

# Target Market Determination – Funds Management

## Legal disclaimer

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 the product, including its 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 DFA Australia Limited’s (“**Dimensional’s**”) 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 any person’s individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (“**PDS**”) for the Dimensional Emerging Markets Value Trust before making a decision whether to invest in 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 on Dimensional’s website at: <https://au.dimensional.com/funds>.

The information contained in this document is based on current sources and practice as at 2023. The information contained in this document may need to be updated and revised as new sources of information emerge or practices change over time.

## Fund and Issuer identifiers

<b>Issuer</b>	DFA Australia Limited (Dimensional)
<b>Issuer ABN</b>	46 065 937 671
<b>Issuer AFSL</b>	238093
<b>Fund/Product</b>	<b>Dimensional Emerging Markets Value Trust</b>
<b>ARSN</b>	092 662 818
<b>APIR Code</b>	DFA0107AU
<b>ISIN Code</b>	AU60DFA01073
<b>Date TMD approved</b>	13 November 2023

<b>TMD Version</b>	Current
<b>TMD Status</b>	4

## Description of Target Market

### TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a **In target market/Potentially in target market/Not considered in target market** rating methodology.

### 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 **Not considered in target market** rating, or
- **three or more** of their Consumer Attributes correspond to a **Potentially in target market** 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 *High* or *Very High* 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 *Low* or *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	In target market	<b>Investment Return Objective:</b>
Capital Preservation	Not considered in target market	

Consumer Attributes	TMD Indicator	Product description including key attributes
Capital Guaranteed	Not considered in target market	The investment objective of the Trust is to provide long-term capital growth by gaining exposure to a diversified portfolio of Value Companies associated with approved emerging markets.
Income Distribution	Potentially in target market	<p>The Trust is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Trust with a broad measure of market performance, reference may be made to the MSCI Emerging Markets Index (net div.).</p> <p>Investors should note that the index is referred to for comparison purposes only. The index is not intended to represent the current or targeted asset allocation of the Trust. The performance of the Trust may differ significantly from the index.</p> <p><b>Description of Trust:</b></p> <p>The Trust may suit those investors seeking exposure to a diversified portfolio of Value Companies listed on approved emerging markets with the potential for long-term capital growth.</p> <p>While we have full discretion with regard to the distribution policy of the Trust (provided that such policies are fair and reasonable to investors), a Trust will normally distribute an amount we determine as appropriate to each unit holder on a half-yearly basis, based on the number of units held as at the end of the distribution period.</p>
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75-100%)	Not considered in target market	Value exposure to all-cap equities in emerging markets, providing a medium level of portfolio diversification (refer to pg. 6 for definitions).
Core Component (25-75%)	Potentially in target market	
Satellite/small allocation (<25%)	In target market	
Consumer's investment timeframe		
Short ( $\leq 2$ years)	Potentially in target market	<b>Minimum suggested investment length:</b>

Consumer Attributes	TMD Indicator	Product description including key attributes
Medium (> 2 years)	Potentially in target market	<ul style="list-style-type: none"> <li>7+ years</li> </ul>
Long (> 8 years)	In target market	
<b>Consumer's Risk (ability to bear loss) and Return profile</b>		
Low	Not considered in target market	<b>Standard Risk Measure:</b> <ul style="list-style-type: none"> <li>Very high</li> </ul> <b>Estimated number of negative annual returns over any 20 year period:</b> <ul style="list-style-type: none"> <li>6 or Greater</li> </ul>
Medium	Not considered in target market	
High	Potentially in target market	
Very High	In target market	
<b>Consumer's need to withdraw money</b>		
Daily	In target market	<b>Redemption Frequency:</b> <ul style="list-style-type: none"> <li>Daily</li> </ul> Withdrawal proceeds will usually be paid by electronic transfer within three to seven business days of receipt of the withdrawal notice. The Trust Constitution allows up to 30 days. <b>Liquidity:</b> <ul style="list-style-type: none"> <li>Very High</li> </ul>
Weekly	In target market	
Monthly	In target market	
Quarterly	In target market	
Annually or longer	In target market	

## 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 "In target Market" TMD Indicator in Column 2.

## Distribution conditions/restrictions

The product can be distributed:

Dimensional Emerging Markets Value Trust

© 2023 DFA Australia Limited ABN 46 065 937 671

1. Through a Financial Advisor
2. Through an Investor Service. An Investor Service refers to an investor-directed portfolio service ('IDPS'), IDPS-like scheme, master trust, wrap account or a nominee or custody service. The issuer of each Investor Service has its own obligations as a distributor to take reasonable steps that will or are reasonably likely to result in retail product distribution conduct being consistent with this TMD
3. Through an existing direct account with Dimensional

<b>Review triggers</b>
This part is required under section 994B(5)(d) of the Act.
Material change to key attributes, fund 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 the product or distribution of the product.
The use of Product Intervention Powers, regulator orders or directions that affects the product.

<b>Mandatory review periods</b>	
This part is required under section 994B(5)(e) and (f) of the Act.	
<b>Review period</b>	<b>Maximum period for review</b>
Initial review	1 year and 3 months
Subsequent review	2 years and 3 months

<b>Distributor reporting requirements</b>		
This part is required under section 994B(5)(g) and (h) of the Act.		
<b>Reporting requirement</b>	<b>Reporting period</b>	<b>Which distributors this requirement applies to</b>

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 no later than 10 business days after distributor becomes aware of the 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

All distributors must report to Dimensional, as required under the Distributor Reporting Requirements and within the required timeframe, using the email address; [DDO@dimensional.com](mailto:DDO@dimensional.com). All questions in regard to Dimensional’s TMDs can also be directed to [DDO@dimensional.com](mailto:DDO@dimensional.com).

A copy of this and all of Dimensional’s TMDs are available at <https://au.dimensional.com/funds>.

## Definitions

Term	Definition
<b>Consumer’s investment objective</b>	
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 down-turn. 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.

<b>Term</b>	<b>Definition</b>
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).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).
Investable Assets	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>	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
<b>Consumer's intended investment timeframe</b>	
Short ( $\leq 2$ years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium ( $> 2$ years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long ( $> 8$ years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
Issuers undertake a comprehensive risk assessment for each product. The Financial Services Council has recommended adoption of the Standard Risk Measure (SRM) to assist consumers assess the investment risk of a product and compare the risk profile of various investment products to their own risk and return tolerance. The SRM is a calculation of the likely number of negative annual returns over a 20-year period, using the guidance and methodology	

Term	Definition
<p>outlined in the Standard Risk Measure Guidance Paper For Trustees. It is important to understand that the 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 or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM is calculated using expectations of future long-term returns and volatility. The number of negative years that occur in the next 20 years could be more or less frequent than expected. Where appropriate, we may choose to supplement the SRM methodology by also considering other risk factors to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	<p>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 (SRM 1 to 2)) and is comfortable with a low target return profile.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>
Medium	<p>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 (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
High	<p>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 (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Very high	<p>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 (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
<p><b>Consumer's need to withdraw money</b></p>	
<p>Issuers should consider in the first instance 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. 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 completing this section.</p>	
Daily/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>
<p><b>Distributor Reporting</b></p>	

Term	Definition
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"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• 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).</li> </ul> <p>In each case, 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 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 reporting period,</li> <li>• the consumer’s intended product use is <i>Solution / Standalone</i>, or</li> <li>• the consumer’s intended product use is <i>Core component</i> and the consumer’s risk (ability to bear loss) and return profile is <i>Low</i>.</li> </ul>