

# CROMWELL HEALTHCARE PROPERTY FUND

## Target Market Determination

### Target Market Summary

This product is designed for investors who:

- Are seeking Capital Growth and Income Distribution
- Are intending to use the Fund as a Satellite or Minor allocation
- Are seeking a Portfolio diversification that is Very Low
- Have a minimum investment timeframe of the term of the Fund, expected to be 5 years, but may be extended
- Have a High risk/return profile, and
- Do not require access to capital prior to the end of the term.

### 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 complete 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 via [Cromwell Healthcare Property Fund Information Pack](#), contacting the Cromwell Investor Services Team, phone: 1300 268 078, or via email: [invest@cromwell.com.au](mailto:invest@cromwell.com.au).

### Fund and Issuer identifiers

<b>Issuer</b>	Cromwell Funds Management Limited
<b>Issuer ABN</b>	63 114 782 777
<b>Issuer AFSL</b>	333214
<b>TMD Contact Details</b>	Head of Risk and Compliance: <a href="mailto:riskandcompliance@cromwell.com.au">riskandcompliance@cromwell.com.au</a>
<b>Fund name</b>	<b>Cromwell Healthcare Property Fund</b>
<b>ARSN</b>	676 931 838
<b>APIR Code</b>	CRM4734AU
<b>TMD issue date</b>	30 May 2024
<b>TMD Version</b>	Two
<b>Distribution status of fund</b>	Available

## 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/green rating methodology with appropriate colour coding:

In target market	Not in target market
------------------	----------------------

### 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.

### 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 the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

### 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 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).

Consumer attributes	TMD Indicator	Product description including key attributes
<b>Consumer's investment objective</b>		
Capital Growth	●	Investors seeking a regular income stream with potential capital growth.
Capital Preservation	●	The Fund aims to provide investors with a monthly income stream combined with potential capital growth through investing in a single medical facility, which at inception of the Fund is leased to a single tenant.
Capital Guaranteed	●	
Income Distribution	●	The Fund is not capital guaranteed. The Fund is designed and expected to have low volatility and modest capital growth over the investment term, expected to be a minimum of 5 years, however, the value of the Fund is subject to movements in the value of the real estate asset. The Fund may be suitable for an investor who seeks to preserve their capital but who accepts there is a risk that they may lose some or all of their money. The Fund is not suitable for an investor who cannot accept any loss of their capital.  The Fund uses gearing which increases the potential for larger capital losses (and gains). Investors should therefore have a higher risk tolerance than if the Fund did not use gearing.
<b>Consumer's intended product use [% of Investable Assets]</b>		
Solution/Standalone (up to 100%)	●	Investors seeking to invest in Australian property, as part of a broader portfolio.
Major allocation (up to 75%)	●	The Fund is invested in one asset with a single tenant providing a concentrated exposure.
Core component (up to 50%)	●	
Minor allocation (up to 25%)	●	Investors should use the Fund as a Satellite or Minor allocation to reduce investment risk through diversification and only invest an appropriate portion of their available investment capital in the Fund.
Satellite allocation (up to 10%)	●	
<b>Consumer's investment timeframe</b>		
Minimum investment timeframe of between 5-7 years	●	The minimum suggested timeframe for holding an investment in the Fund is the term of the Fund, expected to be between 5 years and 7 years, however, the term of the Fund may be extended by special resolution of investors.  The Fund is not liquid and investors should not expect to be able to withdraw prior to the sale of the Property and the winding up of the Fund.

Consumer attributes	TMD Indicator	Product description including key attributes
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low	●	<p>Investors who are comfortable tolerating High risk (see Definitions below).</p> <p>The objective of the Fund is to provide investors with a monthly income stream from rent paid under a lease to the operator of a medical facility. At inception of the Fund, the asset is fully leased to a single government tenant.</p> <p>Over the investment term the Fund has the potential to generate capital growth. However, there are risks involved in investing in the Fund, which include the following:</p> <ul style="list-style-type: none"> <li>• The value of the Fund's property may decline, which may result in a fall in the value of an investment in the Fund. A potential trigger for a fall in value of the investment would be if the current tenant elected to not renew its lease.</li> <li>• The Fund may borrow up to 50% of the total value of the property which may leverage any decline in value of the Fund's property.</li> <li>• The Fund may not make regular (or any) distributions, as the income available for distribution is dependent on a variety of risks associated with an investment in property (such as risks that tenant/s default on the terms of their leases and borrowing or operating costs may change).</li> <li>• The asset is leased to a single tenant with an initial term of the lease expiring on 22 August 2030. The tenant has 2 further options to extend the term, each of 5 years. If the tenant does not exercise its option and extend the lease, and a new tenant cannot be secured in a timely manner, then it will have a material adverse impact on the value of the investor's equity in the Fund.</li> </ul> <p>It is expected the Fund may experience an estimated 2 to less than 3 negative returns over a 20 year period (Standard Risk Measure).</p> <p>Taking into consideration the risks noted above, the overall risk and return profile has been calculated to be High.</p> <p>Please refer to Section 5 of the Fund's PDS for more information on the risks of an investment in the Fund.</p>
Medium	●	
High	●	
Very High	●	
Extremely High	●	
<b>Consumer's need to access capital</b>		
Weekly	●	<p>The Fund is suitable for investors who are comfortable with the expected investment timeframe and with the Fund having no liquidity prior to winding up.</p> <p>Liquidity in the Fund may be achieved by an investor transferring units in the Fund to another person/s (which is subject to the availability of such persons). However, there is a risk the low level of liquidity may mean the transfer price received by an investor will be lower than the Fund's NTA and therefore less than the withdrawal price that would otherwise apply. The Issuer does not make any secondary market for the sale of units. A transfer of units requires all necessary documentation to be fully completed and provided to the Issuer. The Issuer reserves the right to decline transfer requests in its absolute discretion.</p>
Monthly	●	
Quarterly	●	
Annually	●	
At the end of the Fund's term, i.e., 5 years or more	●	

## Distribution conditions/restrictions

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

Distribution channel	Distribution condition and rationale
Distribution Directly by the Issuer	<ul style="list-style-type: none"> <li>Direct investors who are wholesale or sophisticated investors can invest in the Fund.</li> <li>Retail investors are asked to complete an online or paper application form, including filtering questions relating to the TMD. The Issuer will review the information provided in response to the filtering questions and assess those answers against the Fund's key attributes (set out above). If the Issuer concludes the investor is not likely to be within the target market, the Issuer may reject the application or seek further information from the investor.</li> </ul>
Distribution by Adviser	<ul style="list-style-type: none"> <li>Investor to confirm in the online or paper application form that they have received personal advice.</li> <li>Financial advisers to provide details in the online or paper application form of their AFS licence, including their adviser number from the ASIC Moneysmart Number website, and confirm they have reviewed and considered the TMD in providing personal advice to the Investor.</li> </ul>
Distribution by Platform/Wrap	<ul style="list-style-type: none"> <li>Additional steps are not required for clients receiving personal advice beyond consideration of the issuer's TMD by the adviser.</li> <li>Clients who have not received personal advice may not be able to access the Fund unless the platform provider has a process where the client is asked to complete basic filtering questions relating to the TMD.</li> </ul>

### Review triggers

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

Where the Issuer considers that there has been a material change to the investment strategy, Fund description (including its key attributes), risk profile or liquidity profile of the Fund or taxation consequences for investors in the Fund.

A change to the leasing arrangements for the Fund's real estate investment.

A significant number, or an unexpectedly high number, of complaints about the Fund or its distribution.

A significant dealing in this Fund in relation to retail clients that is inconsistent with this TMD.

Material changes to the fees or other costs of the Fund that may affect the return of the Fund.

Any inquiry, surveillance, direction, notice, investigation or enforceable instrument by or from ASIC about or relating to the Fund's features, target market or distribution strategy.

### 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	12 months from date of issue.
Subsequent review	At least once every year since the date of the last review of the TMD (for whatever reason).

### 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
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.	As soon as practicable but in any case within 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under s994F(6) of the Act. See Definitions for further detail.	As soon as practicable but in any case within 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 the method specified on this website: [www.cromwell.com.au/ddo](http://www.cromwell.com.au/ddo).

This link also provides contact details relating to this TMD for Cromwell Funds Management Limited.

Term	Definition
<b>Consumer's investment objective</b>	
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).
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
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).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (up to 100%)	The consumer may hold the investment up to 100% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of the total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of their total <i>investable assets</i> . The consumer likely to seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
<b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>	
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.
<b>Consumer's intended investment timeframe</b>	
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.

Term	Definition
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
<p>This TMD uses the Standard Risk Measure (<b>SRM</b>) to calculate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the <b><u>Standard Risk Measure Guidance Paper For Trustees</u></b> (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.</p>	
<p>Low</p>	<p>For the relevant part of the consumer's portfolio, the consumer:</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 consumer typically prefers stable, defensive assets (such as cash and fixed income).</p>
<p>Medium</p>	<p>For the relevant part of the consumer's portfolio, the consumer:</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 consumer typically prefers defensive assets (for example, fixed income).</p>
<p>High</p>	<p>For the relevant part of the consumer's portfolio, the consumer:</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 consumer typically prefers growth assets (for example, shares and property).</p>
<p>Very high</p>	<p>For the relevant part of the consumer's portfolio, the consumer:</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 or 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 consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative assets).</p>
<p>Extremely high</p>	<p>For the relevant part of the consumer's portfolio, the consumer:</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 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>

Term	Definition
<b>Consumer's need to access capital</b>	
<p>The Issuer has considered 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. The Issuer has considered the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, and has been taken into consideration.</p>	
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>
Significant Dealings	<p>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. Section 994G of the Act requires the Issuer to notify ASIC if it becomes aware of a significant dealing in the Fund that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors and the Issuer have discretion to apply its ordinary meaning.</p> <p>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.</p> <p>Dealings outside this TMD may be significant because 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).</p> <p>The distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes),</li> <li>• 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</li> <li>• 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).</li> </ul> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>• it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the quarter,</li> <li>• the consumer's intended product use is <i>solution/standalone</i>,</li> <li>• the consumer's intended product use is <i>core component</i> or higher and the consumer's risk/return profile is <i>low</i>, or</li> <li>• the relevant product has a green rating for consumers seeking <i>extremely high risk/return</i>.</li> </ul>



## IMPORTANT NOTICE & DISCLAIMER

Cromwell Funds Management Limited ABN 63 114 782 777 ("CFM") holds Australian Financial Services Licence number 333214 and is the responsible entity of the Cromwell Healthcare Property Fund ARSN 676 931 838 ("the Fund"). CFM is the issuer of this Target Market Determination ("TMD") and it is to be read in conjunction with the Product Disclosure Statement ("PDS"). The PDS is dated 27 May 2024.

CFM is a subsidiary of Cromwell Corporation Limited ("CCL"). Cromwell Property Group comprises Cromwell Corporation Limited and the Cromwell Diversified Property Trust ("DPT") (the responsible entity of which is Cromwell Property Securities Limited ("CPS")). Cromwell Property Group is an ASX-listed stapled security (ASX: CMW).

Neither CFM, its related entities, directors nor officers make any promise or representation, or give any guarantee as to the success of the Fund, the amount (if any) of distributions, the amount (if any) you will receive on withdrawal, the income or capital return, or the taxation consequences of investing in the Fund.

The information provided in this document is general in nature and does not constitute investment advice or personal financial product advice. This information does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice.

The content of this document does not constitute an offer or solicitation to subscribe for units in the Fund or an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decision.

Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

Whilst all care has been taken in preparation of this document, neither the Issuer nor the Investment Manager give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document. Neither the Issuer nor the Investment Manager accepts liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information.

You should obtain and carefully consider the Product Disclosure Statement (PDS) for the Fund before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund.

A copy of the PDS, continuous disclosure notices and relevant application form may be obtained from [Cromwell Healthcare Property Fund Information Pack](#).

---

For the answer to any questions you have regarding the Fund, contact your financial adviser or :

### Responsible Entity:

#### Cromwell Funds Management Limited

ABN 63 114 782 777

AFSL 333 214

Mail GPO Box 1093 Brisbane QLD 4001

Phone **1300 268 078**

Email [invest@cromwell.com.au](mailto:invest@cromwell.com.au)

Website [www.cromwell.com.au](http://www.cromwell.com.au)