

# TARGET MARKET DETERMINATION

ALIGNED CAPITAL PARTNERSHIP INVESTMENT TRUST



## INSTRUCTIONS

A Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (the Act) for financial products that can be sold to retail investors. Investment in Aligned Capital Partnership Investment Trust (ABN 52 704 511 804) (ACPIT) is available exclusively to “Wholesale Investors” that are Wholesale Clients within the meaning of the Act and who do not require the provisions of a product disclosure statement (PDS). Despite it not being a requirement for ACPIT, Aligned Capital Partnership Pty Ltd as Trustee for ACPIT (ABN 46 618 424 016) (the Trustee), the Trustee for ACPIT has opted to request Aligned Capital Partnership Management Pty Ltd as trustee for Aligned Capital Partnership Management Trust (ABN 94 988 060 172) (the Investment Manager) to prepare this TMD for the Trustee to issue.

The TMD describes the class of Wholesale Investors that comprises the target market for ACPIT and matters relevant to the distribution of ACPIT to potential Wholesale Investors.

A PDS is not required for ACPIT and this TMD is not a PDS, nor is it a complete summary of the features of ACPIT or terms of ACPIT. This document does not take into account any person’s individual objectives, financial situation or needs. Persons interested in investing in the ACPIT should carefully read the ACPIT Information Memorandum (IM) before making a decision whether to invest in ACPIT. The IM can be obtained by visiting [here](https://www.alignedcap.com) or contacting the Investment Manager at [erling@alignedcap.com](mailto:erling@alignedcap.com) or 0457 730 175.

## TARGET MARKET SUMMARY

ACPIT is intended for use as a core component for a Wholesale Investor who is seeking capital growth and has a high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a Wholesale Investor with a minimum 5 year investment timeframe and who will need to withdraw their money, in full or in part, on minimum 12 months' notice.

## TRUST AND ISSUER IDENTIFIER

<b>Issuer</b>	Aligned Capital Partnership Pty Ltd
<b>Issuer ABN</b>	46 618 424 016
<b>Investment Manager</b>	Aligned Capital Partnership Management Pty Ltd as Trustee for Aligned Capital Partnership Management Trust
<b>TMD Contact Details</b>	<a href="mailto:erling@alignedcap.com">erling@alignedcap.com</a>
<b>Trust Name</b>	Aligned Capital Partnership Investment Trust
<b>Trust ABN</b>	52 704 511 804
<b>TMD Issue Date</b>	29/4/2024
<b>TMD Version</b>	1
<b>Distribution status of Trust</b>	The Trust is NOT being distributed. The Trust is currently open.

## REVIEW PROCESSES

### REVIEW TRIGGERS

- Material change to key attributes, ACPIT 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 ACPIT or distribution of ACPIT.
- The use of Product Intervention Powers, regulator orders or directions that affects ACPIT.

### MANDATORY REVIEW PERIODS

Review period	Maximum period for review
Initial review	N/A
Subsequent review	36 month(s)

## DISCLAIMER

Although not a requirement for ACPIT, this TMD has been produced by Aligned Capital Partnership solely for the purpose of meeting the requirements under section 994B of the Corporations Act 2001 (Cth). This TMD sets out the class of Wholesale Investors for which ACPIT, including its key attributes, would likely be consistent with their likely objectives, financial situation, and needs. It also outlines the distribution conditions and restrictions imposed on distribution of ACPIT. Aligned Capital Partnership has elected to adopt the TMD template established through the Financial Services Council (FSC). If you have any queries regarding the contents of the TMD, please contact Aligned Capital Partnership on 0457 730 175 or [erling@alignedcap.com](mailto:erling@alignedcap.com). This document is not a PDS and does not provide a full summary of ACPIT product features or terms of ACPIT. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This document is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider whether the information is suitable for your circumstances. Before making any investment decision in respect of ACPIT, you should consider obtaining financial advice. The Information Memorandum (IM) for ACPIT should be considered before deciding whether to acquire, or to continue to hold, an investment in ACPIT. The IM can be obtained by visiting [here](#) or contacting the Investment Manager at [erling@alignedcap.com](mailto:erling@alignedcap.com) or 0457 730 175.

## DESCRIPTION OF TARGET MARKET

### TMD INDICATOR KEY

The Wholesale Investor Attributes for which ACPIT is likely to be appropriate have been assessed using a red and green rating methodology:

In target market

Not in target market

### INSTRUCTIONS

In the tables below, Column 1, Wholesale investor Attributes, indicates a description of the likely objectives, financial situation and needs of the class of Wholesale Investors that are considering investing in ACPIT. Column 2, TMD indicator, indicates whether a Wholesale investor meeting the Attribute in column 1 is likely to be in the target market for ACPIT.

### APPROPRIATENESS

The Investment manager has assessed ACPIT and formed the view that ACPIT, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of Wholesale Investors in the target market, as the features of this product in Column 3 of the table below are likely to be suitable for Wholesale Investors with the attributes identified with a green TMD Indicator in Column 2.

### INVESTMENT PRODUCTS AND DIVERSIFICATION

A Wholesale Investor (or class of investor) may intend to hold an investment product, such as ACPIT, as part of a diversified portfolio (typically with an intended product use of satellite/small allocation or core component). In such circumstances, the product should be assessed against the Wholesale Investor's attributes for the relevant portion of the portfolio, rather than the Wholesale Investor's portfolio as a whole. For example, a Wholesale Investor may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a High or Very High risk/return profile is consistent with the Wholesale investor's objectives for that allocation notwithstanding that the risk/return profile of the Wholesale Investor as a whole is Low or Medium. In making this assessment, prospective investors in ACPIT should consider all features of ACPIT (including its key attributes).

Wholesale Investor Attributes	TMD indicator	ACPIT description including key attributes
Wholesale Investor's investment objective		
Capital growth		<p>ACPIT is a high concentration investment partnership that can invest across the capital structure of businesses and assets in public and private markets in Australia and overseas.</p> <p>ACPIT is focused only on absolute returns and aims to generate returns in excess of 7% compound annualised growth after all fees and expenses, while trying to minimize the risk of permanent loss of capital, measured over a market cycle, which is considered to be a rolling 5-7 year period. Returns are not guaranteed.</p> <p>ACPIT intends to reinvest capital available for annual distributions in ACPIT. Wholesale Investors in ACPIT can opt to have such capital distributed annually instead. There is no guarantee that ACPIT will be able to pay distributions in the future in any particular distribution period and the level of any distributions may vary from one distribution period to the next.</p>
Capital preservation		
Income distribution		
Wholesale Investor's intended product use (% of Investable Assets)		
Solution/standalone (Upto 100%)		<p>ACPIT is designed for Wholesale Investors and typically invests in</p> <ul style="list-style-type: none"> <li>• Securities listed on a global stock exchange;</li> <li>• Cash;</li> <li>• Equity securities in unlisted businesses in Australia and overseas;</li> <li>• Credit securities.</li> </ul> <p>The Investment Manager does not have allocation ranges or limits for the types of assets it may invest in.</p> <p>ACPIT would typically be considered to have a Medium level of portfolio diversification.</p>
Major allocation (Upto 75%)		
Core component (Upto 50%)		
Minor allocation (Upto 25%)		
Satellite allocation (Upto 10%)		
Wholesale Investor's investment timeframe		
Minimum investment timeframe	5 years	The minimum suggested timeframe for holding investments in ACPIT is 5 years. Generally, the risk level associated with ACPIT is greater if ACPIT is held for a period less than the minimum suggested timeframe.
Wholesale Investor's risk (ability to bear loss) and return profile		
Low		<p>A Wholesale Investor who satisfies the following is in the target market for ACPIT:</p> <ul style="list-style-type: none"> <li>• wants to invest in an actively managed concentrated portfolio;</li> <li>• seeks to enhance returns and manage risk by investing with a specialist investment manager, and by diversifying across industries and companies;</li> <li>• seeks long-term growth in the value of their investment, with an opportunity to receive some income; and understands there can be very large fluctuations in income and the value of their investment.</li> </ul>
Medium		
High		
Very high		
Extremely high		

Wholesale Investor's need to access capital		
Daily		Withdrawal requests can be made, without reason, to the Investment Manager on 12 month's prior written notice of 30 <sup>th</sup> June each year.
Weekly		
Monthly		
Quarterly		
Annually or longer		

## DISTRIBUTION CONDITIONS / RESTRICTIONS

Distribution Condition	Applicable	Distribution Condition Rationale
Only suitable for distribution to consumers who have received personal advice.		Not applicable as the Trust is not being distributed and is only available for investment by Wholesale Investors that are Wholesale Clients within the meaning of the Act and through direct contact to the Investment Manager.
Only suitable for distribution through the following specified distributors or distribution channels (if any): The product may be accessed through platforms and intermediaries.		Not applicable as the Trust is not being distributed and is only available for investment by Wholesale Investors that are Wholesale Clients within the meaning of the Act and through direct contact to the Investment Manager.
Other		<p>The Investment Manager does not actively solicit or market to prospective Wholesale investors for ACPIT.</p> <p>The application process for an investment in ACPIT is likely to result in Wholesale Investors being in the target market as it:</p> <ul style="list-style-type: none"> <li>• highlights key information about key features and risks about ACPIT prior to a Wholesale Investor acquiring an interest; and</li> <li>• obtains acknowledgement from the Wholesale Investor that they have read the Information Memorandum and the Unit Trust Deed, to assist Wholesale Investors in making an informed decision about ACPIT.</li> </ul> <p>Ensuring that any marketing and activities that could be considered or construed as being promotional are designed in a manner which makes it likely that they will resonate with the target market and is therefore likely to result in Wholesale Investors that progress to the application stage being in the target market.</p>

## DEFINITIONS

### Wholesale Investor's investment objective

Capital Growth	The Wholesale Investor seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The Wholesale Investor prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The Wholesale Investor seeks to invest in a product designed or expected to have low volatility and minimise capital loss. The Wholesale Investor 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 Wholesale Investor seeks to invest in a product designed or expected to distribute regular and/or tax- effective income. The Wholesale investor prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).

### Wholesale Investor's intended product use (% of Investable Assets)

Solution/Standalone (up to 100%)	The Wholesale Investor may hold the investment as up to 100% of their total investable assets. The Wholesale Investor is likely to seek a product with very high portfolio diversification.
Major allocation (up to 75%)	The Wholesale Investor may hold the investment as up to 75% of their total investable assets. The Wholesale Investor is likely to seek a product with at least high portfolio diversification.
Core Component (up to 50%)	The Wholesale Investor may hold the investment as up to 50% of their total investable assets. The Wholesale Investor is likely to seek a product with at least medium portfolio diversification.
Minor allocation (up to 25%)	The Wholesale Investor may hold the investment as up to 25% of their total investable assets. The Wholesale Investor is likely to seek a product with at least low portfolio diversification.
Satellite allocation (up to 10%)	The Wholesale Investor may hold the investment as up to 10% of the total investable assets. The Wholesale Investor 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 Wholesale Investor has available for investment, excluding the residential home.

### Portfolio diversification

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.

## Wholesale Investor'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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## Wholesale Investor'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 Wholesale Investor 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 Wholesale Investor'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 Wholesale Investor's portfolio, the Wholesale Investor:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite,</li> <li>• 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</li> <li>• is comfortable with a low target return profile.</li> </ul> <p>The Wholesale Investor typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the Wholesale Investor's portfolio, the Wholesale Investor:</p> <ul style="list-style-type: none"> <li>• has a moderate or medium risk appetite,</li> <li>• 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</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <p>The Wholesale Investor typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the Wholesale Investor's portfolio, the Wholesale Investor:</p> <ul style="list-style-type: none"> <li>• has a high risk appetite,</li> <li>• 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</li> <li>• seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The Wholesale Investor typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the Wholesale Investor's portfolio, the Wholesale Investor:</p> <ul style="list-style-type: none"> <li>• has a very high risk appetite,</li> <li>• 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</li> <li>• seeks to maximise returns (typically over a medium or long timeframe).</li> </ul> <p>The Wholesale Investor 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 Wholesale Investor's portfolio, the Wholesale Investor:</p> <ul style="list-style-type: none"> <li>• has an extremely high risk appetite,</li> <li>• can accept significant volatility and losses, and</li> <li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li> </ul> <p>The Wholesale Investor 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>

## Wholesale Investor's need to access capital

This Wholesale Investor 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 Wholesale Investor'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.