

# CFS Edge Investments

## Target Market Determination

5 October 2024

This Target Market Determination (TMD) is a publicly available document required under section 994B of the *Corporations Act 2001* (Cth). It sets out the class of consumers for whom the CFS Edge Investments (the product), including its key attributes, would likely be suitable given their likely objectives, financial situation and needs. It also contains triggers to review the TMD and certain other information. It forms part of the Colonial First State design and distribution framework for the product.

This document is not an Investor Directed Portfolio Service Guide (IDPS Guide) 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 IDPS Guide for **CFS Edge Investments**, available at [cfs.com.au/cfsedge](https://cfs.com.au/cfsedge) and consider obtaining financial advice before making a decision whether to acquire this product.

### Product name

CFS Edge Investments

### Product issuer

Colonial First State Investments Limited (we, us, or our)

### Start date

5 October 2024

### Product description

CFS Edge Investments is an Investor Directed Portfolio Service (IDPS) which offers access to the following key features:

- An IDPS account which provides investors with transparency on transactional, custodial and reporting services within a single administration platform
- Can also be used for investors who are trustees to manage the investments of a self-managed super fund (SMSF) but isn't suitable for customers seeking broader SMSF administration services, which includes features such as account

reconciliation, tax return lodgement, compliance monitoring and audit facilitation

- A diverse range of investment options, including separately managed accounts (SMAs), managed funds, Australian and international listed securities, term deposits and cash (Australian dollars)
- Option to apply for retail insurance cover and link it to your CFS Edge Investments account. Cover types available include life cover (payable on death or terminal illness), total and permanent disablement (TPD) cover, income protection cover, trauma cover, and business expenses cover, which start only when an application is made and approved by the insurer.
- Provides access to margin lending and sophisticated tax management facilities
- The ability to authorise a licensed financial adviser to the account to assist in managing and administering the account and investments on behalf of the customer.

### Target market

CFS Edge Investments is suitable for customers looking to achieve financial goals with the added ease and flexibility of managing their investments in one place. This product is designed to help meet the objectives, financial situations, and needs of customers who:

- On application, are present in Australia and are an individual, joint investor, corporate entity, partnership, trustee of a trust or SMSF
- Are looking to access a range of wholesale funds and diverse investment choice, including managed funds, SMAs, Australian and international listed securities, term deposits and cash (Australian dollars). Please refer to the CFS Edge Investment

List available at [cfs.com.au/cfsedge](https://cfs.com.au/cfsedge) for the full list of available investment options

- Want flexibility to view and maintain their investment portfolio via their financial adviser and/or an online investor portal when it suits them
- Have engaged a financial adviser to implement an investment strategy that suits their individual goals and objectives by taking into account the likely return, the level of risk and investment timeframe, or are expressly permitted by us as a direct client
- Have provided authorisation for financial advisers to transact and manage their investments in the product, or are expressly permitted by us as a direct client
- Intend to invest an initial amount (in one lump sum or under a regular deposit arrangement over a period of time) of at least \$20,000
- Are able to maintain a minimum balance in the cash account of the lower of \$2,500 or 0.5% of the total account balance, plus the value of any insurance premiums (for linked insurance policies) due over the next two months
- Seek consolidated, detailed and transparent reporting for their investments
- May want to apply for and link an authorised external insurance policy to their account to pay insurance premiums

- Wish to invest in one, or a combination of, investment options outlined in the Investment options section, where the members risk, return and investment objectives align with those attributed to the investment options in the Investment options section.
- May want to apply for and link a margin loan to their account.

#### **This product is not designed for individuals who:**

- Seek a broader SMSF administration service, which includes features such as account reconciliation, tax return lodgement, compliance monitoring and audit facilitation, or
- Are looking for default investment and non-retail (group) insurance arrangements, or
- Expect to have less than \$20,000 to invest initially (in one lump sum or under a regular deposit arrangement over a period of time), or
- Do not have a financial adviser, or
- Are outside of Australia.

The IDPS Guide and Other Important Information brochure do not constitute an offer or invitation in any jurisdiction other than in Australia. Applications from outside Australia will not be accepted.

## **Investment options**

This product provides access to a range of investment options with different investment objectives, levels of risk, exposure to different asset classes and investment timeframes. Different investment options have different levels of potential return and volatility. Where applicable, investment options available through this product will have a separate TMD that should be considered in conjunction with this document.

Investment category	Investment objective <sup>1</sup>	Risk considerations <sup>2</sup>	Standard Risk Measure <sup>3</sup>	Minimum suggested investment timeframe <sup>4</sup>
Cash and deposits	To earn returns that match headline CPI increases over rolling one-year periods.	<ul style="list-style-type: none"> <li>• Term risk</li> <li>• Credit risk</li> </ul>	Very low (1)	None
Enhanced cash	To earn a return exceeding the Bloomberg AusBond Bank Bill Index plus 0.5%–1% through portfolios investing predominantly in money market funds and some fixed interest securities.	<ul style="list-style-type: none"> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> </ul>	Very low (1)	1 year
Australian fixed interest	To earn returns that exceed the Bloomberg AusBond Composite Bond Index (All Maturities) on average through portfolios investing predominantly in domestic fixed interest securities including government, corporate and structured investments.	<ul style="list-style-type: none"> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Medium to High (5)	3 years

Investment category	Investment objective <sup>1</sup>	Risk considerations <sup>2</sup>	Standard Risk Measure <sup>3</sup>	Minimum suggested investment timeframe <sup>4</sup>
Diversified fixed interest	To earn returns that exceed a global bond index such as Citigroup World Government Bond Index (hedged into \$A) or the Barclays Global Aggregate (hedged to \$A) through portfolios investing predominantly in global fixed interest securities (or a combination of global and domestic) including government, corporate and structured investments.	<ul style="list-style-type: none"> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Medium to High (5)	3 years
Short duration fixed interest	To earn returns that exceed the Bloomberg AusBond Bank Bill Index plus 1–2% through portfolios investing predominantly in domestic and/or global fixed interest securities with an absolute return focus, lower risk and minimal duration, typically investing to a cash plus 1–2% target.	<ul style="list-style-type: none"> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Medium to High (5)	3 years
Alternative income	To earn returns that exceed the Bloomberg AusBond Bank Bill Index plus 2–5% on average through portfolios looking to generate a higher level of income, predominantly through investment in domestic and/or global fixed interest securities but also through certain income producing equities and alternatives, typically with an absolute return target with higher risk and expected return than Short duration fixed interest.	<ul style="list-style-type: none"> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Medium to High (5)	3 years
Defensive	To earn returns that exceed an appropriate benchmark return through the allocation of 80–100% of funds to defensive assets. Defensive assets such as cash and fixed interest provide relatively stable returns with lower risk of impact from market volatility.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Low to Medium (3)	3 years
Conservative	To earn returns that exceed an appropriate benchmark return through the allocation of 60–79% of funds to defensive assets. Defensive assets such as cash and fixed interest provide relatively stable returns with lower risk of impact from market volatility. The remaining assets are allocated to growth assets such as Australian and Global shares which aim to provide higher returns but have a higher risk of impact from short-term market fluctuations.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• Derivatives risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Medium (4)	3 years

Investment category	Investment objective <sup>1</sup>	Risk considerations <sup>2</sup>	Standard Risk Measure <sup>3</sup>	Minimum suggested investment timeframe <sup>4</sup>
Moderate	To earn returns that exceed an appropriate benchmark return through a mixed allocation of 41–60% of funds to growth assets and the remaining funds to defensive assets. This portfolio seeks to earn greater returns through growth assets such as Australian and Global shares balanced against defensive assets such as cash and fixed interest.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• Derivatives risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Medium to High (5)	5 years
Growth	To earn returns that exceed an appropriate benchmark return through the allocation of 61–80% of funds to growth assets. The allocation will include a mix of Australian and Global shares and property and infrastructure assets which seek higher returns in the long term with greater risk. The remaining assets are allocated to defensive assets such as fixed interest and cash which provide relatively stable returns with lower risk of impact from market volatility.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• Derivatives risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	High (6)	5 years
High growth	To earn returns that exceed an appropriate benchmark return through the allocation of 81–100% of funds to growth assets. The allocation will include a mix of Australian and Global shares and property and infrastructure assets which seek higher returns in the long term with greater risk. The remaining assets are allocated to defensive assets such as fixed interest and cash which provide relatively stable returns with lower risk of impact from market volatility.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• Derivatives risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	High (6)	7 years
Diversified real return	To earn returns that exceed an appropriate benchmark return through portfolios with a flexible allocation to growth assets and typically with an absolute return target.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• Emerging markets risk</li> <li>• Term risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> <li>• Valuation risk</li> </ul>	High (6)	5 years
Australian share	To earn returns that exceed the S&P/ASX 300 Accumulation Index through investing predominantly in Australian shares.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years

Investment category	Investment objective <sup>1</sup>	Risk considerations <sup>2</sup>	Standard Risk Measure <sup>3</sup>	Minimum suggested investment timeframe <sup>4</sup>
Australian share – small companies	To earn returns that exceed the S&P/ASX Small Ordinaries Accumulation Index through investing predominantly in Australian small companies.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• Liquidity risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Global share	To earn returns that exceed the MSCI World ex-Australia Index through investing predominantly in global shares.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Emerging markets risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Global share – emerging markets	To earn returns that exceed an emerging market global share index such as the MSCI Emerging Markets Index or the MSCI Asia ex-Japan Index through portfolios investing predominantly in emerging markets.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Emerging markets risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Specialist share	To earn returns that exceed an appropriate sector component index through investing predominantly in specific sectors or regions, global small companies or long/short strategies.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• Emerging markets risk</li> <li>• Liquidity risk</li> <li>• Short selling risk</li> <li>• Derivatives risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Lower volatility share	To earn returns that exceed the S&P/ASX 300 Accumulation Index or the MSCI World ex-Australia Index through portfolios predominantly managed with a low volatility objective relative to shares, using quantitative techniques, equities option overlays or variable allocations to cash.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Geared funds	To earn returns that exceed the S&P/ASX 300 Accumulation Index or the MSCI World ex-Australia Index through portfolios predominantly invested in Australian, global equities or other listed securities whilst using gearing.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Gearing risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Australian property and infrastructure	To earn returns that exceed the S&P/ASX 300 A-REIT Index or an appropriate relevant infrastructure index through portfolios investing predominantly in Australian property and/or infrastructure.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> <li>• Valuation risk</li> </ul>	Very high (7)	7 years

Investment category	Investment objective <sup>1</sup>	Risk considerations <sup>2</sup>	Standard Risk Measure <sup>3</sup>	Minimum suggested investment timeframe <sup>4</sup>
Global property and infrastructure	To earn returns that exceed the FTSE EPRA/NAREIT Developed Index (hedged to \$A) or FTSE Global Core Infrastructure 50/50 Index (hedged to \$A) through portfolios investing predominantly into global property and/or infrastructure.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> <li>• Valuation risk</li> </ul>	Very high (7)	7 years
Alternatives	To deliver consistent medium term returns on average with low correlation to broad equity and fixed income markets by investing in both traditional and non-traditional asset classes through portfolios including, but are not limited to, absolute return funds, diversified hedge funds, global macro funds, commodity trading and currency funds.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• Credit risk</li> <li>• Liquidity risk</li> <li>• Currency risk</li> <li>• Short selling risk</li> <li>• Derivatives risk</li> <li>• Valuation risk</li> </ul>	Medium to High, to Very high (5 to 7)	5 years
Australian listed securities	To provide investors with a growth investment return from exposure to one or more companies listed on the Australian Stock Exchange (ASX). This strategy may provide additional returns by investing in Australian companies who declare partially or fully franked dividends.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Small cap risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
International listed securities	To provide investors with a growth investment return from exposure to one or more companies listed on selected global markets.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• Currency risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years
Listed Australian interest rate securities	To provide investors with a regular income stream above the cash rate over the short to medium term.	<ul style="list-style-type: none"> <li>• Equity risk</li> <li>• ESG risk</li> <li>• Climate risk</li> </ul>	Very high (7)	7 years

1 Refer to the 'Other Important Information' brochure for a detailed description of the investment objective for each individual investment option. Risk and return objectives for each investment option may vary from their associated investment category objective.

2 Refer to the CFS Edge Investments IDPS Guide for further information on the various risk considerations associated with investments.

3 The standard risk measure is a 1–7 scale based on the estimated number of negative annual returns over any 20-year period.

4 The minimum suggested timeframe is an estimate of how long you should expect to hold your capital in an investment option within this category in order to achieve its expected investment return outcome.

## Insurance options

With this product, you can arrange for the payment of regular insurance premiums for linked retail insurance policies that provide for your specific needs.

For individuals, partnerships or trusts looking to link and pay for their insurance cover with their CFS Edge Investments account, they must meet the eligibility requirements outlined in the nominated insurer's relevant PDS. Please refer to the PDS and TMD of the insurance product selected for further information.

## Appropriateness of the target market

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market as described above. This is based on an analysis of the key terms, features, and attributes of the product and a finding that these are consistent with the identified class of customers.

## Distribution conditions and restrictions

### Distribution conditions

This product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the IDPS Guide (as amended from time to time).

This product can be distributed:

- Via third party financial advisers – In order to be distributed via this channel, the adviser must:
  - Be registered with us through a dealer group that has agreed with our Licensee terms, and
  - Have met our minimum criteria which include an array of internal and external checks, including the professional standards as outlined by the Australian Securities and Investments Commission (ASIC) or
- Directly – in limited circumstances, when expressly permitted by us.

### Appropriateness of the distribution conditions and restrictions

It has been determined that the distribution conditions and restrictions will make it likely that customers who purchase the product are in the class of customers for which it has been designed. We consider that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

## Review triggers

Where we determine that one of the below review triggers has occurred, we must undertake a review of this TMD:

- Receipt of a product intervention order from ASIC requiring us to cease retail distribution of this product or the issue of orders or directions by ASIC in relation to the distribution of this product
- Receipt of a significant or an unexpectedly high number of complaints from customers who have acquired this product, regarding the product design, features, availability and any distribution condition that would reasonably suggest that this TMD is no longer appropriate
- Occurrence of a significant dealing(s) outside of the TMD that would reasonably suggest that this TMD is no longer appropriate
- Material change to key product features, investment objectives or terms and conditions that would reasonably suggest that this TMD is no longer appropriate
- The target market and product attributes described in this TMD are found to include materially incorrect or misleading information that reasonably suggests that this TMD is no longer appropriate
- A significant number of investment options (excluding fixed term investments) have become illiquid and are no longer able to offer withdrawals (including investment switching), which reasonably suggests that this TMD is no longer appropriate
- Changes to legislation have come into effect which materially impact upon the design or distribution of the product and reasonably suggests that this TMD is no longer appropriate.

### Initial review date

N/A – initial review has already occurred

### Subsequent review date

5 October 2025

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## Review trigger information requirements

Information	Provider	Reporting frequency
<b>Complaints</b> The number, nature and outcomes of complaints received in relation to this product's design, features, availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Distributor	Quarterly (within 10 business days following the end of the calendar quarter).
<b>Significant dealing outside the target market</b> The nature and circumstances of the significant dealing (including why the dealings occurred outside the target market), the date range of when the significant dealing occurred, the number of consumers to whom the report relates, whether personal financial advice was provided (in writing) and whether consumer harm or detriment has or has likely occurred as a result of the significant dealing.	Distributor	As soon as practicable, but no later than 10 business days after the distributor becomes aware of the significant dealing.

**Important information:** Colonial First State (CFS) refers to Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include Avanteos Investments Limited ABN 20 096 259 979, AFSL 245531 (AIL) and Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL). CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945 (CBA) holding a significant minority interest. CFSIL is the operator of The Avanteos Wrap Account Service which includes CFS Edge Investments. This document may include general advice but does not take into account your individual objectives, financial situation or needs. Because of this, before acting on the information, you should consider its appropriateness having regard to these factors. You should consider obtaining financial advice relevant to your personal circumstances before investing. You should read the relevant IDPS Guide and FSG carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. You can obtain the IDPS Guide at [cfs.com.au/cfsedge](https://cfs.com.au/cfsedge) or by calling us on 1300 769 619. Investments in the funds are subject to investment risk, including loss of income and capital invested.

Version: 3