

# TruePillars Investment Trust

## Target Market Determination TruePillars Pooled Units

**ARSN: 611 843 317**

**Manager:**

TruePillars Pty Ltd  
ACN: 603 933 508  
AFSL Authorised Representative number: 1237905  
Level 1, 155 Queen Street  
Melbourne Vic 3000  
1300 320 288

22 November 2021

## TruePillars Investment Trust (Pooled Units) - Target Market Determination

This Target Market Determination ("TMD") is required under section 994B of the Corporations Act 2001 (Cth) ("the Act") and is a publicly available document which (i) describes the Investors that make up the target market for Cash Units and Pooled Units in the TruePillars Investment Trust ARSN 611 843 317 ("TPIT") and (ii) outlines some additional matters relevant to the distribution and review of Cash Units and Pooled Units in TPIT. It forms part of TruePillars RE Ltd's ACN 623 138 241 ("TruePillars") design and distribution arrangements for the TPIT.

This document is not a product disclosure statement and is not a summary of the TPIT features or terms of the TPIT. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring an interest in the TPIT should carefully read the Product Disclosure Statement ("PDS") and the supplementary PDS for Pooled Units ("SPDS") for the TPIT (available at [www.truepillars.com](http://www.truepillars.com)) and consider obtaining financial advice before making a decision whether to acquire an interest in the TPIT. This TMD should not be taken by a person to be a substitute for obtaining and considering the PDS or obtaining financial product advice that takes into account the person's objectives, financial situation and needs.

An investment in the TPIT is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any target returns, estimates and opinions in this material are made on a reasonable basis, actual future results and performance of the TPIT may differ materially from the target returns, estimates and opinions set out in this TMD. No guarantee as to the repayment of capital, the performance of the TPIT or any rate of return described in this TMD is made by TruePillars or any other person.

## Target Market Summary

This Product is likely to be appropriate for an Investor who:

- seeks exposure to a diversified pool of loans predominantly to Australian small and medium sized businesses
- desires regular income
- can tolerate fluctuations of income and the risk of capital loss within a portfolio
- is prepared not to have access to the amount invested for 30 days, 12 months and 3 years depending on the class of Pooled Units that they invest in.

There are various investment classes of Pooled Units within the TPIT with varying target investment returns and timeframes. Please refer to the PDS and SPDS for Pooled Units for details.

## Product Information/Description

<b>Issuer</b>	TruePillars RE Ltd (" <b>TruePillars</b> ") (ACN: 623 138 241; AFSL / ACL: 505578)
<b>Product</b>	TruePillars Investment Trust (" <b>TPIT</b> ") (ARSN: 611 843 317) - Cash Units and Pooled Units
<b>Investment Manager / Distributor</b>	TruePillars Pty Ltd ("TP P/L") (ACN: 603 933 508; AFSL Authorised Representative number: 1237905)
<b>Investment Class</b>	Cash Units and Pooled Units in the TPIT ("Pooled Units")
<b>Date TMD approved</b>	5 October 2021
<b>TMD Version</b>	22 November 2021
<b>TMD Status</b>	Current

### Description of target market

<b>Product Description</b>	<p>TPIT is part of an online platform that facilitates investment in underlying loans made by a range of different lenders selected by the Investment Manager. In particular, TPIT provides funding to primary lenders who in turn make loans to a range of different borrowers, including everyday consumers and businesses. TPIT provides Investors the opportunity to receive regular income by acquiring <b>Pooled Units</b> (a class of interest in TPIT that invests in a diversified pool of loans) and subscribing to one or more investment classes with different return and liquidity profiles.</p> <p>Investors in the TPIT are initially issued with <b>Cash Units</b>, which Investors can elect to convert (invest) into Pooled Units. Cash Units are not a stand-alone investment in their own right, but rather the mechanism by which Investors acquire and exit Pooled Units.<sup>1</sup> Cash Units carry no distributable entitlement and have no target return.</p>
<b>Investment objectives</b>	<p>An investment in Pooled Units (and Cash Units as a bridge in and out of Pooled Units) is likely to be suitable for Investors seeking the following:</p> <ul style="list-style-type: none"><li>• an investment manager to provide them exposure to a diversified pool of loans predominantly to Australian small and medium sized businesses</li><li>• desire regular income (although being prepared to risk a variability of return)</li><li>• low volatility of returns</li><li>• investments in secured and unsecured loans (and can thus bear the risk of loss of capital invested)</li><li>• investments in diversified loan portfolios</li><li>• ability to invest for an open-ended period of time, or a shorter period of time subject each classes' minimum investment term (but noting that you may not be able to access your capital at maturity)</li></ul>

<sup>1</sup> Application money is used to acquire Cash Units, which are then converted to Pooled Units. When you seek to exit your investment in Pooled Units they are converted into Cash Units before you can withdraw from the Fund.

<p><b>Product use</b></p>	<p>All Pooled Units have target investment parameters of:</p> <ul style="list-style-type: none"> <li>• Cash: 5%-10%</li> <li>• Secured loans: Up to 100%</li> <li>• Unsecured loans: Up to 20%</li> <li>• Equipment finance: Up to 100%</li> <li>• Invoice finance: Up to 40%</li> </ul> <p>As such, the Pooled Units are likely to be suitable for Investors who seek regular income, intend to hold the investment as a smaller part of their total portfolio, are prepared to risk a loss of capital and comfortable with exposure to a product with low portfolio diversification.</p>
<p><b>Investment timeframe and redemption frequency</b></p>	<p>There are classes of Pooled Units each with its own Investment Term and redemption policies.</p> <p>The <b>GO 30-day notice</b> unit class has both a minimum term and a minimum redemption notice period of 30 days. If no redemption request is made, the investment will remain in the GO unit class.</p> <p>The <b>FLOW 12-months</b> unit class has an Investment Term of 12 months. Redemption is permitted after 12 months with minimum 30-days' notice. If no redemption request is made, investment will automatically convert into GO 30-day notice class.</p> <p>The <b>POWER 36-month</b> unit class has an Investment Term of 36-months. Redemption is permitted after 36 months with minimum 30-days' notice. If no redemption request is made, investment will automatically convert into GO 30-day notice class.</p> <p>As such, Pooled Units are likely to be suitable for Investors who have:</p> <ul style="list-style-type: none"> <li>• appetite for an open-ended investment with a minimum redemption period of 30 days, or</li> <li>• 12 month or 36 month investment time frames.</li> </ul> <p>Redemptions will be generally be processed within 5-10 business days of each calendar month end for all redemption requests that have met the minimum redemption notice period. A fulfilled redemption request converts an Investor's Pooled Units into Cash Units equivalent to redemption value. However, it is not guaranteed that you will be able to withdraw from your investment in Pooled Units at the end of the relevant Investment Term and redemption request notice period if the TPIT becomes illiquid. Under the constitution for the TPIT, the Issuer has 365 days from receipt of a redemption request in which to acquire sufficient liquidity to allow for a redemption of your units.</p> <p>Early redemption may be permitted subject to Issuer discretion and willingness of other Investors to replace a redeeming Investor.</p>

<b>Risk (ability to bear loss) and return</b>	<p>The Pooled Units have three investment classes each with its own target return. Each target return is net of the impact of Underlying Borrower defaults and all fees and costs, excluding tax. The current target return for Pooled Units are:</p> <p><b>GO 30-day notice:</b> 4.35% p.a.</p> <p><b>FLOW 12-months:</b> 6.10% p.a.</p> <p><b>POWER 36-month:</b> 8.10% p.a.</p> <p>As each investment class of the Pooled Units has the same investment parameters, each class has the same or similar risks. Risks attaching to Pooled Units include that you may not receive the return you expected (each class has a target return and returns are not guaranteed) and you may lose some or all of your funds invested (capital invested is not guaranteed). You should only invest in Pooled Units if you can tolerate fluctuations of income and the risk of capital loss.</p>
<b>Appropriateness Statements 994B(8)</b>	<p>The Issuer considers that Pooled Units, including their key attributes, are likely to be consistent with the likely objectives, financial situation and needs of Investors in the target market on the basis of:</p> <ul style="list-style-type: none"> <li>• the relationship between the key attributes of the Pooled Units and the target market as set out in this TMD</li> <li>• the terms of issue of the Pooled Units</li> <li>• the investment mandate of TPIT</li> <li>• the investment capability of the Investment Manager</li> <li>• the Issuer’s assessment of the risks and benefits of the Product</li> </ul>
<b>Distribution conditions / restrictions</b>	
<b>Distribution channels</b>	<p>The Product may be distributed by the Investment Manager who may direct Investors to apply directly through the TruePillars website.</p>
<b>Conditions/restrictions</b>	<p>Investors in this Product must accept the offer in Australia and have read and accepted this TMD, the PDS and SPDS. Investors should also be aware that each investment class has varying minimum initial investment amounts, refer to the PDS and SPDS for details.</p> <p>There are no additional distribution conditions and restrictions other than those imposed by law.</p>
<b>Review triggers</b>	
<b>Periodic Review</b>	<p>TruePillars will complete its first Periodic Review of this TMD within 12 months of the Date the TMD is approved. It will conduct subsequent reviews within 12 months of completion of the last review. Based on the outcome of a Periodic Review, TruePillars may determine that a Material Issue has arisen.</p> <p>A material issue is an event or a circumstance which reasonably suggests to TruePillars that the TMD may no longer be appropriate.</p>
<b>Material Complaints</b>	<p>Receipt of a significant or an unexpectedly high number of complaints from Investors who have acquired this product regarding the product design, features, availability and any distribution condition that would reasonably suggest that this TMD is no longer appropriate.</p>
<b>Product Performance</b>	<p>TPIT has significantly and consistently failed to achieve stipulated target returns.</p>

<b>Distributor Feedback</b>	Reporting, or consistent feedback, from the Distributor on the target market which suggests that the TMD may no longer be appropriate.
<b>Substantial Product Change</b>	Material change to key product features, investment objectives, terms and conditions and/or fees that would reasonably suggest that this TMD is no longer appropriate.
<b>Significant Dealing</b>	We identify significant dealing(s) <sup>2</sup> outside of the TMD that would reasonably suggest that this TMD is no longer appropriate
<b>Notification from ASIC</b>	We receive a notification from ASIC raising serious concerns regarding the design or distribution of the TPIT.
<b>Distributor reporting requirements</b>	
<b>Complaints</b>	On a quarterly basis, the Distributor shall report the number, nature and outcomes of complaints received in relation to the product's design, features, availability, and distribution.
<b>Significant Dealing Outside Target Market</b>	The nature and circumstances of a significant dealing outside the target market shall be reported by the Distributor within 10 business days after becoming aware of the dealing.
<b>Distributor Feedback</b>	Information discovered or held by the Distributor that suggests that the TMD may no longer be appropriate shall be provided as soon as practicable, or in any event, within 10 business days after the end of each reporting period.
<b>Information Requested by Issuer</b>	Information reasonably requested by the Issuer must be provided by the Distributor by the date requested by the Issuer.

<sup>2</sup>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 or amber ratings attributed to the consumer).