

Morgan Stanley Discretionary Management Service

TARGET MARKET DETERMINATION 5 October 2021

This document is a target market determination for the purposes of section 994B of the Corporations Act 2001 (Cth) (Corporations Act). This Target Market Determination (TMD) describes the class of consumers that comprise the target market for these products and matters relevant to the distribution and review of these products. This document does not take into account any person's individual objectives, financial situation or needs. Further information about these products can be found on the Morgan Stanley Website.

Note this TMD does not apply to the distribution of this product to an investor who is a 'wholesale client' for the purposes of Chapter 7 of the Corporations Act 2001.

This TMD applies to the Morgan Stanley Discretionary Management Service product.

This TMD is not an offer document and is not a summary of the product features or terms of the product. Please read the relevant Discretionary Management Service Product Guide available online at morganstanley.com.au/resources and or consider obtaining financial advice before acquiring this product.

Product Information	
Issuer	Morgan Stanley Wealth Management Australia Pty Ltd ("Morgan Stanley")
Issuer ABN	19 009 145 555
Issuer AFSL	240813
Product Name	Discretionary Management Service (DMS)
TMD Effective Date	5 October 2021
TMD Version	1
Product Description	The Discretionary Management Service is a product whereby the client authorises Morgan Stanley Wealth Management and its representatives to manage a portfolio comprising cash and a range of financial products, including options (if elected) on a discretionary basis in accordance with the product guidelines and having regard to the client's financial goals, objectives and timeframe. The product follows a strict investment discipline where the client's investment profile is assessed, their investment objectives are established and agreed, their portfolio is customised, and their investment performance is monitored.
Target Market	
Consumer Type	1. Individuals over 18 years old, joint accounts, companies (including incorporated associations and bodies; unincorporated bodies and clubs), partnerships, trusts,

	<p>superannuation funds (including self-managed superannuation funds or estates) and Government bodies.</p> <p>2. Retail clients who intend to invest an initial amount of \$100,000 or more.</p>
<p>Key product attributes</p>	<p>This product is designed for investors who, at the point of acquiring the product:</p> <ul style="list-style-type: none"> - want Morgan Stanley Wealth Management and its representatives (including the client’s financial adviser) to manage a portfolio comprising cash and a range of financial products on a discretionary basis in accordance with the product guidelines and having regard to the client’s financial goals, objectives and timeframe. - want consolidated reporting on the investments in their portfolio; - want a portfolio administration service to take care of the administrative requirements of the portfolio including the collection of dividends, managements of corporate actions and handling of investor correspondence. - want to have online access to view and manage their account online.
<p>Investment offering</p>	<p>These products offer a diverse investment menu which is designed to cater to investors of varying objectives, financial situation, and needs.</p> <p>The retail client is in the target market for these products if they wish to invest in one or more of the following eligible assets:</p> <ul style="list-style-type: none"> • Approved listed equities • Approved Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs) • Approved cash instruments* • Sold covered call options, bought protective put options and bought ASX index put options • Approved bonds, convertibles, and hybrid securities • Approved managed funds**
<p>Retail clients for whom Discretionary Management Service is unsuitable</p>	<p>Discretionary Management Service will generally not be suitable for retail clients outside the target market.</p> <p>Potential Categories would include:</p> <ul style="list-style-type: none"> • Retail clients who do not understand and accept the investment risk/return trade-off applicable to the investments made available through Discretionary Management Service; and • Retail clients who cannot bear the consequences of potential losses without such losses having a material impact on their standard of living. • Retail clients who do not authorise their financial adviser to buy or sell investments (including options if elected) without first consulting them under the DMS-MDA Client Agreement.

*Term deposits and bank bills are only eligible within DMS for persons who are Australian residents for tax purposes.

** Managed funds are only eligible within DMS for persons who are Australian residents for tax purposes

Distribution Conditions and Reporting

Distribution Conditions	
Distribution conditions for Morgan Stanley Wealth Management	<p>Distribution of the Discretionary Management Service product by Morgan Stanley and its representatives is subject to the following conditions and restrictions:</p> <ul style="list-style-type: none"> • Morgan Stanley or its representatives will only issue a Discretionary Management Service product to a person who has received personal financial advice to acquire the product. • Morgan Stanley will only issue a Morgan Stanley Discretionary Management Service to clients who are also clients of, and receive financial product advice from, Morgan Stanley Wealth Management Aust or its representatives. • An AFSL or their representative may only arrange for an eligible investor to apply for or acquire the product where the investor meets the eligibility criteria as specified in the applicable Morgan Stanley Discretionary Management Service Product Guide.
Distributor Reporting Requirements	
Complaints	
Required detail	<p>Morgan Stanley is the Issuer and Distributor of the product. If a complaint is escalated by or on behalf of a retail client who has been distributed this product, this information should be provided to the Morgan Stanley Compliance department as soon as practicable.</p> <p>Morgan Stanley only requires complaint reporting to take place when a complaint has been received. Data to be included includes at minimum:</p> <ul style="list-style-type: none"> • A copy of the complaint escalation email, or file notes of the conversation; • The client’s account number; • The DDO product of concern; and • The client’s name and contact details.
Reporting Period	Daily
Reporting timeframe	Internally – within one (1) business day of receipt.
Reporting form and method	Complaints reporting should be consistent with the requirements under Morgan Stanley’s complaint handling process. Complaint information should be provided in email directly to <i>confidential_feedback@morganstanley.com</i> .
Significant Dealings	
Required detail	Morgan Stanley is the Issuer and Distributor of the product. If it is identified that a dealing outside of the conditions of the TMD, the details of this dealing are to be escalated to the Morgan Stanley Compliance. Compliance will assess the dealing against the guidance provided in ASIC Regulatory Guide 274 (274.159) to

	determine if the dealing is a significant dealing and reportable to ASIC.
Reporting timeframe	Internally – within (1) business day of identification.
Reporting form and method	Information regarding any dealing outside of the terms of the TMD should be provided on email to auiwm-compliance@morganstanley.com .

Review of this Target Market Determination

This TMD will be reviewed as follows:	
Initial review	Within 12 months of the effective date.
Periodic review	<p>Within 12 months from the completion of the last TMD review and more frequently if a review trigger occurs.</p> <p>If a review trigger occurs, the review will be carried out within 3 months from the date of occurrence. Should the detriment to clients be material the review will be completed within 1 month, or where this timeframe not met, reasonable steps to resolve the issue identified should be taken.</p>
Review triggers	<p>The review triggers that may suggest that the TMD is no longer appropriate, such that a review of the TMD should be undertaken, include:</p> <ul style="list-style-type: none"> • a material, unexpected increase in complaints received about the products • the use of a regulatory order or direction (including the use by ASIC of its Product Intervention Powers) that expressly states or directly implies that this TMD is no longer appropriate; or • Morgan Stanley become aware of a significant dealing of the product to retail clients outside the target market.