

Target Market Determination

AI Private Opportunities Trust



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.

Target Market Summary

This product is intended for use as a satellite allocation for a consumer who is seeking capital growth and has a very 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 7-year investment timeframe but who wants the flexibility to potentially access their capital within this period by selling units on the Australian Securities Exchange (subject to an active trading market including any on-market buy-back undertaken by Pengana).

Fund and Issuer identifiers

Issuer	Pengana Investment Management Limited (Pengana)
Issuer ABN	69 063 081 612
Issuer AFSL	219462
Fund Manager	Pengana Capital Limited
TMD contact details	+61 2 8524 9900 and Operations@pengana.com
Fund name	AI Private Opportunities Trust (AIX or Trust)
ARSN	697 001 184
TMD issue date	1 May 2026
TMD Version	1
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:



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.

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).



The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the [FSC website](#).

Consumer Attributes <i>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market]</i>	TMD indicator	Product description including key attributes
Consumer’s investment objective		
Capital Growth	In target market	AIX will seek to generate positive long-term capital growth by generally targeting investments in the equity securities of private, non-publicly traded companies that are developing, enabling, or contributing to the adoption of artificial intelligence (“AI”) and related technologies.
Capital Preservation	Not in target market	
Income Distribution	Not in target market	

Consumer Attributes <i>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market]</i>	TMD indicator	Product description including key attributes
		<p>investments mature and are realised. AIX's ability to produce investment returns is subject to key dependencies and assumptions.</p> <p>Its objectives do not include exercising control over, or managing, any entity, or the business of any entity, in which it invests.</p>
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	Not in target market	<p>AIX will provide low portfolio diversification as it is expected to consist of 10 and 20 relatively concentrated exposures to equity investments within the AI and related sectors. It is anticipated that approximately 4-5 investments could each represent more than 10% of NAV at any given time. Pengana will not invest more than 20% of the Trust's capital in any single underlying investment.</p>
Major allocation (up to 75%)	Not in target market	
Core component (up to 50%)	Not in target market	
Minor allocation (up to 25%)	Not in target market	
Satellite allocation (up to 10%)	In target market	
Consumer's investment timeframe		
Minimum investment timeframe	7 years	<p>AIX seeks to achieve its investment objective over the life of AIX, which is expected to be approximately 7 years before commencement of a process to realise the remaining investments of AIX and distribute the proceeds to unitholders.</p> <p>Investments made by AIX are intended to be approached as follows:</p> <ul style="list-style-type: none"> • Initial period (Years 0-2): AIX expects to make initial investments with funds raised from the initial public offer. If any investments are realised in this period, the proceeds, net of amounts distributed to unitholders, are intended to be reinvested in new investments. • Years 3-7: Any net amounts realised from investments to be returned to investors in AIX. • Thereafter: AIX intends to seek to realise investments and return proceeds to investors.

Consumer Attributes <i>[A description of the likely objectives, financial situation and needs of the class of consumers in the target market]</i>	TMD indicator	Product description including key attributes
Consumer's Risk (ability to bear loss) and Return profile		
Low	Not in target market	AIX will predominantly be invested in the securities of private, non-publicly traded companies within the AI and related sectors. AIX is higher risk in nature and can have higher potential losses. The consumer should have the ability to bear 6 to 7 negative returns over a 20 year period (SRM 7). It is not currently expected that AIX will engage in foreign exchange hedging transactions to reduce foreign exchange exposure.
Medium	Not in target market	
High	Not in target market	
Very high	In target market	
Extremely high	Not in target market	
Consumer's need to access capital		
Within three days of trade	In target market	It is expected that unitholders will be able to sell units on the ASX to access their capital so long as an active trading market exists for the units (with settlement expected to occur on a normal T+2 basis). There are no guarantees that an active trading market with sufficient liquidity will develop or that such a secondary market will sustain a price representative of the Net Asset Value per unit. As outlined in the PDS, following listing, Pengana may exercise its discretion to buy-back units on-market and cause those units to be cancelled, with a view to addressing any unsatisfied liquidity in the units or any material discount in the price at which the units may have been trading to the Net Asset Value (NAV) per unit.
Within one week of trade	In target market	
Within one month of trade	In target market	
Within three months or more of trade	In target market	

Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
<p>Distribution via licenced distributors or platforms</p> <p>This product may be offered to:</p> <ul style="list-style-type: none"> retail clients as defined under the Corporations Act (Retail Clients) who have received personal financial product advice in relation to the acquisition of AIX units; and wholesale clients as defined under the Corporations Act (Wholesale Clients), <p>through licensed distributors or platforms. These parties must take reasonable steps to ensure their distribution practices align with this TMD.</p>	<p><i>Pengana considers that this distribution condition will make it likely that retail investors who acquire AIX units via a licenced distributor or platform will be in the target market for the AIX units, or that the AIX units will otherwise be appropriate for them, because:</i></p> <ul style="list-style-type: none"> <i>each distributor or platform operator is subject to obligations to take reasonable steps that will, or are reasonably likely to, result in retail product distribution conduct being consistent with this TMD; and</i> <i>advisers providing personal financial product advice to consumers in relation to the acquisition of AIX units must consider the consumer's objectives, financial situation and needs and comply with their best interests duty and related obligations under the Corporations Act.</i> 	<p><i>This applies to third party distributors, not to Pengana.</i></p>
<p>Direct distribution to Wholesale Clients</p> <p>If the product is offered directly (i.e. not via a third-party distributor), the consumer must be a Wholesale Client as defined in the Corporations Act.</p>	<p><i>To ensure compliance with the DDO regime.</i></p>	<p><i>This applies to Pengana, not to third party distributors.</i></p>

Review triggers

Material change to key attributes, fund investment objective and/or fees.
Material deviation from investment 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
Initial review	1 year and 3 months
Subsequent review	1 year and 3 months

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. 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
To the extent that a distributor is aware, dealings outside the target market, including the reason why the acquisition is outside of the target market, and whether the acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to Pengana by email to ddoreporting@pengana.com. Further information about Distributor reporting including contact details relating to this TMD for Pengana can be found at <https://pengana.com/ddoreporting/>.

Disclaimer

Important terms used in this TMD are defined in the Definitions at the end of this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained by contacting customer support on 1300 883 881 or on our website at www.pengana.com/AIX

This TMD is issued by Pengana Investment Management Limited (ABN 69 063 081 612, AFSL 219462) (Pengana). Pengana is the responsible entity and issuer of units in the managed investment scheme referred to in this material. This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

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).

Term	Definition
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 assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . 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 assets</i> . 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 assets</i> . 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 assets</i> . The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home and money needed for daily living expenses such as bills and mortgage repayments.
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 <u>and</u> geographic markets with limited correlation to each other.

Term	Definition
Consumer's intended investment timeframe	
Minimum	The minimum suggested timeframe for holding the product.
Consumer's Risk (ability to bear loss) and Return profile	
<p>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 <i>Standard Risk Measure Guidance Paper For Trustees</i> (note the bands in the SRM guidance differ from the bands used in this TMD): see https://www.fsc.org.au/web-page-resources/fsc-guidance-notes/2316-fsc-gn29. 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.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
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>

Term	Definition
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	
<p>This consumer attribute addresses the likely period of time between the making of a request for 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 withdrawals) 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 withdrawal 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.</p>	

Term	Definition
Distributor Reporting	
Significant dealings	<p>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.</p> <p>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.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • 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). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • 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). <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> • 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 <i>solution/ standalone</i>, • the consumer’s intended product use is <i>core component</i> or higher and the consumer’s risk/return profile is <i>low</i>, or • the relevant product has a green rating for consumers seeking <i>extremely high</i> risk/return.