMD Status</i>	Current

Description of Target Market

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

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	Potentially in target market	Not considered 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.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

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 (A description of the likely objectives, financial situation and needs of the class of consumers in the target market)	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	Green	<ul style="list-style-type: none"> • Investors seeking to achieve one or more of the following investment objectives: <ul style="list-style-type: none"> ➢ Regular Income; ➢ Some Tax Deferred Income; and ➢ Some Capital Growth. • The Fund aims to provide Investors with stable income returns and the potential for capital growth, by investing in a diversified property portfolio. It is intended that a proportion of income distributions will be tax-deferred for Australian tax residents. • While an investment in the Fund could experience capital loss and is higher risk and more volatile than cash or fixed income securities, the Fund is expected to exhibit lower volatility than listed equities or listed REITs in a market downturn.
Capital Preservation	Amber	
Capital Guaranteed	Red	
Income Distribution	Green	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Red	<ul style="list-style-type: none"> • Investors seeking to invest in the Fund as part of a portfolio of investments on the understanding that the Fund provides access to a diversified range of commercial property. Investors seeking to hold units in the Fund as part of a broader portfolio. • The Fund is permitted to gain exposure to the commercial property asset class in Australia and seeks to maintain a diversified portfolio in this asset class by direct investment in real property and indirectly via investment in unlisted property funds and A-REITs. Therefore, the Fund's portfolio diversification is Low to Medium (see diversification definitions on page 9 below). • Whilst the investment objective of the Fund may align with an investor's overall portfolio objectives, it does not come without capital and income risks. In extreme circumstances this may result in significant capital loss, and suspension of income. Investors also have restricted access to their invested capital.
Core Component (25-75%*)	Amber	
Satellite/small allocation (<25%)	Green	

		<ul style="list-style-type: none"> Investors should seek to further spread this risk across an appropriate portfolio of investments. <p><i>*Where the Fund is to form a core component of a portfolio it should generally not exceed 50% of the investor's Investable Assets.</i></p>
Consumer's investment timeframe		
Short (≤ 2 years)	Red	<ul style="list-style-type: none"> Investors seeking to invest in the Fund for the Long term. The Fund has rolling five-year investment terms, with a liquidity event at the end of each term.
Medium (> 2 years)	Red	
Long (> 5 years)	Green	
Consumer's Risk (ability to bear loss) and Return profile		
Low	Red	<ul style="list-style-type: none"> Investors who are comfortable tolerating Medium Risk*. Whilst the Fund's objective is to provide regular income distributions (with a proportion being tax deferred) and some capital growth, this does come with some risk. Specific risks relevant to an investor's risk and return: <ul style="list-style-type: none"> The value of an investment may fall if the value of Fund's assets falls. The Fund may borrow up to 50% of the gross value of the Fund (on a look-through basis). The Fund may not make regular distributions, or at all, as the income available for distribution is dependent on a variety of risks associated with an investment in property (such as risks that the tenants may default on the terms of their leases). It is expected the Fund may experience an estimated 2 to less than 3 negative returns over a 20 year period (SRM 3). <p>*See Risk Appetite Definitions.</p>
Medium	Green	
High	Green	
Very High	Green	
Consumer's need to withdraw money		
Daily	Red	<ul style="list-style-type: none"> Investors being comfortable with investments of the Fund having low liquidity. The Fund offers a limited quarterly withdrawal facility which is expected to be satisfied from the Fund's cash or cash-like products. Off-Market Transfer is allowed.
Weekly	Red	
Monthly	Red	
Quarterly	Amber	

Annually or longer	Green	<ul style="list-style-type: none"> The Fund is invested primarily in direct real property. While there are well established markets it can take time to realise an investment which can impact on the liquidity of an investment in the Fund. The amount available for withdrawal on a quarterly basis will be subject to available liquidity and capped at 10% p.a. of the Fund's NAV (2.5% of the Fund's NAV per quarter). However, the Issuer may in its discretion increase the amount available in a given quarter.
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Appropriateness

Note: This section is required under RG 274.64–66 and RG 274.100.

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.

Requirement s 994B(8)	Explanation
<i>Target market and Product</i> RG 274.68(c)	<p>The Issuer considers that the Fund, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of investors in the target market on the basis of:</p> <ul style="list-style-type: none"> the relationship between the key attributes of the Fund and the target market as set out in this TMD the terms of issue of units in the Fund the investment mandate of the Fund the investment capability of the manager of the Fund the Issuer's assessment of the risks and benefits of the Fund the Issuer's assessment of the likely investor outcomes of the Fund based on: <ul style="list-style-type: none"> the historical performance of the Fund in a variety of market conditions internal modelling of Fund performance based on assets held analysis of performance data in respect of the Issuer's products that are comparable to the Fund, and and the assessment of the risk profile of the Fund based on investment structure and strategy
<i>Target market and distribution conditions and restrictions</i>	<p>The Issuer considers that the distribution conditions will make it more likely that the investors who acquire units in the Fund are in the target market on the basis of:</p>

Requirement s 994B(8)	Explanation
RG 274.100	<ul style="list-style-type: none"> • The requirement for investors who apply direct (i.e. no adviser and not via IDPS or platform) to be asked filtering questions relevant to the TMD prior to applying. • The Issuer’s Distributor’s DDO Handbook provides information to distributors about the Issuer’s expectations and requirements in relation to the distribution of the Fund. • Where distribution agreements are in place, the restrictions imposed by, and level of supervision required under, the terms of the distribution agreements entered into by the Issuer and the distributors of the Fund. • The distributors’ past performance in relation to the distribution of financial products, about which the Issuer is aware. • Any other relevant information about a distributor, about which the Issuer is aware.

Distribution conditions/restrictions

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

Distribution channel	Distribution condition and rationale
Direct	<ul style="list-style-type: none"> • Direct investors who are wholesale or sophisticated investors can invest in this product. • Retail investors are asked to complete an online application form, including filtering questions relating to the TMD.
Platform/Wrap—Specific	<ul style="list-style-type: none"> • Where a distribution agreement is in place relevant distribution conditions will be agreed that best fit the platform’s systems and procedures.
Platform/Wrap—General	<ul style="list-style-type: none"> • Additional steps are not required for advised clients beyond consideration of the issuer’s TMD by the adviser. • Where the client is not advised the platform provider should consider a process where the client completes basic filtering questions relating to the TMD. Centuria has prepared filtering questions which are available by email request from ddo@centuria.com.au. However, if the platform provider can’t accommodate a process with custom filtering questions please contact us to consider any specific distribution conditions that may be designed to suit the systems and capabilities of the platform.
Adviser	<ul style="list-style-type: none"> • Investor to confirm through online application, that they are financially advised.

Distribution channel	Distribution condition and rationale
	<ul style="list-style-type: none"> Financial advisers to provide details of their AFS licence and confirm that they have reviewed and considered the TMD in providing personal advice to the investor.
Other authorised representatives	<ul style="list-style-type: none"> Proper authority verified. All other requirements of wholesale, retail and advised investors applies, with proper authority to action on behalf of the investor.

Review triggers
This part is required under section 994B(5)(d) of the Act.
Where the Issuer considers that there has been a material change to the investment strategy, Fund description (including its key attributes), risk profile or liquidity profile of the Fund or taxation consequences for investors in the Fund.
Where the Issuer considers that the Fund has underperformed relative to its benchmark or investment objective to a material degree for two consecutive financial years.
A significant number, or an unexpectedly high number, of complaints about the Fund or its distribution.
Where the Issuer is unable to provide liquidity for all investors wishing to redeem their investment within 12 months of a liquidity event.
A significant dealing in this Fund in relation to retail clients that is inconsistent with this TMD.
Material changes to the fees or other costs of the Fund that may affect the return of the Fund.
Any inquiry, surveillance, direction, notice, investigation or enforceable instrument by or from ASIC about or relating to the Fund's features, target market or distribution strategy.

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	By 5 October 2022.
Subsequent review	At least once every year since the date of the last review of the TMD (for whatever reason).

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 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. See Definitions for further detail.	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 end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the Issuer. Distributors must report to the Issuer using the method specified at <https://centuria.com.au/ddo>. This link also provides contact details relating to this TMD for the Issuer.

