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GMO Quality Trust
Target Market Determination

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 TMD forms part of GMO Australia Limited's design and distribution arrangements for the product.

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 Product Disclosure Statement (PDS) for GMO Quality Trust 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 is available at: https://www.gmo.com/australia/how-to-invest-australia/

Target Market Summary

This product is intended for use as a satellite or minor allocation or a core component for a consumer who is seeking capital growth and has a medium to 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 a medium to long term investment timeframe and who would like to access their money with at least one week's notice.

Fund and Issuer identifiers

Issuer	GMO Australia Limited (ABN 30 071 502 639)	**APIR Code**	GMO1447AU (Class A units)(AUD unhedged) GMO1290AU (Class B units)(AUD hedged) GMO1592AU (Class C units)(NZD unhedged)
Issuer AFSL	236 656	**ISIN Code**	AU60GMO14472 (Class A units)(AUD unhedged) AU60GMO12906 (Class B units)(AUD hedged) AU60GMO15925 (Class C units)(NZD unhedged)
Fund	**GMO Quality Trust** **(Class A units)(AUD unhedged)** **(Class B units)(AUD hedged)** **(Class C units)(NZD unhedged)**	**Distribution status of fund**	Available
ARSN	643 940 872	**TMD Contact Details**	**sydcst@gmo.com**
TMD Version	5	**TMD Issue Date**	8 October 2026

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Description of Target Market

This part is required under section 994B(5)(b) of the Act.

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

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 moderately diversified portfolio with a minor allocation to growth assets. In this case, a product with a *High* or *Very 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)[1].

[1] The FSC has provided more detailed guidance on how to take this portfolio view for diversification, available on the FSC website. https://fsc.org.au/web-page-resources/2514-fsc-ddo-guidance-for-distribution-of-managed-funds

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Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth		The Trust's investment objective is total return in excess of that of its benchmark the MSCI World Index in AUD (for Class A units), the MSCI World 100% hedged to AUD Index (for Class B units) and the MSCI World Index in NZD (for Class C units). Investment in the Trust is subject to investment risk, including loss of income or principal invested. Investment in the Trust is not a deposit or liability of GMO or GMO Australia or any of their affiliates and none of these entities stands behind or in any way guarantees the capital value and/or performance of units issued or the assets of the Trust.
Capital Preservation		
Income Distribution		
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)		The Trust seeks total return by investing in equities and equity-related securities the Manager believes to be of high quality. The Trust has Medium to Very High diversification across equities investments (referring to the Diversification ratings in the Definitions attached) given it can make security investments in companies the stocks of which are listed or traded on regulated markets anywhere in the world. However, at times, the Trust may have substantial exposure to a single asset class, industry, sector, country, region, currency or issuer.
Major allocation (up to 75%)		
Core Component (up to 50%)		
Minor allocation (up to 25%)		
Satellite allocation (up to 10%)		
Consumer's investment timeframe		
Minimum investment timeframe	5 years	The Trust is designed for investors seeking total return over the medium to long term. The suggested minimum investment time-frame is 5 years.
Consumer's Risk (ability to bear loss) and Return profile		
Low		Given that the Trust: (a) seeks to achieve medium to long-term total return; (b) may take long and short positions in a range of global equities and may use exchange traded and over-the-counter ("OTC") derivatives, including futures, forward currency contracts, swaps, options as well as making other investments; (c) may invest in exchange-traded funds and unlisted pooled funds as part of its investment strategy, investors should be willing to accept medium levels of volatility in exchange for the possibility of total return. Accordingly, the Trust has a Medium to High risk-return profile.
Medium		
High		
Very high		
Extremely High		

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Consumer's need to access capital		
Within one week of request		The Trust is daily priced (i.e. has daily liquidity). Redemptions are generally paid within 3 business days, however, the constitution for the Trust allows for up to 21 days to pay redemption proceeds. In addition, if GMO Australia receives redemption requests in relation to the Trust that in one day represent 20% or more of the total units in the Trust, the constitution permits GMO Australia to reduce each redemption request so that only 20% of the units are redeemed on that day. The unredeemed units are carried forward to the next day and GMO Australia may again apply this restriction on each such subsequent day. Redemptions may be suspended under certain circumstances (including market disruptions).
Within one month of request		
Within three months of request		
Within one year of request		
Within 5 years of request		
Within 10 years of request		
10 years or more		
At issuer discretion		

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

Distribution Condition	Distribution Condition Rationale	Distributors this condition applies to
The Trust should only be distributed indirectly to retail investors via a Distributor that has been approved by GMO Australia.	The Trust is only available for direct investment by wholesale clients Retail investors can only gain an indirect interest in the Trust via an investor directed portfolio service (IDPS), IDPS-like scheme, master trust, wrap account or custodian (each a "Service") or a superannuation fund. (collectively "Distributors")	Approved Distributors will undergo due diligence by the issuer to ensure they understand and comply with this distribution condition, per the Issuer's distribution procedures.

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Review triggers

This part is required under section 994B(5)(d) of the Act.

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

This part is required under section 994B(5)(e) and (f) of the Act.

Review period	Maximum period for review
Initial review	n/a – the initial review has already occurred.
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 the end of the 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

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

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to GMO Australia Limited by email to the following address: sydcst@gmo.com.

Disclaimer

Issued by GMO Australia Limited ABN 30 071 502 639, AFS Licence No. 236 656, the issuer of GMO Quality Trust (the "Trust"). The Trust accepts investments from wholesale investors only. Retail investors are not able to directly invest in the Trust but may be able to gain exposure to the Trust by investing with certain investor directed portfolio services, master trusts, wrap accounts or custodians ("Services"). GMO Australia Limited, GMO LLC, and their affiliates, do not guarantee the performance of the Trust or the repayment of an investor's capital. This information is of a general nature only and is not advice. It does not take into account the objectives, financial situation or needs of any specific investor. 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. The offer to invest in the Trust for wholesale investors is contained in the current Information Memorandum. A Product Disclosure Statement ("PDS") is available for the Trust and is solely for use by retail investors gaining exposure to the Trust through a Service. Investors should read the Information Memorandum or PDS, consider their own circumstances, and obtain their own advice before making an investment decision. The Information Memorandum and PDS may be accessed from www.gmo.com. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

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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 is 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).
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
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 *investable assets (*see definition below). The consumer is likely to seek a product with *very high* portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total *investable assets*. The consumer is likely to seek a product with at least *high* portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total *investable assets*. The consumer is likely to seek a product with at least *medium* portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total *investable assets*. The consumer is likely to seek a product with at least *low* portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total *investable assets*. The consumer may seek a product with *very low* portfolio diversification. Products classified as *extremely high* risk are likely to meet this category only.

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Term	Definition
Investable Assets	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.
Short (≤ 5 years)	The consumer has a short investment timeframe and may wish to redeem within five years.
Medium (> 5 years)	The consumer has a medium investment timeframe and is unlikely to redeem within five years.
Long (> 10 years)	The consumer has a long investment timeframe and is unlikely to redeem within ten years.
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.	

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Term	Definition
A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.	
Low	For the relevant part of the consumer's portfolio, the consumer: • 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. The consumer typically prefers stable, defensive assets (such as cash).
Medium	For the relevant part of the consumer's portfolio, the consumer: • has 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. The consumer typically prefers defensive assets (for example, fixed income).
High	For the relevant part of the consumer's portfolio, the consumer: • has a high risk appetite, • can accept higher volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)), and • seeks high returns (typically over a medium or long timeframe) The consumer typically prefers growth assets (for example, shares, property).
Very high	For the relevant part of the consumer's portfolio, the consumer: • has a very high risk appetite • can accept very high volatility and potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7), and • seeks to maximise returns (typically over a medium or long timeframe). The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).
Extremely high	For the relevant part of the consumer's portfolio, the consumer: • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe).

Term	Definition
	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).
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 and costs of selling on market should be considered (including in times of market stress).	
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 withdrawal 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 ratings attributed to the consumer).

Term	Definition
	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*, or • the consumer's intended product use is *Core Component* or higher and the consumer's risk (ability to bear loss) and return profile is *Low*, or • the relevant product has a green rating for consumers seeking *extremely high* risk/return