

Spaceship Origin Portfolio

Target Market Determination

16 June 2023

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 Spaceship Origin Portfolio (**Fund**), 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 Spaceship Capital Limited'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 your individual objectives, financial situation or needs. You should carefully read the Product Disclosure Statement (**PDS**) and Reference Guide for the Fund 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 meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained by visiting www.spaceship.com.au.

Target Market Summary

The Fund is likely to be appropriate for a consumer who:

- is seeking capital growth over a long-term investment timeframe and prefers to achieve this through a fund investing predominantly in Australian and international shares rather than a fund diversified across a broad range of asset classes or a fund investing predominantly in another asset class;
- is seeking a concentrated investment exposure to equities and is intending to use the Fund as a satellite allocation within their broader investment portfolio (i.e. where their investment in the Fund is less than 25% of their total investable assets), or for some investors, a core component (25-50% of their total investable assets);
- has a very high risk/return profile and can tolerate a very high level of investment volatility associated with an international and Australian share fund, including regular and extended negative returns (in respect to both income and capital) which may deliver substantial losses during the lifespan of the consumer's investment;
- would be comfortable with withdrawal proceeds typically being paid within a week (in normal operating conditions);
- has a high tolerance for the risks associated with being invested in a portfolio that is heavily (and potentially entirely) weighted towards investments in Australian and international equities such as market risk, security specific risk, international investment risk, foreign currency risk, and concentration risk; and
- wants access to micro-investing through a digital experience.

Fund and Issuer identifiers

Issuer	Spaceship Capital Limited
Issuer ABN	67 621 011 649
Issuer AFSL	501605
Fund	Spaceship Origin Portfolio
ARSN	623 312 087
Date TMD approved	16 June 2023
TMD Version	3
TMD Status	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
✗ 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. 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 (x)** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber (O)** rating.

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	✓	The consumer seeks to invest in a product designed to generate capital growth. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate. The Fund primarily invests in listed equities with a small allowance for cash. It typically distributes income annually.
Capital Preservation	✗	
Capital Guaranteed	✗	
Income Distribution	✗	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (50-100%)	✗	The Fund invests in 90%-100% Australian and international equities as well as 0%-10% cash. Since it predominantly invests in one asset class (shares), the Fund is considered as having low portfolio diversification across asset classes. It is most appropriate as a satellite allocation of an investor's total investable assets (i.e. less than 25%), although for some investors seeking a concentrated exposure to equities, it may be appropriate as a core component.
Core Component (25-50%)	○	
Satellite/small allocation (<25%)	✓	
Consumer's investment timeframe		
Short (≤ 2 years)	✗	The consumer has a long investment timeframe and is unlikely to redeem within seven years.
Medium (> 2 years)	✗	
Long (> 8 years)	✓	The capital growth investment strategy of the Fund is appropriate for customers with longer-term investment horizons who can accept volatility.

Consumer's Risk (ability to bear loss) and Return profile		
Low	✘	The Fund is most suitable for consumers who:
Medium	✘	<ul style="list-style-type: none"> • have a more aggressive or very high risk appetite; • seek to maximise returns;
High	✘	<ul style="list-style-type: none"> • want to invest in a fund that has a concentration in the single asset class of equities;
Very High	✔	<ul style="list-style-type: none"> • can accept higher potential losses (e.g. has the ability to bear up to 6 negative annual returns over a 20 year period (Standard Risk Measure (SRM) 6)); and • are comfortable with the risks associated with the Fund. <p>The Fund's investment strategy means:</p> <ul style="list-style-type: none"> • there's a very high level of volatility of returns (both in respect to capital invested and income from Fund distributions); • there's a high risk of experiencing negative investment returns over an extended period of time (including potentially over the lifespan of a consumer's investment); • there is risk of substantial loss of a consumer's investment; and • there are risks associated with being invested in a single asset class portfolio that is not diversified across asset classes and that is heavily (and potentially entirely) weighted towards investments in Australian and international equities. <p>Some specific risks associated with the Fund's investments include:</p> <ul style="list-style-type: none"> • Market Risk - the risk that the price of the Fund's assets will fluctuate as a result of broader capital markets and macroeconomic factors; • Security Specific Risk - the risks associated with each individual asset of the Fund such as changes in management or operations of a company; • International Investment Risk - the risk of movements in foreign currency, exchange rates, political and economic uncertainties, less regulatory supervision and other factors in foreign markets; • Foreign Currency Risk - the risk of losses related to investments exposed to foreign exchange rate movements; and • Concentration Risk - the risk of negative return where the Fund has concentrated exposure to a particular asset class or sector that is heavily impacted by an adverse event.
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	✔	
Quarterly	✔	Proceeds from the consumer's withdrawal will typically be paid

<p>Annually or longer</p>	<p>✓</p>	<p>within 5 business days but can be processed up to 21 business days from when we accept the request, given normal operating conditions.</p> <p>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.</p>
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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.

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 (Spaceship App).</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"> the completion of a questionnaire to assist Spaceship Capital in understanding whether the consumer is likely to be within the target market; in some cases, clarifying questions to substantiate a consumer's situation; a combination of automated assessment and assessment by trained representatives to assess the likelihood of the consumer being within the target market; and the rejection of applications from consumers that are assessed as not likely to be within the target market. <p>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 and its target market.</p> <p>Marketing and promotional activities in respect of the distribution of the Fund by Spaceship Capital are designed having regard to the target market. This includes an assessment of all marketing and promotional material before being published.</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"> highlights key information about key features and risks about the Fund prior to a consumer acquiring an interest; and 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. <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 being distributed to consumers in the target market.</p> <p>Internal training is likely to result in the Fund being distributed to the target market as relevant representatives have demonstrated knowledge, competence and experience in respect of the Fund and its 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>

Review Triggers

<p>Material change to key product attributes, fund investment objective and/or fees.</p>
<p>Material deviation from the investment objective over a sustained period.</p>

Key product 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 review periods

Review period	Maximum period for review
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Subsequent review	Two years
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Distributor reporting requirements

Reporting requirement	Reporting period	Which distributors this requirement applies to
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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
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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
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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	
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).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (50-100%)	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 (25-50%)	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).
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 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).
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification	
Low	Single asset class, single country, low or moderate number of holdings of securities in the portfolio - e.g. high conviction Aussie equities.
Medium	Two or more asset classes other than cash, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across multiple asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
Short (≤ 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.
Consumer's Risk (ability to bear loss) and Return profile	
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 annual return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	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. Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
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 annual returns over a 20 year period (SRM 6)) in order to target a higher target return profile. 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.

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 annual returns over a 20 year period (SRM 6 or 7) and possibly other risk factors, such as leverage).

Consumer typically prefers growth assets such as shares, property, and alternative assets.

Consumer's need to withdraw money

Daily/Weekly /Monthly/Quarterly /Annually 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.

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*, or
- the consumer's intended product use is *Core component* and the consumer's risk (ability to bear loss) and return profile is either *Low, Medium* or *High*.

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 In-app chat