

TARGET MARKET DETERMINATION EQUITY INCOME FUND – COMPLEX ETF

INTRODUCTION

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 Investors Mutual Equity Income Fund - Complex ETF (the Fund) 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 is available at iml.com.au/invest/documents-forms-and-brochures.

TARGET MARKET SUMMARY

This product is intended for use as a core component, or minor or satellite allocation of a consumer's portfolio and is not intended to be held as a stand-alone investment asset. It is also intended for a consumer who is seeking exposure to a Fund with lower volatility than the Australian market and capital growth with income. While this product is considered a medium to high-risk investment, this product is suitable for consumers with a risk and return profile which is high to very high-risk for the portion of their investment portfolio which holds this product. This product is likely to be consistent with the financial situation and needs of a consumer with an investment timeframe of 4 to 5 years and who are comfortable to receive proceeds of a withdrawal request in accordance with the terms of the ASX CHESS settlement service.

FUND AND ISSUER IDENTIFIERS

Fund	Investors Mutual Equity Income Fund - Complex ETF
ARSN	107 095 438
ISIN Code	AU0000406407
TMD Version	1.0
TMD contact details	1300 551 132 DDO@iml.com.au
Issuer	Investors Mutual Limited
Issuer AFSL	229988
Issuer ABN	14 078 030 752
APIR code	IML3046AU
Market identifier	EQIN
TMD issue date	22 August 2025
Distribution Status	Available

TMD INDICATOR KEY

■ In target market ■ Not considered in target market

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red and green rating methodology.

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.

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.

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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 (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 is 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).

CONSUMER ATTRIBUTES	TMD Indicators	PRODUCT DESCRIPTION INCLUDING KEY ATTRIBUTES
CONSUMER’S INVESTMENT OBJECTIVE		
Capital Growth	■	The Fund’s dual objectives are to provide a dividend yield (after fees and expenses and before taxes) which exceeds a yield of 2% above that of the S&P/ASX 300 Accumulation Index on a rolling four year basis, whilst maintaining lower levels of volatility relative to the S&P/ASX 300 Accumulation index. The Fund aims to provide regular income, including tax effective income, and some capital growth.
Capital Preservation	■	
Income Distribution	■	
CONSUMER’S INTENDED PRODUCT USE (% OF INVESTABLE ASSETS)		
Solution/Standalone (up to 100%)	■	The Fund’s benchmark is the S&P/ASX 300 Accumulation Index. The main investments of the Fund may include a combination of: - securities listed on the ASX. This may include companies with operations outside Australia (including dual listed securities) that are listed on the ASX; - cash (and cash equivalents such as other investment grade interest-bearing securities); - listed derivatives (bought and sold options); and - hybrid securities listed on the ASX. The Fund has Medium portfolio diversification, and is intended for use as a core component, or minor or satellite allocation of a consumer’s investible assets when seeking exposure to a Fund with lower volatility than the Australian market and is not intended to be held as a stand-alone investment asset.
Major allocation (up to 75%)	■	
Core Component (up to 50%)	■	
Minor allocation (up to 25%)	■	
Satellite allocation (up to 10%)	■	
CONSUMER’S INVESTMENT TIMEFRAME		
Minimum investment timeframe: 1 – 3 years	■	The Fund has a minimum investment horizon of four to five years.
Minimum investment timeframe: 4 – 5 years	■	
Minimum investment timeframe: 6 or more years	■	
CONSUMER’S RISK (ABILITY TO BEAR LOSS) AND RETURN PROFILE		
Low	■	This Fund is considered to be a medium to high-risk investment and is suitable for consumers with a High to Very High risk and return profile. A consumer’s desired product return profile would generally take into account the Fund’s investment return objective and the impact of fees, costs and taxes. The Fund aims to outperform the S&P/ASX 300 Accumulation Index over the longer term.
Medium	■	
High	■	
Very high	■	
Extremely high	■	
CONSUMER’S NEED TO ACCESS CAPITAL		
Within one week of request	■	Investors can withdraw from the Fund by selling Units on the ASX via their share trading platform or stockbroker. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the ASX CHESS settlement service.
Within one month of request	■	
Within three months of request	■	
Within one year or more of request	■	

DISTRIBUTION CONDITIONS

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

DISTRIBUTION CONDITIONS	Distribution Condition Rationale
Issuer: Direct Distribution by the Issuer is not possible. Only available for distribution on-market through the ASX.	Issuer provides a PDS in relation to offering this product, and ensures that the PDS is up to date. However, distribution is only available on-market through the ASX in all instances. Internal training will assist Issuer with assessment of the suitability of the Fund for a consumer in its preparation of disclosure documents including the PDS. Review and approval processes are in place to help ensure marketing and promotions of the Fund are not targeted at consumers outside the TMD.
Brokers: This product is only available for distribution on-market through the ASX. Consumers may obtain assistance of a broker if the broker had satisfied themselves that the Fund is suitable for the consumer.	N/A

REVIEW TRIGGERS

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

Review of internal procedures for assessing and testing adequacy of distribution arrangements and conditions.
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 and assessed in the Issuer's internal policies) about the product or distribution of the product.
The use of Product Intervention Powers, regulator orders or directions that affects the product (including consideration as to whether the Fund needs to be discontinued due to significant consumer harms).

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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	1 year
Subsequent review	1 year and 6 months

DISTRIBUTOR REPORTING REQUIREMENTS

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

Reporting requirement	Reporting period
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
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.
To the extent a distributor is aware, dealings outside the target market, including reason why dealing is outside of target market, and whether dealing occurred under personal advice.	Within 10 business days following end of calendar quarter.

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to Investors Mutual Limited (IML) by emailing password protected reports to DDO@iml.com.au, or providing access to a secure portal where IML can download the required reports. If you have any queries about the reporting requirements, please contact IML (details below).

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TARGET MARKET DETERMINATION DEFINITIONS



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 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 (see definition below). The consumer is likely to seek a product with Very High portfolio diversification (see definition below).
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total investable assets (see definition below). The consumer is likely to seek a product at least High portfolio diversification (see definitions below)
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total investable assets (see definition below). The consumer is likely to seek a product with at least Medium portfolio diversification (see definitions below).
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total investable assets (see definition below). The consumer is likely to seek a product with at least Low portfolio diversification (see definitions below).
Satellite (up to 10%)	The consumer may hold the investment as up to 10% of the total investable assets (see definition below). The consumer may seek a product with Very Low portfolio diversification (see definition below). 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.
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.
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CONSUMER'S RISK (ABILITY TO BEAR LOSS) AND RETURN PROFILE

Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the [Standard Risk Measure Guidance Paper For Trustees](#). 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. Issuers may wish to supplement the SRM methodology by also considering 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 Fund's investment return objective and the impact of fees, costs and taxes.

Low	For the relevant part of the consumer's portfolio, the consumer: • has a conservative or low risk appetite, • seeks to minimise volatility and 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. The consumer typically prefers stable, defensive assets (such as cash).
Medium	For the relevant part of the consumer's portfolio, the consumer: • 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. The consumer typically prefers defensive assets (for example, fixed income).
High	For the relevant part of the consumer's portfolio, the consumer: • 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) or underperformance over the term of the Fund), and • seeks high returns (typically over a medium or long timeframe). The consumer typically prefers growth assets (for example, shares and property).
Very high	For the relevant part of the consumer's portfolio, the consumer: • 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)), and • seeks to maximise returns (typically over a medium or long timeframe). The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).

Extremely high

For the relevant part of the consumer's portfolio, the consumer:

- has an extremely high risk appetite,
- can accept significant volatility and losses, and
- seeks to obtain accelerated returns (potentially in a short timeframe).

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).

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 (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.

DISTRIBUTOR REPORTING

Significant dealings

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.

Dealings outside this TMD may be significant because:

- 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).

In each case, the distributor should have regard to:

- 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).

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,
- the consumer's intended product use is Solution / Standalone, or
- the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is Low, or
- the relevant product has a green rating for consumers seeking extremely high risk/return.