

Target Market Determination



Fulcrum Diversified Absolute Return Fund

APIR ETL0424AU

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 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 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 by contacting us on 1300 721 637 or on our website at www.fidante.com.au.

Target Market Summary

The Fund invests in a diversified portfolio of equities, fixed income, commodities, alternatives and cash. This product is likely to be appropriate for a consumer seeking capital growth and some capital preservation and to be used as a satellite to minor component of their portfolio where the consumer has a medium to long investment timeframe and a medium to high risk/return profile.

Fund and Issuer Identifiers

Issuer	Fidante Partners Limited
Issuer ABN	94002835592
Issuer AFSL	234668
Fund Manager	Fulcrum Asset Management LLP
TMD Contact Details	customeripp@challenger.com.au
Fund Name	Fulcrum Diversified Absolute Return Fund
ARSN	604830353
APIR Code	ETL0424AU
ISIN Code	N/A
Market Identifier Code	N/A
Product Exchange Code	N/A
TMD Issue Date	18/05/2026
TMD Version	1
*Distribution status of fund	A

*A = Available ; C = Ceased Distribution

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 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.

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 Financial Services Council (**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		The Fund aims to achieve long-term absolute returns in all market conditions over a rolling five-year period, with lower volatility than equity markets and in excess of the Reserve Bank of Australia (RBA) cash rate.
Capital preservation		
Income distribution		
		This is not an income-focused fund and it is not expected that there will be income or capital to distribute to investors in the foreseeable future.
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)		While the Fund is highly diversified across asset classes, its use of derivatives, implicit leverage and broad asset allocation flexibility may result in higher return volatility.
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	5 to 7 years	The suggested minimum investment timeframe for the Fund is at least 5 to 7 years.
Consumer's Risk (ability to bear loss) and Return profile		
Low		The Standard Risk Measure for the Fund is Risk Band 5. Please refer to the Fund's PDS for full details on the risks associated with this Fund.
Medium		
High		
Very high		
Extremely high		

Consumer's need to access capital		
Within one week of request		The Product permits daily redemptions under normal circumstances and the Issuer is typically able to meet redemption requests within seven business days under normal circumstances.
Within one month of request		
Within three months of request		
Within one year of request		
Within 5 years of request		
Within 10 years of request		
10 years or more		
At issuer discretion		N/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 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.

Distribution conditions/restrictions

Distribution Channel	Distribution Condition	Distribution Condition Rationale
Wholesale Investors	Distribution to consumers who are: - Classified as Australian Wholesale Clients, or - Able to meet the minimum investment amount, or - Indirect investors of an investor directed portfolio service, a master trust, wrap account or similar arrangement.	Direct distribution of the Fund is restricted to wholesale clients, as defined in the section 761G of the Corporations Act. The Fund is classified as an RG240 hedge fund and has complex features.
Platform / Wrap and Adviser	Distribution under personal advice only, unless investment is a reinvestment, a regular investment plan, auto-rebalancing, or otherwise is a result of standing instructions.	Due to the nature of the product we consider this Product should only be available to those receiving personal advice unless investment is a reinvestment, a regular investment plan, auto-rebalancing, or otherwise is a result of standing instructions.

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 that would reasonably suggest the TMD is no longer appropriate.
 - 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.
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Mandatory TMD review periods

Review period	Maximum period for review
Initial review	15 Months
Subsequent review	27 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 the Issuer using customeripp@challenger.com.au

Definitions

In some instances, examples have been provided below. These examples are indicative only and are 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 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.

Portfolio diversification (for completing the key product attribute section of consumer's intended product use)

Note: exposure 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

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. 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">• 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. <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">• 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)), and• 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>

Consumer's need to access capital

Definition	<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>
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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 and/or amber 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 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/return profile is low, or
 - the relevant product has a green rating for consumers seeking extremely high risk/return.
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