

# Target Market Determination

## Macquarie Investor Directed Portfolio Service (IDPS)

Issued by Macquarie Investment Management Limited (MIML)

ABN 66 002 867 003, AFSL 237492

Effective date: 25 November 2024

This Target Market Determination (TMD) describes the class of investor for which Macquarie's IDPS products have been designed (**Target Market**), conditions on the distribution of Macquarie's IDPS products (**Distribution Conditions**), the reporting requirements for distributors of Macquarie's IDPS products (**Distributor Reporting Requirements**) and when we will review this TMD (**Review of this Target Market Determination**). This document is not a complete summary of the product's terms and conditions or other disclosure documents. Further information about Macquarie's IDPS products can be found on the Macquarie website.

This TMD applies to the following products which are together referred to throughout this TMD as **Macquarie's IDPS products**:

- Investment Consolidator II (Engage and Elevate)
- Investment Manager II
- Macquarie Vision Macquarie Investment

Macquarie's IDPS products use a Macquarie Cash Management Account (CMA), which is available in various forms for the Macquarie IDPS products, as the central cash account for receiving and making payments related to the IDPS. The CMA has a separate TMD which is available at [www.macquarie.com.au/ddo](http://www.macquarie.com.au/ddo).

This TMD has been prepared for the purposes of section 994B of the *Corporations Act 2001* (Cth) only and without taking into account any particular person's objectives, financial situation or needs. Please read the relevant IDPS Guide available online at [www.macquarie.com.au/investing/macquarie-wrap](http://www.macquarie.com.au/investing/macquarie-wrap).

Note this TMD does not apply to the distribution of this product to an investor who is a 'wholesale client' for the purposes of Chapter 7 of the *Corporations Act 2001*.

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## Operation of this Target Market Determination

We have conducted an assessment and concluded that:

- The products (and each of their key features as set out) are likely to be consistent with the likely needs, objectives and financial situation of investors in the target market as disclosed in this document, and
- The distribution conditions have been designed with the purpose of appropriately directing the distribution of the products to the target market, such that most of the investors who acquire the products are likely in the target market.

Our application and assessment processes (including the collection of information from investors as part of the application process) help ensure that most investors who acquire the products are in the target market.

## Description of Target Market

Macquarie's IDPS products are a digital wrap service designed for investors who:

- want a wrap service including a cash management account, to manage, invest and provide consolidated reporting on the investments in their IDPS account
- want the flexibility to choose one or more of the investment options available on the applicable Macquarie Wrap investment menu
- have received advice from a financial adviser to apply for or acquire the product
- have online access to view and manage their account online
- expect to have at least \$10,000 to invest (or at least \$20,000 for Macquarie Vision Macquarie Investment)
- have one or more of the objectives or needs which are indicated by ticks, for the applicable product, in the table below, and
- do not have, in relation to the applicable product, any of the objectives or needs which are indicated by crosses, for the applicable product, in the table below.

Investor's investment needs*	Macquarie Investment Manager II	Macquarie Investment Consolidator II - Engage	Macquarie Investment Consolidator II - Elevate	Macquarie Vision Macquarie Investment
Central cash account	✓	✓	✓	✓
Term deposit options	✓	✓	✓	✓
Australian listed securities	✓	✗	✓	✓
International listed securities	✓	✗	✓	✓
Managed investments	✓	✗	✓	✓
Separately managed accounts	✓	✓ **	✓	✓
Domestic fixed income securities	✓	✗	✓	✓
Other investment options, including instalment warrants, investments restricted to wholesale clients and capital guaranteed options	✗	✗	✗	✗

\* Some of these investment options may be restricted to investors who are receiving personal advice.

\*\* Only select separately managed accounts from the investment menu are available in the Engage menu.

## Additional Product Features

### Administration Fee Structure

Administration fees apply to Macquarie's IDPS products. There are important differences between the structure of the administration fees for each of the Macquarie IDPS products:

- *Macquarie Investment Manager II* has a descending tiered Administration fee structure where the applicable rates are determined by the **value of each investment holding**. The rate for each investment holding is higher for smaller balances and lower for larger balances (more than \$50,000) in the investment holding. Accordingly, this administration fee structure may be more cost effective for investors who will or are likely to invest more than \$50,000 in **each** investment holding.
- *Macquarie Investment Consolidator II (Elevate)* and *Macquarie Vision Macquarie Investment* have a descending tiered Administration fee structure where the applicable rates are determined by the **balance across the entire portfolio**. The rate reduces as the balance of the entire portfolio increases and may be more cost effective for investors with a higher overall portfolio balance. *Macquarie Investment Consolidator II (Elevate)* also has an account keeping fee.
- *Macquarie Investment Consolidator II (Engage)* has a flat account keeping fee which applies regardless of the investment balance and may be a cost effective option for investors who do not want access to the extensive investment menu.

The above administration fee information is a summary only for the purposes of highlighting the different administration fee structures between the products. There are additional fees and costs which apply to each product that are set out in the applicable IDPS Guide. Of the Macquarie IDPS products, the most cost effective product for a particular investor will depend on that investor's individual circumstances and investment portfolio. Always refer to the applicable Macquarie IDPS Guide for full details on all of the fees and costs which apply.

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## Other Features

- **In-specie transfer of assets that an investor already owns**
  - **Transfers-in** – the ability to transfer assets into an IDPS account. The asset must be available on the applicable Macquarie Wrap Investment Menu at the time of the transfer, must be transferrable and all of the requested information and documentation must be provided. Some assets are not able to be transferred.
  - **Transfers-out** – The IDPS offers the ability to transfer assets out of an IDPS account. The asset must be transferrable. Some assets are not able to be transferred.
- **The ability to include other assets for reporting purposes only (and not for custodial purposes)** – The IDPS offers the ability to include an investor's other personal assets, which are not eligible investment options within the IDPS, for reporting purposes. These assets remain directly held by the investor.
- **The ability to use a margin lending account** – The IDPS offers the ability to use a margin lending account in conjunction with an investor's IDPS account. This feature is only available to investors who have applied, and have been approved, for a margin loan from an eligible margin lender.

## Distribution Conditions

### Distribution conditions for AFSLs other than MIML

The Macquarie IDPS products are designed to be distributed through Australian Financial Services Licensees (AFSLs) and their authorised representatives. Distribution of each Macquarie IDPS product by AFSLs (other than MIML) and their representatives is subject to the following conditions and restrictions:

- Only AFSLs or their representatives who are licensed to provide personal advice on the product to retail investors, and who are registered with Macquarie to distribute the product, may arrange for an eligible investor to apply for or acquire the product.
- An AFSL or their representative may arrange for an eligible investor to apply for or acquire one or more of the Macquarie IDPS products only where the AFSL or representative is implementing personal advice provided to the investor to acquire the product.
- An AFSL or their representative may only arrange for an eligible investor to apply for or acquire the product where the investor meets the eligibility criteria as specified in the applicable Macquarie IDPS Guide.
- Macquarie Vision Macquarie Investment is only available for distribution by representatives of Macquarie Equities Limited and Macquarie Bank Limited.
- General advice and any marketing or promotional materials or activities about the product must only be provided to, or made available through, channels associated with eligible investors who are typically receive, or are looking to receive, personal advice.

### Distribution conditions for MIML

Distribution of each Macquarie IDPS product by MIML and its representatives is subject to the following conditions and restrictions:

- Except where an investor already holds one or more Macquarie IDPS products, MIML will only issue a Macquarie IDPS product to an investor who has received personal advice to acquire the product.
- MIML will only issue Macquarie Vision Macquarie Investment to investors who are also investors of, and receive financial product advice from, Macquarie Equities Limited or its representatives and/or Macquarie Bank Limited or its representatives.

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## Distributor Reporting Requirements

Distributors of these products must provide Macquarie with the following information in writing:

### Complaints

Reporting obligation	As soon as practicable but, in any case, within 10 business days of the end of each reporting period.
Reporting period	Every quarter, ending on: <ul style="list-style-type: none"><li>• 31 March</li><li>• 30 June</li><li>• 30 September, and</li><li>• 31 December.</li></ul>
Required detail	The full details of any complaints received.
Reporting method	For details see <a href="http://www.macquarie.com.au/ddo">www.macquarie.com.au/ddo</a>

### Significant Dealings

Reporting obligation	As soon as practicable, but in any case, within 10 business days of becoming aware of the significant dealing.
Required detail	<ul style="list-style-type: none"><li>• The date on which or the date range over which the dealing occurred</li><li>• A description of the dealing (including details of the impacted account(s))</li><li>• An explanation of why the dealing is considered significant</li><li>• An explanation of why the dealing is considered to be inconsistent with the TMD</li><li>• How the dealing was identified (e.g., through monitoring, complaints etc), and</li><li>• Detail of what steps have been or will be taken in relation to the significant dealing.</li></ul>
Reporting method	For details see <a href="http://www.macquarie.com.au/ddo">www.macquarie.com.au/ddo</a>

### Additional Information

Reporting obligation	As soon as practicable but, in any case, within 10 business days of receiving a request from Macquarie.
Required detail	Such additional complaint related information (such as further information relating to the nature of complaints) that Macquarie requests from time to time.
Reporting method	As specified in any request from Macquarie.

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## Review of this Target Market Determination

This TMD will be reviewed as follows:

<b>Initial review</b>	Within 12 months of the effective date.
<b>Periodic review</b>	Within 12 months from the completion of the last TMD review.
<b>Review triggers</b>	<p>This TMD will be reviewed should any of the following events occur:</p> <ul style="list-style-type: none"><li>• A material increase in complaints received about the Macquarie IDPS product(s) issued by MIML</li><li>• MIML identifying a reportable breach of the Design and Distribution Obligations</li><li>• Implementation of a material product change that requires notification under section 1017B(1) of the <i>Corporations Act 2001</i>, except where a review of this TMD has already been completed in anticipation of that change</li><li>• Commencement of a change in law or other regulatory requirement materially affecting the product(s), except where a review of this TMD has already been completed in anticipation of that change</li><li>• The use of a regulatory order or direction (including the use by ASIC of its Product Intervention Powers) that expressly states or directly implies that this TMD is no longer appropriate, or</li><li>• MIML reporting a significant dealing in the product(s) to ASIC.</li></ul>

**Note:** The above review triggers are monitored through the collection of data relating to the product.