

Target Market Determination

**Betashares Australian Cash Plus Fund
(managed fund)**

ASX: MMKT

Legal disclaimer

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 at www.betashares.com.au or by calling 1300 487 577.

Target market summary

This product is intended for use up to a major allocation to cash and money market instruments as part of a broader portfolio for a consumer who is seeking capital preservation and income and has a low risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a short or long investment timeframe, and who needs to withdraw their money on less than one week's notice.

The Fund is an exchange-traded product and is generally only available to consumers through the ASX.

Fund and issuer identifiers

| | |
|-----------------------------|---|
| Issuer | Betashares Capital Limited |
| Issuer ABN | 78 139 566 868 |
| Issuer AFSL | 341181 |
| Fund manager | Betashares Capital Limited |
| Fund name | Betashares Australian Cash Plus Fund (managed fund) |
| ARSN | 657 340 791 |
| APIR code | N/A |
| ISIN code | AU0000268849 |
| Market identifier code | XASX |
| Product exchange code | ASX: MMKT |
| TMD contact details | DDO.Reporting@betashares.com.au |
| TMD issue date | 16 November 2023 |
| TMD version | 1 |
| Distribution status of fund | A |

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 Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

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/green rating methodology with appropriate colour coding:

| | |
|------------------|----------------------|
| In Target Market | Not in Target Market |
|------------------|----------------------|

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.

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 diversified 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.

| Consumer attributes | TMD indicator | Product description including key attributes |
|--|----------------------|---|
| Consumer's investment objective | | |
| Capital Growth | Not in target market | The Fund aims to provide a yield, before taking into account fees and expenses, in excess of the Bloomberg Aus-Bond Bank Bill Index (the "Benchmark") from a portfolio comprising cash and money market instruments, whilst seeking to preserve invested capital and provide ready liquidity. |
| Capital Preservation | In target market | As cash and money market instruments are defensive assets with low risk of capital loss, the Fund is likely to be suitable for investors who are seeking capital preservation. |
| Income Distribution | In target market | The Fund intends to pay income distributions on a monthly basis and is likely to be suitable for investors who are seeking regular income. |

Investment products and diversification

| Consumer attributes | TMD indicator | Product description including key attributes |
|--|---------------------------------|--|
| Consumer’s intended product use (% of Investable Assets) | | |
| Solution/Standalone (up to 100%) | Not in target market | <p>The Fund may be used as a major, core, minor or satellite allocation, to cash and money market instruments as part of a broader portfolio.</p> <p>The Fund itself has medium portfolio diversification.</p> |
| 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’s investment timeframe | | |
| Minimum investment timeframe | No minimum investment timeframe | <p>No minimum investment timeframe is suggested.</p> <p>The Fund’s exposure to money market securities means it may be considered for use across all investment timeframes. Investors who wish to hold relatively large allocations to the Fund for long time periods should take into account that they can expect to receive low returns relative to other asset classes with higher risk-return profiles. Very short-term investors should consider the impact on returns of any brokerage costs and the bid ask spread that they incur when buying and selling units on the ASX.</p> |

Investment products and diversification

| Consumer attributes | TMD indicator | Product description including key attributes |
|---|----------------------|--|
| Consumer’s risk (ability to bear loss) and return profile | | |
| Low | In target market | An investment in the Fund is low risk in nature (SRM 1). In particular, for the relevant part of the consumer’s portfolio, the consumer: <ul style="list-style-type: none">• has a conservative or low risk appetite,• seeks to minimise volatility potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and• is comfortable with a low target return profile. |
| Medium | Not in target market | |
| High | Not in target market | |
| Very High | Not in target market | |
| Extremely High | Not in target market | |
| Consumer’s need to access capital | | |
| Within one week of request | In target market | As the Fund is exchange traded, under ordinary circumstances investors are able to buy and sell units in the Fund during ASX trading hours according to a T+2 settlement cycle. |
| Within one month of request | In target market | |
| Within three months of request | In target market | Though market making arrangements are in place to assist in maintaining liquidity for the Fund’s units, market making may not be available in certain circumstances, e.g. due to operational or market disruptions. In such circumstances, investors may temporarily be subject to increased bid-offer spreads for units or be unable able to buy and sell units in the Fund. |
| Within one year of request | In target market | |
| Within five years of request | In target market | |
| Within 10 years of request | In target market | Units in the Fund may be suspended from trading in exceptional circumstances, e.g. if the responsible entity suspends the issue or withdrawal of units in accordance with the Fund constitution, acting in the best interests of investors. |
| Ten years or more | In target market | |

Distribution conditions/restrictions

| Distribution condition | Distribution condition rationale | Distributors this condition applies to |
|---------------------------------------|----------------------------------|--|
| There are no distribution conditions. | Not Applicable | All distributors |

| 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. |

Distribution conditions/restrictions

| Mandatory TMD review periods | |
|------------------------------|---------------------------|
| Review period | Maximum period for review |
| Initial review | 1 years and 3 months |
| Subsequent review | 1 years and 3 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 section 994F(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 |

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to Betashares by sending reports by email to DDO. Reporting@betashares.com.au or as otherwise agreed.

Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

| Term | Definition |
|---|---|
| Consumer's investment objective | |
| 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). |
| Consumer's intended product use (% of Investable Assets) | |
| Solution/Standalone (up to 100%) | The consumer may hold the investment as up to 100% of their total investable assets. The consumer is likely to seek a product with at least very high portfolio diversification. |
| Major allocation (up to 75%) | The consumer may hold the investment as up to 75% of their total investable assets. The consumer is likely to seek a product with at least high portfolio diversification. |
| Core component (up to 50%) | The consumer may hold the investment as up to 50% of their total investable assets. The consumer is likely to seek a product with at least medium portfolio diversification. |
| Minor allocation (up to 25%) | The consumer may hold the investment as up to 25% of their total investable assets. The consumer is likely to seek a product with at least low portfolio diversification. |
| Satellite (up to 10%) | The consumer may hold the investment as up to 10% of the total investable assets. The consumer may seek a product with very low portfolio diversification. Products classified as extremely high risk are likely to meet this category only. |
| Investable Assets | Those assets that the investor has available for investment, excluding the residential home. |

Definitions

| Term | Definition |
|--|---|
| Portfolio diversification (for completing the key product attribute section of consumer's intended product use) | |
| Note: exposures to cash and cash-like instruments may sit outside the diversification framework below. | |
| 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 (e.g. 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 and geographic markets with limited correlation to each other. |
| Consumer's intended investment timeframe | |
| 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 | |
| <p>This TMD uses 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.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p> | |
| Low | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a conservative or low risk appetite, • seeks to minimise volatility potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and • is comfortable with a low target return profile. <p>The consumer typically prefers stable, defensive assets (such as cash).</p> |

Definitions

| Term | Definition |
|--|--|
| Consumer's Risk (ability to bear loss) and Return profile | |
| Medium | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <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"> • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). <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"> • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), • seeks to maximise returns (typically over a medium or long timeframe). <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"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <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> |

Definitions

| Term | Definition |
|--|---|
| Consumer's need to access capital | |
| | <p>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 (e.g. 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.</p> |
| Distributor reporting | |
| 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"> • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or • 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). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • 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 ratings attributed to the consumer). <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"> • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting quarter, • the consumer's intended product use is solution / standalone, • the consumer's intended product use is core component or higher and the consumer's risk and return profile is low, or • the relevant product has a green rating for consumers seeking extremely high risk/return. |

Important notice

The information contained in this document is general information only and does not constitute personal financial advice. It does not take into account any person's financial objectives, situation or needs. The information is not a recommendation to make any investment or adopt any investment strategy. Investments in any Betashares Fund are subject to investment risk and investors may not get back the full amount originally invested. Any person wishing to invest in a Betashares Fund should obtain a copy of the relevant PDS from www.betashares.com.au and obtain financial advice in light of their individual circumstances. To the extent permitted by law Betashares accepts no liability for any loss from reliance on this information.

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