

Landsdowne Investment Company Limited

A Class Redeemable Preference Shares

Target Market Determination

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This Target Market Determination (**TMD**) is issued by Landsdowne Investment Company Limited (ACN 658 476 058) (**Landsdowne** or the **Company**) and is required under section 994B of the *Corporations Act 2001* (Cth) (the **Act**). It has been prepared by the Company in relation to an offer made pursuant to a replacement prospectus dated 21 December 2022 (**Prospectus**) of 150,000 A Class Redeemable Preference Shares (**Preference Shares**) at an Offer Price of A\$100 per Preference Share to raise A\$15 million with the ability to accept oversubscriptions up to an additional 15,000 Preference Shares at an issue price of A\$100 per Preference Share to raise up to \$1.5 million (**Oversubscription**) (**Offer**) and for the admission of the Company to the Official List of the National Stock Exchange of Australia (**NSX**). It sets out the class of consumers for whom the product, 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 the Company's design and distribution arrangements in relation to the Offer.

A copy of the Prospectus is available on www.landsdowneinvestment.au

Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. There will be no cooling off period in respect of the Offer. This TMD is **not** a disclosure document for the purposes of the Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not take into account what investors currently have, or what they want and need, for their financial future. It is important for investors to consider these matters and read the Prospectus before they make an investment decision. This TMD is not intended to provide financial advice or take into account investors' objectives, financial situations or needs. The Company is not licensed to provide financial product advice in relation to the Offer.

Issuer	Landsdowne Investment Company Limited (ACN 658 476 058)
Effective Date	21 December 2022
Version	1.0
Status	Current until the close of the Offer
Preference Shares - Company Investment Strategy Information	<p>The Company has been established to invest in a relatively concentrated investment portfolio to enable it to pay its preference shareholders a regular income and to provide its ordinary shareholders with some level of income and capital growth.</p> <p>The Preference Shares the subject of this Offer are a separate class of shares to ordinary shares in the Company. The Preference Shares specific features are different to ordinary shares as follows:</p> <ul style="list-style-type: none"> • rights to a cumulative preferential dividend ahead of any dividends being payable to ordinary shareholders; • limited voting rights compared to ordinary shareholders; • redeemable by the Company at the Offer Price plus any accrued capital; • upon winding up of the Company will be repaid capital and any accrued dividends after creditors but before ordinary shareholders. <p>The Company will initially invest in the RAM Australia Diversified Property Fund (ARSN 653 735 258) (RAM Property Fund) and the RAM Australia Credit Fund (RAM Credit Fund) (together, the Underlying Funds). The proceeds from the Offer will be invested directly in the Underlying Funds, providing investors with exposure to the investments and strategy of the Underlying Funds, being property related investments.</p>

The RAM Property Fund is an unlisted, registered managed investment scheme, investing in Australian commercial property assets, either existing or via development (greenfield or brownfield), that satisfy certain characteristics (such as lot size, occupancy level, and lease term). It currently has a total net assets value of approximately A\$188 million, as at the date of the Prospectus, and aims to provide its investors with a stable quarterly income stream with the potential for capital growth.

The RAM Credit Fund is an unlisted, unregistered managed investment scheme, comprising of investments in cash products (including call and term deposits, and negotiable certificates of deposits) and interests in loan investments (including residential and commercial mortgages). It currently has a total net assets value of approximately A\$310 million, as at the date of the Prospectus.

The Company may in the future invest in other actively managed investment schemes and collective investment vehicles which align with the Company's investment strategy as set out in the Prospectus.

Target market	<p>The Preference Shares have been designed for investors who have a high risk/return profile* and:</p> <ul style="list-style-type: none"> • are seeking to acquire an investment product to generate income; • are seeking a satellite/small allocation to an income earning security; • are able to bear the risks associated with an investment in the Preference Shares (in particular, lack of certainty as to payment of dividends and the potential loss of some or all of the capital investment in the Preference Shares); • do not require certainty as to repayment of their capital within a specific investment timeframe; and • seek the ability to dispose of the Preference Shares by sales on a licensed securities exchange at the price available on the exchange. 	
Target Market - needs, objectives and financial situation (This section identifies the key attributes of the Preference Shares that are likely to be suitable for investors with the likely needs, objectives and financial situation of investors in the target market)	Needs, objective and financial situation	Key attributes that make the Preference Shares appropriate for the target market
	Investment objectives	
	Investors who are seeking to acquire an investment product to generate income but are not reliant on regular income generation as any income generation is not guaranteed	<p>The Preference Shares are;</p> <ul style="list-style-type: none"> ▪ scheduled to pay quarterly cash dividends at the rate specified in the Prospectus, subject to conditions and prior to any dividends being payable to ordinary shareholders ▪ not designed to provide capital growth, as unlike ordinary shareholders Preference Shares will be redeemed at the Offer Price plus any accrued dividends at time of redemption or upon winding up of the Company <p>There is no guarantee that the Preference Shares will achieve quarterly cash dividends as this depends on the performance of the Underlying Funds and any other future underlying investment of the Company.</p>
	Intended product use	
	Investors who are seeking a satellite/small allocation to an income earning security	<p>The Preference Shares may be suitable for investors seeking additional diversification of their income earning investments by adding a small holding (that is, less than 5%) of Preference Shares to their investment Portfolio.</p> <p>The investor is likely to be comfortable with exposure to a product with low portfolio diversification such as the Preference Shares.</p>
	Investment risk/return profile	

	<p>Investors who have a high risk/return profile* and are able to bear the risks associated with an investment in the Preference Shares (in particular, the lack of certainty as to payment of distributions and the potential loss of some or all of the capital invested in the Preference Shares)</p>	<p>The Company considers that an investment in the Preference Shares is speculative (high risk/return profile*), such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of their investment.</p> <p>Payment of dividends and return of investor capital is not guaranteed. The Preference Shares are subject to risks as summarised in the Prospectus. In particular:</p> <ul style="list-style-type: none"> ▪ payment of quarterly dividends are not guaranteed and are subject to the Company making sufficient profits to enable their payment. The Company will be dependent on the performance of its investments, being initially the Underlying Funds and any future actively managed investment schemes and collective investment vehicles which align with the Company's investment strategy. The Company has carried out a sensitivity analysis on the Underlying Funds in relation to its ability to maintain payment of quarterly distributions - see section 2.3.1 of the Prospectus. ▪ the return of the capital on the Preference Shares is not guaranteed and the investor may lose some or all of their capital invested. ▪ the Underlying Funds (and likely any future investment in actively managed investment schemes and collective investment vehicles) invest in directly and indirectly in property and property development which are investment assets which are exposed to specific risks such as major tenant concentration and rental income risks, construction and development lending risks and property market valuation risks - see section 6.4 of the Prospectus for more details.
	<p>Investment timeframe</p> <p>Investors who do not require certainty as to repayment of their capital within a specific investment timeframe</p>	<ul style="list-style-type: none"> ▪ The Preference Shares will be redeemed by the Company on the eighth anniversary of their date of issue at the Redemption Price. ▪ The Company may redeem the Preference Shares at any time after the first anniversary of their date of issue at the Redemption Price however, there is no guarantee that the Company will do this. ▪ The investor has a long investment timeframe and is unlikely to redeem within 8 years, nothing there may not be a liquid market to sell before the Preference Shares are redeemed by the Company.
	<p>Liquidity needs</p>	

	Investors who seek the ability to dispose of the Preference Shares by sales on a licensed securities exchange at the price available on the exchange	<ul style="list-style-type: none"> ▪ The Preference Shares will be listed on NSX. ▪ However, there may not be a liquid market for the Preference Shares and investors who wish to dispose of their Preference Shares may not be able to do so at an acceptable price, or at all.
Appropriateness	The Issuer has assessed the Preference Shares and formed the view that the Preference Shares, 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 the Preference Shares are suitable for the consumers with the attributes described above.	
Investors not in the Target Market - Excluded Class	<p>The target market does not include investors, and the Preference Shares are not designed for, and are not suitable for investors, who:</p> <ul style="list-style-type: none"> ▪ seek capital growth ▪ require or seek a regular income stream and cannot tolerate the risk that the payment of dividends may be delayed or not paid ▪ cannot tolerate the risk that their capital invested may not be repaid ▪ cannot tolerate the risk of not being able to sell the Preference Shares on the market at a particular time and price due to low market liquidity ▪ have not read the Prospectus nor evaluated the Offer in order to fully appreciate the speculative nature for investment in the Preference Shares ▪ do not have a high risk/return profile*. 	
Distribution Conditions	<p>The Preference Shares can only be issued:</p> <ul style="list-style-type: none"> ▪ through the Sponsored Broker (as described in the Prospectus), who have been engaged having regard to their credentials and standing in the market for the securities of this kind; and ▪ to an investor if the investor is a "Qualifying Retail Client" or is a wholesale client. <p>An investor is a "Qualifying Retail Client" if:</p> <ul style="list-style-type: none"> ▪ a Sponsored Broker reasonably believes the investor has received personal advice from a qualified financial adviser in relation to the acquisition of Class A Preference Shares; or ▪ a Qualifying Retail Investor has completed a consumer attributes questionnaire indicating that they are in the target market; or ▪ the investor applies for the Preference Shares via a Sponsored Broker during the Offer Period. <p>Applications from investors who are not a Qualifying Retail Client or a wholesale client will not be accepted.</p> <p>The Issuer considers that the distribution conditions will make it more likely that the investors who acquire the Preference Shares are in the target market on the basis of:</p> <ul style="list-style-type: none"> ▪ the information provided to Sponsored Brokers regarding the Issuer's expectations and requirements in relation to the distribution of the Preference Shares; ▪ the Sponsored Brokers' past performance in relation to the distribution of financial product, about which the Issuer is aware; ▪ any other relevant information about a distributor, about which the Issuer is aware. 	
Review Triggers	<p>The Preference Shares are only being offered for a limited offer period as set out in the Prospectus, after the conclusion of which the Preference Shares will no longer be available for investment by way of issue under this Offer. It follows that the TMD will only apply in the period between the commencement of the Offer and the issue of the Preference Shares shortly after the close of the Offer (Offer Period).</p> <p>To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Offer and should be reviewed, the following review triggers apply for the Offer Period:</p>	
	Information Type	Description
	Product changes	A material change to key attributes, investment objective(s) and/or fees.

	Complaints	A material number of complaints are received in relation to the A Class Preference Shares or its distribution from investors seeking to acquire the A Class Preference Shares (as defined in section 994A(1) of the Act).	
	Incident Data	A material incident or significant number of incidents in relation to the Preference Shares' design or distribution that identify potential breaches of our legal or regulatory obligations in relation to the Preference Shares.	
	Significant Dealings	Any significant dealing of the Preference Shares to retail investors who are outside of the Target Market and have not received personal financial product advice to acquire the Preference Shares.	
	Notification from ASIC	The receipt of a product intervention power order or directions from ASIC requiring the Company to immediately cease retail product distribution conduct in respect of the Preference Shares	
	Change in law	There is a change in law or its application, or other regulatory guidance that materially affects the Preference Shares.	
Review Period	If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 2 business days of the review trigger occurring.		
	The Company will otherwise complete an initial review of the TMD on the last day of the period of 5 calendar days commencing on the first day of the Offer Period and a subsequent review on the date falling 1 business day prior to the issue date of the Preference Shares.		
	If the Offer Period is extended by more than one month, the TMD will be reviewed on a monthly basis.		
Information Reporting	The following information must be provided to the Company by all third parties engaged in (or responsible for other entities engaged in) retail product distribution conduct of the A Class Preference Shares in accordance with this TMD, within the required timeframes:		
	Reporting Requirement	Reporting period	Information to be provided
	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	<ul style="list-style-type: none">Weekly report during the Offer Period5 business days after the end of the Offer Period	All distributors
	Significant dealing outside of target market, under s994F(6) of the Act	As soon as practicable, and in any case, no later than 5 business days after the third party becoming aware of the significant dealing.	All distributors

	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 5 business days following end of the Offer Period	All distributors
	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD	Within 5 business days following end of the Offer Period	All distributors

Contact details in respect of this TMD for the Company are:

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Company Secretary

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This TMD has been authorised for release by the board of directors of Landsdowne Investment Company Limited.

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States and to any person acting for the account or benefit of a person in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 ("US Securities Act") and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) except pursuant to an exemption from, or in a transaction not subject to, the registration of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

* The Company has adopted the Standard Risk Measure (**SRM**) to calculate the likely number of negative returns over a 20 year period, using the guidance and methodology outlined in the *Standard Risk Measure Guidance Paper for Trustees*. The assessment has been undertaken assuming likely returns after fees and costs but before taxes. SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment/objective needs.

High means:

The consumer is higher risk in nature and can accept higher potential losses (eg. has the ability to bear up to 6 negative 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 smaller or moderate holding in defensive assets such as cash and fixed income.