



Target Market Determination

Australian Securities Term Fund

**Australian
Securities
Term 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

Target Market Summary

Product Description

The Australian Securities Term Fund is a Managed Investment scheme that allows investors to invest in a pooled fund which has exposure to Term Deposits, Cash and Mortgage Securities.

Product Key Characteristics

- 90-days minimum term;
- 14-days notice for withdrawal processing request;
- Monthly interest Payments;
- Mandated Liquidity Requirements – minimum 45% of Cash Equivalent securities;
- Mandated Mortgage Securities – 60% Max LVR, No Development Securities, 15% Max of FUM in one Mortgage security;
- Minimum investment \$10,000;
- ASTF Capital can be invested in other ASL products.

Suitability Statement

This product is intended for use as any weight allocation within a portfolio for a consumer seeking regular income returns and capital preservation where the consumer has short, medium or long investment time frames and has a low risk/return profile risk for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a short, medium or long investment time frame who is unlikely to need to withdraw their money on less than quarterly, monthly or less notice.

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 Term Fund
ARSN	ARSN 605 224 600
TMD issue date	1 December 2023
TMD Version	2.0
Distribution status of fund	Current

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
Consumer's investment objective		
Capital Growth	●	<p>The Australian Securities Term Fund offers investors the ability to invest in a diversified pooled fund to receive regular income payments as well as have their capital secured, but not guaranteed, against real property and cash-equivalent investments such as Term Deposits and Cash in Bank. The Fund uses the total of the invested funds by investors to create a portfolio of securities. Investors receive income payments based on a proportion of their invested funds across all invested funds.</p> <p>The Fund does not pass-through increase in property values as capital growth. A consumer whose objective is to obtain capital growth and income distribution can still be in the target market.</p>
Capital Preservation	●	
Capital Guaranteed	●	
Income Distribution	●	
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (75 to 100%)	●	<p>A consumer may find the Australian Securities Term Fund as a suitable investment as a suitable investment product to invest as any portfolio weight. The Fund diversifies across multiple securities which allows the consumer to diversify the exposure of their investment.</p> <p>If a consumer has other objectives such as long-term investment time frame and/or capital growth and/or high risk appetite holding the product as a stand-alone product may not be aligned with their objectives – consumer could still be in the target market.</p>
Core Component (25 to 75%)	●	
Satellite/small allocation (<25%)	●	
Consumer's investment timeframe		
Short (\leq 2 years)	●	<p>The nature of the product is for short-term purposes as investment in other ASL products and/or withdrawals after an initial investment time frame of 90 days (for each individual deposit) are permitted. However, consumers with longer investment term horizons can use this product as they may be seeking capital preservation with interest returns as well as access to funds in a short-time frame. Furthermore, investors that have a broader portfolio may have a long-term investment horizon objective, but may use the Fund as an additional avenue for accessing funds or depositing funds due to the short term nature of the Fund.</p>
Medium (> 2 years)	●	
Long (> 8 years)	●	

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's Risk (ability to bear loss) and Return profile		
Low		The portfolio of investments that the Australian Securities Term Fund is exposed to allows for a lower risk profile as majority of securities held are cash equivalent investments and the remainder is spread across many mortgage securities.
Medium		
High		
Very High		
Extremely High		
Consumer's need to access capital SRM&		
Within one week of request		The Fund permits withdrawals after the 90-day minimum investment period and a 14-day notice to withdraw the funds given before or after the 90-day term.
Within one month of request		
Within three months of request		Consumers seeking to withdraw monthly may only be able to do it after 90 days minimum is met.
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 liquidity of the Fund has capacity to release part or all the investment amounts.

Appropriateness

RG 274.64-66

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 described above, 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. A minimum investment of \$10,000 with a minimum \$10,000 or 'closing balance' withdrawal applies.

Distribution Channels

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

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

The chosen distributions 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 Term Fund, which ensure that 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.
Consumers investing above \$250,000 to be advised of stricter withdrawal arrangements.	Whilst there is no limited to how much a consumer can invest in the Australian Securities Term Fund, consumers that invest funds greater than \$250,000 may be faced with longer withdrawal arrangements as the liquidity of the fund must be evaluated.
The performance of the products in not guaranteed	ASTF has access to the ASL assurance fund to manage a late interest payment to ensure a regular income and has insurance cover for any loss attributed to misconduct or neglect. Term deposits held with Australian banks have no government guarantee.

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

Mandatory TMD review periods

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

Mandatory review periods	
Review period	Reporting period
Initial review	October 2022
Subsequent review	November 2023
Next review	February 2025

Distributor reporting requirements

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

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.	November 2023	
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

ASTF Product Complaint

Distributors must report by email to 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
Consumer's investment objective	
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).
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 <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.
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> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.

TMD Addendum : Definitions Cont.

Term	Definition
Consumer's intended product use (% of Investable Assets)	
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.
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.

Term	Definition
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	
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"> • 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. <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"> • 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. <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"> • 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). <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">• 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); <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">• has an extremely high-risk appetite;• can accept significant volatility and losses, and• seeks to obtain accelerated returns (potentially in a short timeframe). <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
Consumer need to withdraw Capital	
Daily/Weekly/ Monthly / Quarterly / 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.
Distributor Reporting	
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"> • 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). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • 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 and/or amber ratings attributed to the consumer). <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"> • 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.



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**Responsible Entity and
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