



Target Market Determination

Stake Accumulate Fund

ARSN: 680 653 374

Investment manager

Stakeshop Pty Ltd

ACN 610 105 505 / CAR No. 001241398

C/- BDO, Level 11, 1 Margaret Street,
Sydney, NSW 2000

☎ 02 8294 6149

✉ support@hellostake.com

🌐 www.hellostake.com

Responsible Entity

K2 Asset Management Ltd

ACN 085 445 094 / AFSL 244 393

Level 44, 101 Collins Street, Melbourne,
VIC, 3000

☎ 03 9691 6111

✉ invest@k2am.com.au

🌐 www.k2am.com.au

Introduction

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (the Act). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is not a product disclosure statement (PDS) and is not a complete 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 PDS for the product before making a decision whether to buy 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 via www.hellostake.com.

Target Market Summary

This product is intended for use as a **core component, minor allocation or satellite allocation** for a consumer who is seeking **capital preservation and/or income distribution** and has a **medium or high risk and return** profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with at least a **3 month investment timeframe** and who is unlikely to need to access their capital on less than **one week's notice**.

Fund and Issuer Identifiers

Issuer	K2 Asset Management Limited (K2)
Issuer ABN	95 085 445 094
Issuer AFSL	244 393
Fund manager	Stakeshop Pty Ltd (ACN 610 105 505) (Stake)
TMD contract details	Hollie Wight: Head of RE Services
Fund name	Stake Accumulate Fund (Fund)
ARSN	680 653 374
APIR Code	N/A
ISIN Code	N/A
Market Identifier Code	N/A
Product Exchange Code	N/A
TMD Issue Date	30 April 2025
TMD Version	2
Distribution status of fund	Available

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 and green rating methodology:

In target market

Not in target market

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 the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

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 seek 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).

Consumer Attributes	TMD indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	Not in target market	The Fund aims to provide unitholders with the target return being income distributions to unitholders (after all fees and expenses) equal to the RBA Cash Rate plus 2% per annum, with low capital volatility.
Capital Preservation	In target market	The Fund invests in fixed income securities and other debt instruments, and may include some exposure to illiquid investments such as private credit.
Income Distribution	In target market	It is important to understand that any financial investment comes with associated risk. All asset classes carry varying degrees of risk. Returns are not guaranteed, you may not receive any distributions, and you may lose some or all of the money you invested in the Fund.
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	Not in target market	The Fund invests predominantly in liquid fixed income securities, but may also allocate to illiquid, or private credit (up to 20%) and cash or cash equivalents. Liquid fixed income securities may include government or government related bonds, as well as corporate credit.
Major allocation (up to 75%)	Not in target market	
Core component (up to 50%)	In target market	The Fund will seek to maintain an average credit rating across its liquid portfolio of investment grade or better. This means on average the portfolio of liquid bonds will be rated BBB or higher.
Minor allocation (up to 25%)	In target market	In addition to liquid and illiquid forms of credit, the fund will invest in cash and cash equivalents and derivatives including futures, options, interest rate swaps and other exchange traded or over the counter instruments. The fund may additionally apply leverage and short selling.
Satellite allocation (up to 10%)	In target market	
Consumer's investment timeframe		
Minimum investment timeframe	3 months	The minimum suggested timeframe for investing in the Fund is 3 months.
Consumer's Risk (ability to bear loss) and Return profile		
Low	Not in target market	The Fund aims to hold a diverse portfolio of fixed income securities and other credit investments. The Fund will seek to maintain an average credit rating across its liquid portfolio of investment grade or better (average credit rating BBB or higher). The Fund may utilise higher risk investments such as derivatives, short selling, leverage and illiquid private credit, where opportunities present themselves in the market.
Medium	In target market	
High	In target market	The Fund has a subordinated wholesale unit class, which will provide a limited income buffer to the distributions of the retail unit class, from any distributions or capital attributed to the wholesale units where the distributions of the retail unit class fall below the target return.
Very high	Not in target market	The Product Disclosure Statement (PDS) contains the risks of investing in this Fund. All investors should read and understand the contents of the Fund's PDS before investing in the Fund.
Extremely high	Not in target market	

Consumer's need to access capital		
Within one week of request	In target market	Under normal market conditions whilst the Fund is liquid, unitholders can redeem their investment any business day via the Stake app by 11:59pm on that day. Withdrawals will be credited to the unitholder's Stake account, usually within 3 business days.
Within one month of request	In target market	
Within three months of request	In target market	There is a minimum withdrawal amount of the lesser of \$100 or a unitholder's total holdings. However, if a unitholder submits a redemption request that is greater than 95% of the unitholder's total holdings as at the date of the redemption request, K2 will process a redemption of the unitholder's total holdings.
Within one year of request	In target market	
Within 5 years of request	In target market	Delays may occur if redemption occurs shortly after the last business days of the month, while distributions for the Fund are being finalised, particularly during the half year (December) and full year (June) distributions. Circumstances may also arise where the ability to redeem your investment in the Fund is restricted and you may have to wait a period of time before you are able to redeem. This may occur, for example, if particular markets suspend trading or if the Responsible Entity deems it to be in the best interests of Fund investors as a whole.
Within 10 years of request	In target market	
10 years or more	In target market	
At issuer discretion	Not in target market	

Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
To retail clients on the Stake platform who have completed the DDO questionnaire and been successfully determined by Stake as qualifying in the target market	The Issuer considers that this distribution condition will make it more likely that retail clients who acquire the product will be in the target market for the product or that the product will be otherwise suitable for them because each retail client applicant must complete the DDO questionnaire before they apply for the product and that DDO questionnaire requires them answer questions which elicit information for the Issuer relating to the consumer attributes of the retail client and whether they are likely to be in the target market.	Stake

Review triggers

Material change to key attributes, fund investment objective and/or fees.
Material deviation from benchmark / objective over sustained period.
Key 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 TMD review periods

Review period	Maximum period for review
Instructions to issuers: These are the maximum periods for a TMD review – a TMD review must be completed before this period has expired. RG 274.110 states reasonable review periods are likely to be shorter when a product is complex and higher risk, or when an issuer has limited experience issuing similar products or is yet to establish a proven distribution network.	
Initial review	1 year
Subsequent review	1 year

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. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 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.		

If practicable, distributors should adopt the FSC data standards for reports to K2 Asset Management Ltd. Distributors must email reports to: invest@k2am.com.au

Disclaimer

Issued by K2 Asset Management Ltd AFSL 244 393 (K2). K2 is the Responsible Entity and issuer of Units in the managed investment scheme referred to in this TMD. This document does not take into account your investment objectives, financial situation or particular needs. If you are interested in acquiring this product you should carefully read and consider the PDS for the product, and consider obtaining professional investment advice tailored to your own circumstances before making a decision to invest in this product. A copy of the relevant PDS relating to this product may be obtained by contacting K2 on +61 3 9691 6111 or by visiting www.hellostake.com or www.k2am.com.au.

There are no guarantees on the future performance of this product, the amount or timing of any returns from the product, that the product will meet asset allocations, or that the investment strategy and objectives will be met and achieved. K2 is not liable or responsible for any losses which may arise from your use or reliance on any part of the information contained in this TMD.

Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. 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 designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income Distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total <i>investable</i> assets. The consumer is likely to seek a product with very <i>high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable</i> assets. The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total <i>investable</i> assets. The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total <i>investable</i> assets. The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total <i>investable</i> assets. The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high risk</i> are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
Portfolio diversification (for completing the key product attribute section of consumer's intended product use)	
Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
Consumer's intended investment timeframe	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.

Consumer's Risk (ability to bear loss) and Return profile

This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the Standard Risk Measure Guidance Paper For Trustees (note the bands in the SRM guidance differ from the bands used in this TMD). However, 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 (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.

A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.

Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none">• has a conservative or low risk appetite,• seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and• is comfortable with a low target return profile. <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none">• has a moderate or medium risk appetite,• seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and• is comfortable with a moderate target return profile. <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none">• has a high risk appetite,• can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and• seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none">• has a very high risk appetite,• can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and• seeks to maximise returns (typically over a medium or long timeframe). <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none">• has an extremely high risk appetite,• can accept significant volatility and losses, and• seeks to obtain accelerated returns (potentially in a short timeframe). <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

Consumer's need to access capital

This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.

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 access to capital 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 and/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 quarter,
- the consumer's intended product use is solution/standalone,
- the consumer's intended product use is core component or higher and the consumer's risk/return profile is low, or
- the relevant product has a green rating for consumers seeking extremely high risk/return.