



**AUSTRALIAN  
SECURITIES**

# Target Market Determination

Australian Securities Property Fund

**Australian  
Securities  
Property Fund  
Target Market  
Determination**

## Legal Disclaimer

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 can be obtained on our website – [www.australiansecurities.com.au](http://www.australiansecurities.com.au)

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## Target Market Summary

### Product Description

The Australian Securities Property Fund is a Managed Investment scheme that allows investors to invest directly in property. The properties are packaged into sub-schemes and the consumers have a defined interest.

### Product Key Characteristics

- 5+ years investment horizon;
- Investment in direct property as owner with defined interest;
- Monthly distributions;
- Goal to achieve capital growth;
- Minimum investment \$50,000;
- Leveraged property purchases (non-recourse).

### Suitability Statement

This product is intended to be for use as any weight allocation within a portfolio for a consumer seeking regular income returns and capital growth where the consumer has medium and/or long-term investment time frame, medium risk/return profile and not requiring to access the capital for a duration longer than five years.

## Fund and Issuer identifiers

|                             |                                     |
|-----------------------------|-------------------------------------|
| Issuer                      | Australian Securities Limited       |
| Issuer ABN                  | 69 005 428 231                      |
| Issuer AFSL                 | 260499                              |
| TMD contact details         | Natalie Bode                        |
| Fund name                   | Australian Securities Property Fund |
| ARSN                        | ARSN 153 029 264                    |
| TMD issue date              | 1 February 2024                     |
| TMD Version                 | 2.0                                 |
| Distribution status of fund | Current                             |

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## Description of Target Market

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/amber/green rating methodology with appropriate colour coding:



## Instructions

In the tables on the next page:

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.

Generally, a consumer is unlikely to be in the target market for the product if:

- one or more of their Consumer Attributes correspond to a red rating, or
- three or more of their Consumer Attributes correspond to an amber rating.

## Investment products and diversification

RG 274.76

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 *Low* or *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  |
|--|---------------|---|
| <b>Consumer's investment objective</b>                           |               |   |
| Capital Growth   | ●             | The Australian Securities Property Fund focuses in providing consumers the solution of receiving monthly distributions of net rental income with potential annual rent rises and capital growth. This is achieved by having medium long term investment time frames while keeping the property tenanted.  |
| Capital Preservation   | ●             |   |
| Capital Guaranteed   | ●             |   |
| Income Distribution  | ●             |   |
| <b>Consumer's intended product use (% of Investable Assets)</b>  |               |   |
| Solution/Standalone (75 to 100%)                                 | ●             | Consumers can invest in multiple sub-schemes (subject to a minimum investment criteria) therefore the consumer has the ability to reduce exposure by allocating investments to further sub- schemes.<br><br>Where consumers reach 100% of investable assets with one sub-scheme Consumers' risk and return profile must be considered as well as need to withdraw money.                          |
| Core Component (25 to 75%)                                       | ●             |   |
| Satellite/small allocation (<25%)                                | ●             |   |
| <b>Consumer's investment timeframe</b>                           |               |   |
| Short (≤ 2 years)  | ●             | The consumer has a short investment time frame and may wish to redeem within two years.<br><br>The consumer has a medium investment time frame and is unlikely to redeem withing two years.<br><br>The consume has a long investment time frame and is unlikely to redeem within 8 years  |
| Medium (> 2 years)   | ●             |   |
| Long (> 8 years)   | ●             |   |
| <b>Consumer's Risk (ability to bear loss) and Return profile</b> |               |   |
| Low  | ●             | <b>SRM 1-2</b> Conservative, low risk seek to minimise potential losses Prefers defensive assets such as cash and fixed income<br><br><b>SRM 3-5</b> Prefers balance growth assets (shares / property) fixed income<br><br><b>SRM 6</b> Gowth assets shares property and alternative assets and nominal fixed income<br><br><b>SRM7</b> aggressive risk growth shares property alternative assets |
| Medium   | ●             |   |
| High   | ●             |   |
| Very High  | ●             |   |
| Extremely High   | ●             |   |

| Consumer Attributes                               | TMD Indicator | Product description including key attributes  |
|---|---------------|---|
| <b>Consumer's need to access capital SRM&amp;</b> |               |   |
| Within one week of request                        | ●             | The Fund does not permit withdrawals of funds during the investment.  |
| Within one month of request                       | ●             |   |
| Within three months of request                    | ●             | The Sub-schemes offer 5 or more – year terms.   |
| Within one year of request                        | ●             |   |
| Within 5 years of request                         | ●             |   |
| Within 10 years of request                        | ●             |   |
| 10 years or more                                  | ●             |   |
| At Fund discretion                                | ●             | Only available when consumer is in a financial difficulty and the sub-scheme as one or more members willing to assume the outgoing member's contribution. |

## Appropriateness

RG 274.64-66

The Fund 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 described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2. A \$50,000 minimum investment identified in the PDS is required for investment in an Australian Securities Property Fund sub -scheme.

## Distribution Channels

The Australian Securities Property Fund product will be distributed via the methods below:

- Online – Website, Email and Equity Fax;
- Direct Contact;
- Licensed Financial Advisor.

The chosen distribution channels allow for the consumers to be in the target market as there is a 'screening process' which the consumers must go through.

When the product reaches the consumers by online or direct contact, the consumers must complete a questionnaire to ensure that their investment objectives are in line with the Target Market Determination document. Consumers that apply to invest via Licensed Financial Advisors will have obtained financial advice to invest in the Australian Securities Property Fund, which ensures consumers are suitable for the product regardless of whether they are within the Target Market.



## Distribution conditions/restrictions

Section 994B(5)(c) of the Act

| Distribution conditions  | Distribution condition rationale   |
|--|--|
| Consumers likely to reasonably foresee financial hardship if product underperforms or income payments halt due to defaults, should not invest. | Where a consumer may reasonably face financial hardship if the investment underperforms, Australian Securities Ltd [ the issuer] may not be able to immediately return funds to the consumer that is affected.   |
| Questionnaire at consumer registration must be completed   | A questionnaire developed by Australian Securities Limited in line with the TMD must be completed by the consumer in order to assess the suitability of the product for the consumer.  |
| The performance of the products is not guaranteed  | ASL holds insurance and bank guarantees to assure ongoing rental income. Can access finance for capital improvements with finance costs offset by an higher valuation or rental income.  |
| Customers that wish to invest in Tier 2 products must have a “High” risk/return profile  | <p>A capital gain covering acquisition, holding and disposal costs requires a minimum of a 5-year terms to justify the initial investment and the second five year term usually attracts significant lift.</p> <p>Members can assign free of duty their interest in the sub scheme under their will making to an invaluable asset growing in their estates.</p>  |
| Consumers cannot leverage their investment   | The product does not offer and equity consideration to consumers which they can use to leverage their investment against debt. Australian Securities Property Fund does not offer these services either.   |
| <p>Consumers cannot withdraw from sub-schemes during the period of their investment.</p> <p>Or</p> <p>Financial Hardship</p>                   | Australian Securities Property Fund does not offer consumers the ability to sell their interest to other members or non-members. ASL may invite a member for sell their interest to another member on maturity of he investment if members unanimously agree to extend Redemptions may be arranged by the Fund if financial hardship exists and another Member agrees to buy the interest of the Member in hardship. |



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## Review triggers

Section 994B (5)(d) of the Act

### Review triggers

Material changes 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.

Frequent withdrawal requests before the maturity of the capital invested.

## Mandatory TMD review periods

s994B(5)(e) and (f) of the Act

### Mandatory review periods

| Review period     | Maximum period for review |
|-------------------|---------------------------|
| Initial review    | October 2022              |
| Subsequent review | November 2023             |
| Next review       | February 2025             |

## Distributor reporting requirements

Section 994B(5)(g) and (h) of the Act

| Mandatory review periods  |   |  |
|---|---|--|
| 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.<br>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 a distributor is aware, dealings outside the target market, including reason why acquisition it outside of target market and whether acquisition occurred under personal business advice. | Within 10 business days, following end of calendar quarter.   | All distributors                               |

### ASTF Product Complaint

Distributors must report by email to [mail@asltd.com.au](mailto:mail@asltd.com.au)

ASTF Product Report

Distributor Name:

Consumer Name and contact information

Brief description of product issues and impact on the Consumer

ASTF Compliance Officer will respond to the Product Complaint

## TMD Addendum : Definitions

| Term  | Definition   |
|---|--|
| <b>Consumer's investment objective</b>                          |  |
| Capital Growth  | The consumer seeks to invest in a product designed or expected to generate capital return over the investment time frame. 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 loss in a market down-turn. 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) that are generally lower on risk and less volatile than growth investments. |
| 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).  |
| <b>Consumer's intended product use (% of Investable Assets)</b> |  |
| Solution/Standalone (up to 100%)                                | The consumer may hold the investment as up to 100% of their total <i>investable assets</i> .<br>The consumer is likely to seek a product with very high portfolio diversification. The consumer typically prefers exposure to a product with least <i>High</i> portfolio diversifications (see definitions below)  |
| Major allocation (up to 75%)                                    | The consumer may hold the investment as up to 75% of their total <i>investable assets</i> .<br>The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.<br>The consumer intends to hold the investment as a major component up to 75% part of their total investable assets.  |
| 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> .<br>The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.<br>The consumer intends to hold the investment as a smaller part of their total investable assets (see definition below)   |

## TMD Addendum : Definitions Cont.

| Term   | Definition  |
|--|---|
| <b>Consumer's intended product use (% of Investable Assets)</b>  |   |
| Satellite allocation (up to 10%)   | <p>The consumer may hold the investment as up to 10% of the total <i>investable assets</i>.</p> <p>The consumer may seek a product with very <i>low</i> portfolio diversification.</p> <p>Products classified as <i>extremely high</i> risk are likely to meet this category only.</p>  |
| Investable Assets  | Those assets that the investor has available for investment, excluding the residential home.  |
| <b>Portfolio diversification<br/>(for completing the key product attribute section of consumer's intended product use)</b> |   |
| 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). Single asset class, single country, low or moderate holdings of securities e.g. high conviction Aussie equities. |
| 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). 1-2 asset classes, single country, broad exposure with asset class e.g. Aussie equities "All Ords"                               |
| 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). Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund (or 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.  |

| Term   | Definition   |
|--|--|
| <b>Consumer's intended investment timeframe</b>  |  |
| 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.  |
| <b>Consumer's Risk (ability to bear loss) and Return profile</b>   |  |
| A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes. |  |
| Low  | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite;</li> <li>• 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.</li> </ul> <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"> <li>• has a moderate or medium risk appetite;</li> <li>• 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</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <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"> <li>• has a high-risk appetite;</li> <li>• 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</li> <li>• seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers growth assets (for example, shares and property).</p> |

## TMD Addendum : Definitions Cont.

| Term           | Definition   |
|----------------|--|
| Very high      | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"><li>• has a very high-risk appetite;</li><li>• 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</li><li>• seeks to maximise returns (typically over a medium or long timeframe).</li></ul> <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"><li>• has an extremely high-risk appetite;</li><li>• can accept significant volatility and losses, and</li><li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li></ul> <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> |

| Term  | Definition   |
|---|--|
| <b>Consumer need to withdraw Capital</b>                        |  |
| Daily/Weekly/<br>Monthly /<br>Quarterly /<br>Annually or longer | The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the Fund is able to meet that request within a reasonable period.   |
| <b>Distributor Reporting</b>                                    |  |
| 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"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• 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).</li> </ul> <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes);</li> <li>• 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</li> <li>• 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).</li> </ul> <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"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the quarter;</li> <li>• the consumer’s intended product use is solution/standalone;</li> <li>• the consumer’s intended product use is core component or higher and the consumer’s risk/return profile is low, or</li> <li>• the relevant product has a green rating for consumers seeking extremely high risk/return.</li> </ul> |





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Fund Custodian**

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**Managed Investment Fund**

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