 1300 049 532

 [help@spaceship.com.au](mailto:help@spaceship.com.au)

 [spaceship.com.au](https://spaceship.com.au)

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# Spaceship Master Fund

## Target Market Determination

2 May 2024

The issuer and responsible entity is:  
Spaceship Capital Limited  
ABN 67 621 011 649 AFSL 501605

## 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 the portfolios offered in the Spaceship Master Fund (**Fund**), including the portfolios' 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 Spaceship Capital Limited's (**Spaceship Capital, we, us, our**) 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. The product being units in a class of the Fund which represent an interest in a portfolio (a **Portfolio**). This document does **not** take into account your individual objectives, financial situation or needs. You should carefully read the Product Disclosure Statement (**PDS**) for the Fund and the Spaceship Voyager Reference Guide before making a decision about whether to acquire this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meanings given to them in the Fund's PDS, unless otherwise defined. The PDS can be obtained by visiting [www.spaceship.com.au](http://www.spaceship.com.au).

## Target Market Summary

The units in a Portfolio of the Fund are likely to be appropriate for a consumer who:

- is seeking the investment return objective at a given level of investment risk. The investment return objective is described under the *Consumer's Risk (ability to bear loss) and Return profile* in the *Description of Target Market* section;
- prefers to achieve this through a product diversified across a range of asset classes and geographies;
- is intending to use an investment in a Portfolio of the Fund as a Satellite / Small Allocation, a Core Component, or a major allocation within their broader investment portfolio (that is, where their investment in a Portfolio is up to 75% of their total investable assets);
- has a Low-to-Medium or Medium risk profile and investment return objectives;
- would be comfortable with withdrawal proceeds typically being paid within a week (in normal operating conditions);
- is comfortable with the risks associated with a diversified product such as market risk, security specific risk, international investment risk, foreign currency risk, concentration risk, manager and ETF risk, interest rate risk, and credit risk; and
- wants access to micro-investing through a digital experience without personal financial advice being provided.

### Fund and Issuer identifiers

<b>Issuer</b>	Spaceship Capital Limited
<b>Issuer ABN</b>	67 621 011 649
<b>Issuer AFSL</b>	501605
<b>Fund</b>	Spaceship Master Fund <ul style="list-style-type: none"> <li>• Spaceship Explorer Portfolio (<b>Explorer</b>); and</li> <li>• Spaceship Galaxy Portfolio (<b>Galaxy</b>).</li> </ul>
<b>ARSN</b>	675 559 261
<b>TMD approval date</b>	2 May 2024
<b>TMD version</b>	1
<b>TMD status</b>	Current

## 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 (x), amber (O) and green (✓) rating methodology with appropriate colour coding:

- ✓ In target market                     
 ○ Potentially in target market                     
 x Not considered in target market

### 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).

### 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. Columns 2 and 3, TMD Indicator, indicates whether a consumer meeting the attribute in Column 1 is likely to be in the target market for each investment option in 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 (x)** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber (O)** rating.

Consumer Attributes	TMD Indicator (Explorer)	TMD Indicator (Galaxy)	Product description including key attributes
Consumer's investment objective			
Capital Growth	○	✓	<b>Spaceship Explorer Portfolio</b> The consumer seeks low-to-medium capital growth at a low-to-medium investment risk. The portfolio invests 0-20% in equities as a growth asset and 80-100% in fixed income and cash as defensive assets.
Capital Preservation	✓	○	
Capital Guaranteed	x	x	<b>Spaceship Galaxy Portfolio</b> The consumer seeks medium capital growth at a Medium investment risk. The portfolio invests 20-40% in equities as a growth asset and 40-60% in fixed income and cash as defensive assets.  The Fund typically distributes income annually by issuing units.
Income Distribution	x	x	

Consumer Attributes	TMD Indicator (Explorer)	TMD Indicator (Galaxy)	Product description including key attributes
Consumer's intended product use (% of Investable Assets)			
Solution/Standalone (50-100%)	○	○	Both Portfolios have high diversification as they invest across Australian and global equities, and fixed income asset classes across multiple investment managers in addition to cash.  The Portfolios are therefore likely to be appropriate as a Satellite / Small Allocation (up to 25%), Core Component (25-50%) and as a Solution / Standalone of up to 75% of an investor's total Investable Assets.  The Portfolios are not appropriate as a Standalone investment of more than 75% of an investor's total Investable Assets.
Core Component (25-50%)	✓	✓	
Satellite/small allocation (<25%)	✓	✓	

Consumer Attributes	TMD Indicator (Explorer)	TMD Indicator (Galaxy)	Product description including key attributes
Consumer's investment timeframe			
Minimum investment timeframe	3 years	5 years	<p><b>Spaceship Explorer Portfolio</b> The consumer has a minimum Medium-term timeframe and is unlikely to redeem within three years.</p> <p><b>Spaceship Galaxy Portfolio</b> The consumer has a minimum Medium-term timeframe and is unlikely to redeem within five years.</p>

Consumer Attributes	TMD Indicator (Explorer)	TMD Indicator (Galaxy)	Product description including key attributes
Consumer's Risk (ability to bear loss) and Return profile			
Low	○	×	<p><b>Spaceship Explorer Portfolio</b> The Portfolio is most suitable for consumers who:</p> <ul style="list-style-type: none"> <li>• seek returns in line with the investment return objective of the Consumer Price Index (CPI) + 1.5% per annum over a minimum 3-year investment timeframe;</li> <li>• have a low-to-medium risk appetite; and</li> <li>• are comfortable with the risks associated with the Fund.</li> </ul> <p><b>Spaceship Galaxy Portfolio</b> The Portfolio is most suitable for consumers who:</p> <ul style="list-style-type: none"> <li>• seek returns in line with the investment return objective of CPI + 2.5% per annum over a minimum 5-year investment timeframe;</li> <li>• have a medium risk appetite; and</li> <li>• are comfortable with the risks associated with the Fund.</li> </ul> <p>Some specific risks associated with the Fund's investments for each Portfolio include market risk, security specific risk, international investment risk, foreign currency risk, concentration risk, manager and ETF risk, interest rate risk, and credit risk.</p>
Medium	✓	✓	
High	×	×	
Very High	×	×	

Consumer Attributes	TMD Indicator (Explorer)	TMD Indicator (Galaxy)	Product description including key attributes
Consumer's need to withdraw money			
Daily (payment usually within five business days)	○	○	Withdrawal requests can be made daily, and must be received, verified, and accepted by the Fund's unit registry prior to 4pm (Sydney time) on a business day to be processed using the unit price calculated as at the close of markets on that day. If received after 4pm, it will be processed using the unit price calculated as at the close of markets on the next business day.
Weekly	✓	✓	
Monthly	✓	✓	Proceeds from the consumer's withdrawal will typically be paid within 5 business days but can be processed up to 21 business days from when we accept the request, given normal operating conditions.
Quarterly	✓	✓	The Fund is more likely to be suitable for consumers who are comfortable with, in normal operating conditions, withdrawal proceeds typically being paid within a week of the withdrawal request being accepted and who are not seeking to make daily withdrawal requests.
Annually or longer	✓	✓	

## Appropriateness

Spaceship Capital (as 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.

## Distribution conditions/restrictions

Distribution Condition	Distribution Condition Rationale
<p>The Fund is only available for distribution through direct issue by Spaceship Capital Limited.</p> <p>Consumers must complete a digital application process available through the Spaceship web and mobile applications (<b>Spaceship app</b>).</p> <p>Applications will only be accepted from consumers that Spaceship Capital determines are likely to be in the target market based on an assessment process that includes:</p> <ul style="list-style-type: none"> <li>the completion of a questionnaire to assist Spaceship Capital in understanding whether the consumer is likely to be within the target market;</li> <li>in some cases, clarifying questions to substantiate a consumer's situation;</li> <li>a combination of automated assessment and assessment by trained representatives to assess the likelihood of the consumer being within the target market; and</li> <li>the rejection of applications from consumers that are assessed as not likely to be within the target market.</li> </ul> <p>An assessment process may apply for existing investors in</p>	<p>The application process within the Spaceship app is likely to result in consumers being in the target market as it:</p> <ul style="list-style-type: none"> <li>highlights key information about key features and risks about the relevant Portfolio of the Fund prior to a consumer acquiring an interest; and</li> <li>obtains acknowledgement from the consumer that they have read the Product Disclosure Statement and Reference Guide, to assist consumers in making an informed decision about the Fund.</li> </ul> <p>Collecting responses from the consumer and making an assessment through a combination of automated means and by trained representatives is likely to result in the Fund's Portfolios being distributed to consumers in the target market.</p> <p>Internal training is likely to result in the Fund's Portfolios being distributed to the target market as relevant representatives have demonstrated knowledge, competence and experience in respect of the Fund, its Portfolios and their target market.</p> <p>Ensuring that marketing and promotional activities are designed in a manner which makes it likely that they will resonate with the target market and is therefore likely to result in consumers that progress to the application stage being in the target market.</p>

the Fund who intend to acquire interests in additional Portfolios of the Fund to ensure those customers continue to be likely to be in the target market.

Relevant representatives of Spaceship Capital involved in the promotion and distribution of interests in the Fund, and in the assessment of whether a consumer is likely to be in the target market, receive internal training in respect of the Fund, its Portfolios and their target market.

Marketing and promotional activities in respect of the distribution of interests in the Fund's Portfolios by Spaceship Capital are designed having regard to the target market. This includes an assessment of all marketing and promotional material before being published.

## Review

### Review Triggers

Material change to key product attributes, Portfolio investment objective and/or fees.

Material deviation from the investment objective over a 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 Investments 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.

### Mandatory review periods

Review period	Maximum period for review
<b>Subsequent review</b>	Two years

## Reporting

### 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 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 Section 994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the Significant Dealing.	All distributors
See Definitions for further detail.		

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
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## Definitions

Term	Definition
Consumer's investment objective	
<b>Capital Growth</b>	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.
<b>Capital Preservation</b>	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.
<b>Capital Guaranteed</b>	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>Income Distribution</b>	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).
Consumer's intended product use (% of Investable Assets)	
<b>Solution / Standalone (50-100%)</b>	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).
<b>Core Component (25-50%)</b>	The consumer intends to hold the investment as a major component, up to 50%, 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).
<b>Satellite / Small Allocation (&lt;25%)</b>	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 their 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).
<b>Investable Assets</b>	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification	
<b>Low</b>	Single asset class, single country, low or moderate number of holdings of securities in the Portfolio - e.g. high conviction Australian equities.
<b>Medium</b>	Two or more asset classes other than cash, single country, broad exposure within asset class, for example Australian equities "All Ords".
<b>High</b>	Highly diversified across multiple asset classes, countries or investment managers, for example, Australian multi-manager balanced fund or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
<b>Short (≤ 2 years)</b>	The consumer has a short investment timeframe and may wish to redeem within 2 years.
<b>Medium (&gt; 2 years)</b>	The consumer has a medium investment timeframe and is unlikely to redeem within 2 years.

<b>Long (&gt; 8 years)</b>	The consumer has a long investment timeframe and is unlikely to redeem within 8 years.
<b>Consumer's Risk (ability to bear loss) and return profile</b>	
<b>Low</b>	<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 annual return over a 20 year period (Financial Services Council (FSC) Standard Risk Measure (<b>SRM</b>) 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>
<b>Medium</b>	<p>The consumer is moderate or medium risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 4 negative annual returns over a 20 year period (SRM 3 to 5)) and is 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>
<b>High</b>	<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 annual 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 small or moderate holding in defensive assets such as cash and fixed income.</p>
<b>Very High</b>	<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 annual returns over a 20 year period (SRM 6 to 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property, and alternative assets.</p>
<b>Consumer's need to withdraw money</b>	
<b>Daily/Weekly /Monthly/Quarterly /Annually or longer</b>	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.



## 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 or amber 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 reporting period,
- the consumer's intended product use is *Solution / Standalone* of more than 75% of total Investable Assets, or
- the consumer's risk (ability to bear loss) and return profile is either *Low* (for the Spaceship Galaxy Portfolio), *High* or *Very High*.

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