Target Market Determination

Issuer	Yarra Funds Management Limited		
Issuer ABN	63 005 885 567	**Issuer AFSL**	230 251
Fund	**Yarra Microcap Fund**	**TMD contact details**	ddo@yarracm.com
ARSN	600 159 573	**APIR Code**	UBS0057AU
ISIN Code	AU60UBS00575	**TMD issue date**	23 November 2026
TMD Version	1.0	**Distribution status of fund**	Available

Target Market Summary

This product is intended for use as a **minor allocation** for a consumer who is seeking **capital growth** and has a **very 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 consumer with a **7+ year** investment timeframe and who is unlikely to need to withdraw their money on less than **10 business days**' notice.

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 by contacting your platform provider or our Investor Services team on 1800 034 494 or from our website at www.yarracm.com.

Description of Target Market

TMD indicator key

The Consumer Attributes for which the product 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, 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 a *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).



The FSC has provided more detailed guidance on how to take this portfolio view for diversification, available on the FSC website.

Consumer Attributes	TMD indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	G	The Fund aims to outperform (after management fees and costs) the S&P/ASX Small Ordinaries Accumulation Index over rolling five-year periods.
Capital Preservation	R	
Income Distribution	R	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	R	The Fund is an actively managed fund investing in a portfolio of 35 – 65 predominantly Australian & New Zealand Microcap equity securities across a range of industry sectors. Microcap equity securities represent securities which have a market capitalisation of generally less than $250m at the time of initial purchase. The Fund invests as follows: • Australian & New Zealand Microcap equity securities 75 – 100% • Cash 0 – 25% Eligible investments of the Fund comprise ordinary shares of listed Australian and New Zealand equities. The Fund may also invest in financial derivatives to gain exposure to the Australian and New Zealand share market and to manage investment risk. The Fund has *medium* portfolio diversification.
Major allocation (up to 75%)	R	
Core component (up to 50%)	R	
Minor allocation (up to 25%)	R	
Satellite allocation (up to 10%)	G	

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment timeframe		
Minimum investment timeframe	7+ years	The Fund may be suitable for investors that have a 'long term' investment time frame (i.e. a recommended minimum term of 7 years).
Consumer's Risk (ability to bear loss) and Return profile		
Low	R	Summary risk level: Very high. The variability of returns is likely to be very high.
Medium	R	
High	R	
Very high	G	
Extremely high	G	
Consumer's need to access capital		
Within 5 business days of request	R	An investor can generally invest in and redeem Units in the Fund on a daily basis. Withdrawals are paid usually within 7 Sydney business days of receipt of a notice to withdraw, provided that the withdrawal request is accepted. Withdrawal requests need to be completed and lodged prior to 2:00pm for the exit price as at the close of the business day in Sydney (otherwise the exit price for the following Sydney business day will apply).
Within 10 business days of request	G	
Within one month of request	G	
Within one year of request	G	
One year or more of request	G	

Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale
There are no distribution conditions.	Not applicable.

Review triggers

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.

Mandatory TMD review periods

Review period	Maximum period for review
Initial review	1 year and 3 months
Subsequent review	3 years and 3 months

Distributor 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. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under section 994F(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

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to Yarra Funds Management Limited using ddo@yarracm.com.

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Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
Consumer's investment objective	
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).
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).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total *investable assets*.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total *investable assets*.
Core component (up to 50%)	The consumer may hold the investment as up to 50% of their total *investable assets*.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total *investable assets*.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total *investable assets*. Products classified as *extremely high* risk are likely to meet this category only.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.

Term	Definition
Portfolio diversification (for completing the key product attribute section of consumer's intended product use) Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
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.
Consumer'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.

Term	Definition
Consumer's Risk (ability to bear loss) and Return profile A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.	
Low	For the relevant part of the consumer's portfolio, the consumer: • has a conservative or low risk appetite, • seeks to minimise volatility and potential losses, and • is comfortable with a low target return profile. The consumer typically prefers stable, defensive assets (such as cash).
Medium	For the relevant part of the consumer's portfolio, the consumer: • has a moderate or medium risk appetite, • seeks low volatility and potential losses, and • is comfortable with a moderate target return profile. The consumer typically prefers defensive assets (for example, fixed income).
High	For the relevant part of the consumer's portfolio, the consumer: • has a high risk appetite, • can accept high volatility and potential losses, and • seeks high returns (typically over a medium or long timeframe). The consumer typically prefers growth assets (for example, shares and property).
Very high	For the relevant part of the consumer's portfolio, the consumer: • has a very high risk appetite, • can accept very high volatility and potential losses, and • seeks to maximise returns (typically over a medium or long timeframe). The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).

Term	Definition
Extremely high	For the relevant part of the consumer's portfolio, the consumer: • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). 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).
Consumer's need to access capital	
This consumer 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 consumer'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.	

Term	Definition
Distributor Reporting	
Significant dealings	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 ratings attributed to the consumer). Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if: • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the quarter, • the consumer's intended product use is *solution/standalone*, • the consumer's intended product use is *core component* or higher and the consumer's risk/return profile is *low*, or • the relevant product has a green rating for consumers seeking *extremely high* risk/return.