



ExtrasJar Extras Class

Target Market Determination

29th July 2022



www.extrasjar.com

Important Information

This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (*Cth*) (**the Act**). It sets out the class of consumers for whom either ExtrasJar Health Extras Account and/or the ExtrasJar Pet Extras Account (**ExtrasJar Extras Account**), in the "Extras" class of units (**Units**) in the ExtrasJar Fund (ARSN 660 982 507) (Fund), including the key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of the design and distribution arrangements for the product.

This document is not a product disclosure statement and is not a summary of the product features or terms of the product. This document does not take into account your individual objectives, financial situation or needs. You should carefully read the Product Disclosure Statement (**'PDS'**), including the Reference Guide, and your ExtrasJar Card Terms and Conditions before making a decision whether to acquire this product. Your ExtrasJar Card Terms and Conditions depends on your chosen ExtrasJar Extras Account. 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 visiting <https://www.extrasjar.com/>

About us

Quay Fund Services Limited (ABN 84 616 465 671; AFSL 494 886) (**Quay Fund, we, us, our**) is the responsible entity of the Fund and the issuer of the Units. ExtrasJar Pty Ltd (ABN 95 635 535 545 AFSL 519599) (**'ExtrasJar'**) is the investment manager of the fund and provides promotional and other services to the Fund. The Fund is a managed investment scheme registered with the Australian Securities Investments Commission.

The ExtrasJar Card is a prepaid Mastercard® issued by EML Payment Solutions Limited (ABN 30 131 436 532; AFSL 404131) (**EML**) pursuant to a licence from Mastercard® Asia/Pacific Pte. Ltd and is distributed by ExtrasJar.

Target Market Summary

This product is likely to be appropriate for a consumer seeking a digital customer experience with micro-investing features such as the ability to make smaller investments on a regular or frequent basis; and use their investment units at the point of sale to pay to pay for either authorised health extras or authorised pet extras depending on the ExtrasJar Extras Account you have chosen. You can view a list of authorised health and pet extras in your ExtrasJar Card Terms and Conditions. This product is likely to be appropriate for a consumer who is seeking some capital preservation and some capital growth, with a medium to short term investment timeframe with a medium to low risk/return profile and needs daily access to capital.

Description of Target Market

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red (✘), amber (○) and green (✓) rating methodology with appropriate colour coding:

- ✓ In target market
- Potential in target market
- ✘ Not considered 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. Generally, a consumer is unlikely to be in the target market for the product if:

- one or more of their Consumer Attributes correspond to a red (✘) rating, or
- three or more of their Consumer Attributes correspond to an amber (○) rating.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product 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 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 conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a Low or Medium risk /return profile is consistent with the consumer's objectives for that 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 Attribute	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital growth	○	The consumer seeks to invest in a product for capital preservation with some capital growth. The Fund invests in ETFs and cash and cash equivalents. It typically distributes income annually.
Capital Preservation	✓	
Capital Guaranteed	✗	
Income distribution	○	
Consumer's investment timeframe		
Long (> 8 years)	○	The consumer has a low to medium timeframe. The capital preservation strategy with some capital growth is appropriate for customers with short to medium term horizons.
Medium (>2 years)	✓	
Short (≤ 2 years)	✓	The micro-investing features of the product that enable smaller, regular investments over time with no transactions costs may make it suitable to achieving investment goals over longer time horizons.
Consumer's risk (ability to bear loss) and return profile		
Very High	✗	The consumer has a medium to low-risk appetite and can accept potential losses in the short term when converting investment units at the point of sale to pay for either authorised health extras or authorised pet extras depending on your chosen ExtrasJar Extras Account.
High	✗	
Medium	✓	
Low	○	Consumers typically prefers a combination of ETFs and cash & cash equivalents. The Fund has a medium to low risk profile with a significant proportion allocated to cash and cash equivalent. Risk is managed through portfolio construction investing in a diversified portfolio of ETFs and cash and cash equivalents.
Consumer's need to withdraw money		
At the point of sale to pay for authorised health extras or pet extras	✓	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. A consumer may also seek to use investment units at the point of sale to pay for authorised health extras or authorised pet extras depending on your chosen ExtrasJar Extras Account.
Daily (payments usually paid within ten business days)	✓	
Weekly	✓	

Monthly or longer	✓	The "Extras " class of units in the Fund typically processes redemption requests each business week and are usually paid within ten business days.
Consumer's intended product use		
Using your investment to pay for authorised extras	✓	The consumer seeks to be able to use their investment at the point of sale to pay for authorised extras. The authorised extras depends on the chosen ExtrasJar Extras Account, Health Extras Account or Extras Pet Extras Account. The products are not hospital insurance or pet insurance.
Self-insure for health extras (Health Extras Account only)	✓	
Save for pet extras for your pet(s) (Pet Extras Account only)	✓	
Hospital insurance or Pet insurance	✗	

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.

Distributions conditions/restrictions

Distribution Condition	Distribution Condition Rationale
Only available for distribution via ExtrasJar.	The ExtrasJar Health Account and ExtrasJar Pet Account are designed for non-intermediated distribution through the mobile and web applications provided ExtrasJar.

Review triggers

If any of the following occurs a review of the TMD be conducted:

- Material change to key product attributes, fund investment objective and/or fees;
- Material deviation from benchmark / objective over sustained period;
- Key product attributes have not performed as disclosed by a material degree and for a material period;
- Determination by the issuer of an Australian Securities and Investment Commission ('ASIC') reportable Significant Dealing;
- 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; and
- Repeated use of the product as a transaction account rather than as a savings account.

Mandatory review periods

The initial review will be 12 months from 29th July 2022 with subsequent reviews occurred within 36 months of the prior review date.

Distribution 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 design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	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 later than 10 business days after distributor becomes aware of Significant Dealing.	All distributors
To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors

Definitions

Term	Definition
Consumer's investment objective	
Capital growth	The consumer seeks to invest in a product designed to generate capital return. 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 to reduce volatility and minimise loss in a market downturn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
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 to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Portfolio diversification	
Long (> 8 years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.
Medium (>2 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.

Short (\leq 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Consumer's risk (ability to bear loss) and return profile	
Very High	The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period and possibly other risk factors, such as leverage). Consumer typically prefers growth assets such as shares, property and alternative assets.
High	The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period in order to target a higher target return profile. Consumer typically prefers predominantly growth assets such as shares, ETFs, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period) and comfortable with a moderate target return profile. Consumer typically prefers a balance of growth assets such as shares, ETFs, property and alternative assets and defensive assets such as cash and fixed income.
Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period) and is comfortable with a low target return profile. Consumer typically prefers defensive assets such as cash and fixed income
Consumer's need to withdraw money	
At the point of sale to pay for authorised health or pet extras (depending on the chosen ExtrasJar Extras Account) / Daily / Weekly / Monthly or Longer	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.
Distribution Reporting	
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. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors 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:</p> <ul style="list-style-type: none"> • 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).

	<p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none">• 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). <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">• it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period;• the consumer's intended product use is Solution / Standalone; or• the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is Low.
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