Target Market Determination

Savana US Small Caps Active ETF (Fund)

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 is accessible via www.k2am.com.au and www.savana.ai.

Target Market Summary

This product is intended for use as a minor allocation for a consumer who is seeking capital growth and has a high to extremely 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 5 year 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
Investment Manager	Savana Asset Management Pty Limited
TMD contact details	Hollie Wight: Head of RE Services
Fund name	**Savana US Small Caps Active ETF**
ARSN	649 028 722
APIR Code	ETL8111AU
ISIN Code	AU60ETL81113
Market Identifier Code	XASX
Product Exchange code	SVNP
TMD issue date	30 October 2026
TMD Version	3.0
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	In target market	The Fund's performance objective is to outperform the S&P 600 Total Return Index, after fees, over a medium to long term investment horizon. The investment style is active with the aim of building long-term wealth. The Fund makes semi-annual distributions.
Capital Preservation	Not In target market	
Income Distribution	Not In target market	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)	Not in target market	The Fund invests in US small cap stocks and will generally hold between 30-50 positions. Under the guidelines for the Fund, it may also hold up to 100% of the portfolio in cash or cash equivalents. The Fund has low-medium diversification, and may be suitable as a minor allocation in a consumers portfolio.
Major allocation (up to 75%)	Not in target market	
Core component (up to 50%)	Not in target market	
Minor allocation (up to 25%)	In target market	
Satellite allocation (up to 10%)	In target market	
Consumer's investment timeframe		
Minimum investment timeframe	At least five years	The recommended minimum timeframe for investment is at least five years.
Consumer's Risk (ability to bear loss) and Return profile		
Low	Not in target market	The Fund is designed for investors who have a high risk appetite and can accept losses in order to target a higher target return profile. Investors will typically prefer growth assets such as shares with only a small to moderate holding in defensive assets such as cash. The product disclosure statement (PDS) of the Fund 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.
Medium	Not in target market	
High	In target market	
Very high	In target market	
Extremely high	In target market	
Consumer's need to access capital		
Within one week of request	In target market	

Consumer Attributes	TMD indicator	Product description including key attributes
Within one month of request	In target market	As an exchange traded product, the Fund ls liquid and tradeable on Australian financial markets (ASX) under normal conditions. Sales will be settled via the CHESS settlement service, generally two business days following the sale.
Within three months of request	In target market	
Within one year of request	In target market	
Within 5 years of request	In target market	
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
Suitable for retail investors on market	The product is available on the Australian Securities Exchange (ASX) AQUA market. The product may be distributed through the following channels: • broker or trading platform that has provided personal financial advice to the consumer; or • broker or share trading platform that is providing execution-only brokerage services, in which case consumers are unlikely to be influenced by conduct at this point of distribution and there are limited steps and controls available to the issuer in relation to this conduct; or • A platform, including investor directed portfolio service and such like service, in respect of platform distribution where suitable	Brokers and share trading platforms

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
	arrangements governing the relationship with the Issuer and/or Investment Manager are in place. The Issuer is not required as part of the reasonable steps obligation to ensure each on-market transaction involving retail clients is consistent with the TMD.	Issuer
Suitable for retail investors off market who have read the PDS, completed the TMD questionnaire and been successfully determined as qualifying in the target market.	The issuer considers that this distribution condition will make it more likely that the consumers who acquire the product will be in the target market for the product or that the product will be otherwise be suitable for them because each consumer applicant must complete the TMD questionnaire and be successfully determined within the target market before acquiring the product. The TMD questionnaire requires them to answer questions which elicit information related to relevant consumer attributes and whether they are likely to be in the target market.	Issuer
Suitable for retail investors who have received financial advice.	The issuer considers that this distribution condition will make it likely that the consumers acquiring the product will be in the target market, or the product will otherwise be appropriate for them.	Advisors
Through specified distributors or distribution channels such as an investment or superannuation platform or wrap product.	The issuers of platforms and wrap products have their own obligations as distributors to take reasonable steps that will or will be reasonably likely to result in the product distribution to be consistent with this TMD.	Issuers of platforms and wrap products

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.
The occurrence of any other material event or circumstance that would reasonably suggest that the TMD is no longer appropriate.

Mandatory TMD review periods

Review period	Maximum period for review
Initial review	N/A – initial review has already occurred
Subsequent review	1 year and 6 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

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.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 *investable assets*. 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.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.

Term	Definition
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.	

Term	Definition
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 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. 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 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). The consumer typically prefers growth assets (for example, shares and 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 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). 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). 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).

Term	Definition
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.	

Term	Definition
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.