# Macquarie Dynamic Bond Active ETF

## Target Market Determination – 10 June 2025 (Version 6)

**ARSN 101 815 141**
**APIR code MAQ4000AU**
**ASX code MQDB**

**Issuer: Macquarie Investment Management Australia Limited**
**ABN 55 092 552 611 AFSL No. 238321**

**Important note**

This Target Market Determination (**TMD**) describes the class of consumers that comprise the target market for the Fund, along with the distribution conditions, the review triggers and periods, and certain other information. It forms part of Macquarie Investment Management Australia Limited's design and distribution framework. Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the Fund being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is not a product disclosure statement and is not a complete summary of the Fund's features or terms. This document does not take into account the investment objectives, financial situation or needs of any person. In deciding whether to acquire or continue to hold an investment in the Fund, a consumer should consider the Fund's product disclosure statement, available on our website at **macquarie.com/mam/pds** or by contacting us on 1800 814 523. This information is intended for recipients in Australia only.

Important terms used in this TMD are defined in the 'TMD Definitions' available at **macquarie.com/mam/tmd**. Capitalised terms have the meaning given to them in the Fund's product disclosure statement, unless otherwise defined. References to **the Act** are to the Corporations Act 2001 (Cth).

Other than Macquarie Bank Limited ABN 46 008 583 542 (**Macquarie Bank**), any Macquarie Group entity noted in this material is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested, and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.

**TARGET MARKET SUMMARY**

The Fund is designed for consumers who:

- are seeking capital preservation and income distribution
- are intending to use the Fund as a major allocation, core component, minor allocation or satellite allocation within a portfolio
- have a minimum investment timeframe of three years
- have a medium or high risk/return profile for that portion of their investment portfolio, and
- require the ability to have access to capital within one week of request.

### TMD indicator key

The consumer attributes for which the Fund is likely to be appropriate have been assessed using a red and green rating methodology with appropriate colour coding.

| In target market | Not in target market |
|---|---|

### Consumer attribute definitions

Consumers should refer to the 'TMD definitions' available at **macquarie.com/mam/tmd** for the definitions of the consumer attributes (that is, the terms used in the 'Consumer attributes' column in the table below).

### Appropriateness

The issuer has assessed the Fund and formed the view that the Fund is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described below. The attributes of the Fund in the 'Description of Fund including key attributes' column of the table below are consistent with the corresponding consumer attributes identified with a green rating (in the 'TMD indicator for Fund' column).

### 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 wish 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). Please note that the 'Consumer's intended Fund use', which sets out the percentage of investable assets, is based on **all of the assets** that the consumer has available for investment (excluding the family home) and not, for example, only the relevant portion of assets the consumer is currently intending to invest.

## DESCRIPTION OF TARGET MARKET OF FUND

| **Consumer attributes**<br>Please refer to **macquarie.com/mam/tmd** for definitions. | **TMD indicator for Fund** | **Description of Fund including key attributes** |
|---|---|---|
| **Consumer's investment objective** | | |
| **Capital growth** | **Not in target market** | Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFSL 238321 is the responsible entity of the Macquarie Dynamic Bond Active ETF (**Fund**), which is a class of units in the Macquarie Dynamic Bond Fund (ARSN 101 815 141) (**Scheme**). The Fund is a separate unit class of the Scheme and is not a separate managed investment scheme.<br><br>The Fund aims to generate attractive returns by dynamically investing in global fixed income instruments. It aims to provide diversification against equity risk as well as capital growth and some income.<br><br>The Fund provides exposure to an actively managed, benchmark unaware and diversified portfolio of fixed income investments such as sovereign bonds and investment grade credit. The Fund may also provide exposure to other fixed income sectors such as high yield and emerging markets debt when these are expected to outperform.<br><br>The Fund has the following key attributes:<br>• Provides exposure to a diversified portfolio of fixed interest and credit-based investments with a potential for some capital growth.<br>• Potential to deliver returns across market cycles by employing a dynamic approach which actively identifies outperforming fixed interest and credit sectors.<br>• Defensive yet flexible strategy with a focus on capital preservation.<br>• Diversification against equity risk. Investing in the Fund can help balance the risk of investing in equities, providing valuable diversification benefits during equity market downturns. This is because bonds have historically had low to negative correlation to equities.<br>• Potential for capital preservation through exposure to a diversified portfolio of fixed interest and credit-based investments. However, there is no guarantee that the Fund will be able to preserve capital in the future and the level of any capital preservation may vary materially, particularly for a consumer with a shorter investment timeframe than what the Fund has been designed for. The Fund has exposure to interest rate risk, which may negatively impact consumers' capital from time to time.<br>• Although the Fund will generally seek to distribute any net income on a quarterly basis, consumers should be aware that the amount of each distribution may vary or no distribution may be payable in a distribution period. |
| **Capital preservation** | **In target market** | |
| **Income distribution** | **In target market** | |

| Consumer's intended Fund use (as percentage of assets available for investment excluding family home) | | |
|---|---|---|
| **Solution/Standalone** **(Up to 100%)** May hold investment as up to 100% of total investable assets | **Not in target market** | The Fund provides exposure to an actively managed, benchmark unaware and diversified portfolio of fixed income investments such as sovereign bonds and investment grade credit. The Fund may also provide exposure to other fixed income sectors such as high yield and emerging markets debt when these are expected to outperform.<br>**Asset allocation[1]**<br>Sovereign bonds[2] 0% – 100%<br>Investment grade credit[3] 0% – 70%<br>High yield 0% – 20%<br>Emerging markets debt[4] 0% – 20%<br>1 The ranges are indicative only. The Fund will be rebalanced within a reasonable period of time should the exposure move outside these ranges.<br>2 Includes Australian government, Australian semi government, supranational, global sovereign and cash.<br>3 Includes Australian and global investment grade credit.<br>4 May include holdings of sub-investment grade investments.<br>The Fund's portfolio diversification has been assessed as 'High' as it provides exposure to a large number of holdings in multiple geographic markets and sectors, including sovereign bonds, investment grade credit, high yield and emerging market debt.. Please refer to **macquarie.com/mam/tmd** for definitions. |
| **Major allocation** **(Up to 75%)** May hold investment as up to 75% of total investable assets | **In target market** | |
| **Core component** **(Up to 50%)** May hold investment as up to 50% of total investable assets | **In target market** | |
| **Minor allocation** **(Up to 25%)** May hold investment as up to 25% of total investable assets | **In target market** | |
| **Satellite allocation** **(Up to 10%)** May hold investment as up to 10% of total investable assets | **In target market** | |
| **Consumer's investment timeframe** | | |
| **Minimum investment timeframe** | **Three years** | Suggested minimum investment timeframe for Fund: Three years |

**Consumer's risk (ability to bear loss) and return profile**

The Fund's risk profile is assessed by taking into consideration the Standard Risk Measure (**SRM**) for the Fund, as disclosed in Section 2 of the Fund's product disclosure statement, and other indicators of risks which consider the potential frequency and size of negative returns.

Please refer to Section 4 of the Fund's product disclosure statement for more information on the risks of an investment in the Fund.

| | | |
|---|---|---|
| **Low** | **Not in target market** | The Fund aims to generate attractive returns by dynamically investing in global fixed income instruments.<br>The Fund has a medium risk and return profile. For the relevant part of the consumer's portfolio, the consumer:<br>• has a moderate or medium risk appetite<br>• seeks low volatility and potential losses, and<br>• is comfortable with a moderate target return profile.<br>The Fund has been assigned an SRM of 3; that is, it is estimated to experience 1 to less than 2 negative annual returns over any given 20-year period. |
| **Medium** | **In target market** | |
| **High** | **In target market** | |
| **Very high** | **Not in target market** | |
| **Consumer's need to access capital** | | |
| **Within one week of request** | **In target market** | The Fund is an exchange-traded fund that is quoted on the ASX. Units in the Fund can be traded on the ASX during ASX opening hours on ASX trading days under normal circumstances. A sale of units in the Fund will settle two ASX trading days after the date of the sale trade under normal market circumstances.<br>Please note that the ASX may, under certain circumstances, suspend trading of units in the Fund. Investors will not be able to buy or sell units in the Fund on the ASX during any period when trading of units in the Fund is suspended. Trading of units may also be suspended in other circumstances, such as around the end of a distribution period, where the issue and redemption of units to Authorised Participants is suspended or restricted or where factors prevent the accurate calculation of unit prices. |
| **Within one month of request** | **In target market** | |
| **Within three months or more of request** | **In target market** | |
| **At issuer's discretion** | **In target market** | |

## DISTRIBUTION CONDITIONS/RESTRICTIONS

| Channel | Distribution condition |
|---|---|
| **Platform providers** | Only available for distribution through a platform if the platform provider:<br>• has an arrangement with the issuer governing their relationship with the issuer<br>• only allows consumers to acquire units in the Fund following the provision of personal advice to the consumer, or<br>• only provides execution-only broking services. |
| **Advisers** | Only available for distribution with the assistance of a dealer group and/or an adviser if the dealer group and/or adviser has satisfied themselves that the Fund, or a portfolio that the Fund would form part of, is suitable for the consumer. |
| **Brokers** | Only available for distribution through the Exchange by a broker if the broker is registered with the ASX and, with the exception of execution-only brokers, has satisfied themselves that the Fund, or a portfolio that the Fund would form part of, is suitable for the consumer. |
| **All** | The Issuer has controls that seek to ensure its marketing and communication materials, which may influence consumers to acquire the Fund, are consistent with the TMD for the Fund, noting that exchange-traded funds are commonly acquired by consumers through online brokers in an execution-only context. |

## REVIEW TRIGGERS

| | |
|---|---|
| • Material change made to the Fund's key attributes, investment objective and/or fees | • Material deviation from the Fund's benchmark/objective over sustained period |
| • Fund's key attributes have not performed as disclosed by a material degree and for a material period | • Issuer determines a significant dealing in the Fund outside of the target market has occurred |
| • Issuer receives a material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the Fund or its distribution | • Use of Product Intervention Powers, regulator orders or directions that affect the Fund |

## MANDATORY TMD REVIEW PERIODS

| Review period | Maximum period for review |
|---|---|
| **Initial review** | N/A – Initial review has already occurred |
| **Subsequent review** | Annually |

## 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 Fund. The distributor should provide all the content of the complaint, having regard to privacy. | As soon as practicable but no later than ten business days following end of calendar quarter | All distributors |
| Details of any significant dealing in the Fund outside of the target market (where a significant inconsistent dealing is determined in the same way as for section 994F(6) of the Act). Please refer to **macquarie.com/mam/tmd** for further detail. | As soon as practicable but no later than ten business days after distributor becomes aware of the significant dealing outside of the target market | All distributors other than execution-only brokers |
| Any information the issuer reasonably requires in order to assess the distributor's arrangements for compliance with Part 7.8A of the Act and/or to identify promptly whether a review trigger or other similar event or circumstance has occurred. | Within ten business days after distributor receives notice of the required information | All distributors |

Distributors must report required information to Macquarie Investment Management Australia Limited by email to MAMDDO@macquarie.com.

**For more information, call us on 1800 814 523, email mam.clientservice@macquarie.com or visit macquarie.com/mam/tmd.**