

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 **Neuberger Berman Australia Ltd'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 Document for **Neuberger Berman Global Sustainable Equity Fund** before making a decision whether to buy this product.

Target Market Summary

This product is likely to be appropriate for a consumer seeking high capital growth to be used as a small allocation (<25% of total investable assets) within a portfolio where the consumer has a minimum 5 year investment timeframe, high risk/return profile (e.g. has the ability to bear up to 6 negative returns over a 20 year period) and is comfortable with a high target return profile, and needs daily access to capital.

Fund and Issuer identifiers

Issuer	Neuberger Berman Australia Ltd
Issuer ABN	90 146 033 801
Issuer AFSL	391401
Fund	Neuberger Berman Global Sustainable Equity Fund – W Class
ARSN	641 099 738
APIR Code	NBA2220AU
ISIN Code	AU60NBA22200
Market Identifier Code	N/A
Product Exchange code	N/A
Date TMD approved	6 Oct 2021
TMD Version	1
TMD Status	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 customer 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.

Definitions of terms are in the attachment.

Consumer Attributes [A description of the likely objectives, financial situation and needs of the class of consumers in the target market]	TMD Indicator for product	Product description including key attributes [A description of the product, including its key attributes, i.e., product terms, features and attributes that affect the TMD]
Consumer's investment objective	TMD Indicator for product	Product description including key attributes
Capital Growth		The Fund aims to achieve a minimum excess annualised return (before fees) of 2% over the MSCI World Net Total Return Index (AUD) (before fees and expenses) over a 3-5 year investment horizon.
Capital Preservation		
Capital Guaranteed		
Regular Income		

Consumer's intended product use	TMD Indicator for product	Product description including key attributes
Solution/Standalone (75-100%)		<p>The Fund adheres to the following asset allocation ranges:</p> <ul style="list-style-type: none"> • Equities: 90 – 100% • Cash: 0 – 10% <p>The Fund is exposed to global equities through an investment approach that is diversified across industries, countries, and regions.</p>
Core Component (25-75%)		
Satellite/small allocation (<25%)		
Consumer's investment timeframe	TMD Indicator for product	Product description including key attributes
Short (≤ 2 years)		The minimum suggested investment time frame for the Fund is 5 years.
Medium (≤ 6 years)		
Long (> 6 years)		
Consumer's Risk (ability to bear loss) and Return profile	TMD Indicator for product	Product description including key attributes
Very high		<p>Given the Fund's asset allocation of up to 100% in growth assets, it would indicate that the Fund may be suitable for an investor seeking long-term capital growth, preferring to invest predominantly in growth assets, and who is willing to accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period).</p>
High		
Medium		
Low		
Consumer's need to withdraw money	TMD Indicator for product	Product description including key attributes
Daily		<p>The Fund offers daily liquidity, with a minimum withdrawal amount of \$1,000. A withdrawal request will generally be processed within 7 days of it being accepted by transferring the withdrawal proceeds to the consumer's nominated bank account. However, in certain circumstances, as outlined in the Fund's Constitution and Reference Guide, it may take up to 21 days (or longer) after acceptance to process a withdrawal request.</p>
Weekly		
Monthly		
Quarterly		
Annually or longer		

Appropriateness

Note: This section is required under RG 274.64–66

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 below, as the attributes 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.

Distribution conditions/restrictions

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

Distribution Channel	Permitted	Distribution Conditions
Direct (non-intermediated) retail – i.e. issued direct to customer	Yes	None
Suitable for distribution through all distributors	Yes	None
Suitable for distribution to consumers who have not received personal advice	Yes	None

Review triggers
This part is required under section 994B(5)(d) of the Act.
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 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, 3 months
Subsequent review	3 years, 3 months

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
Report on each acquisition that is outside of target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice. Report to issuer using FSC data standard for acquisitions outside target market.	Within 10 business days following end of calendar quarter	All distributors
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. Report to issuer using FSC data standard for DDO complaints.	Within 10 business days following end of calendar quarter	All distributors
Significant dealing outside of target market, under s994F(6) of the Act. Report to issuer using FSC data standard for significant dealings.	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 Neuberger Berman Australia Ltd. Distributors must report to Neuberger Berman Australia Ltd using the method specified on this website: <https://www.nb.com/en/au/ddo>. This link also provides contact details relating to this TMD for Neuberger Berman Australia Ltd.

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Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth.
Regular Income	The consumer seeks to invest in a product designed to generate regular investor income. The consumer prefers income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below).
Investable Assets	Those assets that the investor has available for investment, excluding the family home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Very low	Single asset class, single country, low holdings of securities - e.g. high conviction Aussie Equities.
Low	Single Asset Class, Single Country, Moderate number of holdings, e.g. Aussie Equities Fund.
Medium	1-2 Asset Classes, Single Country, Broad exposure within asset class, e.g. Aussie Equities All Ords.
Medium High	Greater diversification across either asset classes or countries, e.g. global equities or Australian multi-asset.
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or Global Equities extending beyond benchmark.
Very high	Diversified across asset classes AND across countries e.g. global multi-asset product.

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

Issuers should undertake a comprehensive risk assessment for each product. The FSC strongly 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 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, 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.

Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Medium	<p>The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income..</p>
Low	<p>The consumer is conservative or low risk in nature, seeks to minimise 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> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>

Consumer’s need to withdraw money

Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor’s requirement to access capital. 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 completing this section.

Daily/Weekly/Monthly/Quarterly/Annually or longer	<p>The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.</p>
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