

## Morgan Stanley Portfolio Wrap

### 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 Portfolio Wrap 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 Portfolio Wrap Investment Brochure available online at [morganstanley.com.au/resources](http://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	Portfolio Wrap
TMD Effective Date	5 October 2021
TMD Version	1
Product Description	Portfolio Wrap is a facility through which a retail client retains beneficial ownership of their investments while Morgan Stanley assists the client in monitoring and record keeping of their portfolio.
Target Market	
Consumer Type	<ol style="list-style-type: none"><li>1. Individuals over 18 years old, Companies, Partnerships, Trusts (including Self-Managed Superannuation Funds or Estates) and Associations.</li><li>2. Retail clients who intend to invest an initial amount of \$100,000 or more.</li></ol>
Key product attributes	This product is designed for investors who, at the point of acquiring the product: <ul style="list-style-type: none"><li>- want a wrap service to manage, invest and provide consolidated reporting on the investments in their portfolio;</li></ul>

	<ul style="list-style-type: none"> <li>- want the flexibility to choose one or more of the investment options available which can include but is not limited to shares and other listed securities, bank bills and term deposits, exchange traded options, wholesale managed funds and cash; and</li> <li>- want to have online access to view and manage their account online.</li> </ul>
Investment offering	<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"> <li>• Cash</li> <li>• Term deposits</li> <li>• Shares and other listed securities</li> <li>• Options</li> <li>• Wholesale managed funds</li> <li>• Margin lending</li> </ul>
Retail clients for whom Portfolio Wrap is unsuitable	<p>Portfolio Wrap 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"> <li>• Retail clients who do not understand and accept the investment risk/return trade-off applicable to the investments made available through Portfolio Wrap; and</li> <li>• Retail clients who cannot bear the consequences of potential losses without such losses having a material impact on their standard of living.</li> </ul>

**Distribution Conditions and Reporting**

Distribution Conditions	
Distribution conditions for Morgan Stanley Wealth Management	<p>Distribution of the Portfolio Wrap product by Morgan Stanley and its representatives is subject to the following conditions and restrictions:</p> <ul style="list-style-type: none"> <li>• Morgan Stanley or its representatives will only issue a Portfolio Wrap product to a person who has received personal financial advice to acquire the product.</li> <li>• Morgan Stanley will only issue a Morgan Stanley Portfolio Wrap to clients who are also clients of, and receive financial product advice from, Morgan Stanley Wealth Management Aust or its representatives.</li> <li>• 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 Portfolio Wrap Investor Brochure.</li> </ul>
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"> <li>• A copy of the complaint escalation email, or file notes of the conversation;</li> <li>• The client’s account number;</li> <li>• The DDO product of concern; and</li> <li>• The client’s name and contact details.</li> </ul>
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	<p>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.</p>
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 <i>auiwm-compliance@morganstanley.com</i> .

[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"><li>• a material, unexpected increase in complaints received about the products</li><li>• 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</li><li>• Morgan Stanley become aware of a significant dealing of the product to retail clients outside the target market.</li></ul>
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