



**AUSTRALIAN
SECURITIES**

Target Market Determination

Australian Securities Income Fund



**Australian
Securities
Income 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 from our website – www.australiansecurities.com.au or by requesting a copy by calling Australian Securities offices on 1300 275 275.

Target Market Summary

This product is intended for use for capital preservation for a consumer who is seeking regular monthly income distributions and has a medium 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 a 1 to 5 year investment timeframe and who is unlikely to need to access their capital in less than one year.



Fund and Issuer identifiers

Issuer	Australian Securities Limited
Issuer ABN	69 005 428 231
Issuer AFSL	260499
TMD contact details	Compliance Officer
Fund name	Australian Securities Income Fund
ARSN	092 514 488
APIR Code	Not Applicable
ISIN Code	Not Applicable
TMD issue date	25 September 2025
TMD Version	3
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/amber/green rating methodology with appropriate colour coding:

In target market	See issuer instructions	Not in target market
		

Instructions

In the tables below, 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 that correspond to an **amber** rating.














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 described above, as the features of this product in Column 3 of the tables 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 a mortgage sub-scheme.

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		<p>The Australian Securities Income Fund offers investors the ability to invest in mortgage securities to receive regular income payments as well as have their capital secured by the registration of a first mortgage on real property. The Fund only lends up to 66.66% of the property value as assessed by an independent valuer.</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 considered in the target market.</p>
Capital Preservation		
Income Distribution		
		
Consumer's intended product use (% of Investable Assets)		
Solution/Standalone (up to 100%)		<p>Consumers can invest in multiple sub-schemes; therefore, the consumer has the ability to reduce exposure by allocating their investable assets across multiple sub-schemes.</p>
Major allocation (up to 75%)		
Core component (up to 50%)		<p>Where consumers reach at least 50% of investable assets within the Fund across multiple sub-schemes, consumers need to consider their liquidity / cash requirements to consider investing more than 50% of their investable assets.</p>
Minor allocation (up to 25%)		
Satellite allocation (up to 10%)		
Consumer's investment timeframe		
Minimum investment timeframe	1 Year	<p>Investment timeframes are set out in the sub-scheme supplementary PDS. Investment terms range between 1- 3 years but can go as long as 5 years as set out in the scheme PDS.</p>

Consumer Attributes	TMD Indicator	Product description including key attributes
Consumer's Risk (ability to bear loss) and Return profile		
Low		The Australian Securities Income Fund is assessed as having a medium risk rating.
Medium		The Fund investments are secured by the registration of a first mortgage on real property with a minimum investment term of 1 year. Properties are valued by an independent valuer.
High		
Very High		The Fund provides a two-tiered structure: Tier 1 – invested funds are lent up to 60% of the property value. Investors in this tier receive ranking priority. Tier 1 investors have access to the assurance fund as referred to on Page 19 of the scheme PDS in the event a borrower defaults, which means their anticipated monthly income is paid. Tier 2 – invested funds are lent up to 66.66% of the property value (6.66% above the Tier 1 cap of 60%) and are ranked second in priority to the Tier 1 investors. Tier 2 investors do not have access to the assurance fund; however, they receive a higher interest rate than the Tier 1 investor to reflect the additional risk. For consumers who wish to invest in Tier 2, 'Low' or 'Medium' risk return profile are not considered to be in the target market for a Tier 2 investment.
Extremely high		
Consumer's need to access capital		
Within one week of request		The Fund does not permit withdrawals of funds during the period of investment as set out in the investment supplementary PDS.
Within one month of request		
Within three months of request		The sub-scheme terms are for a minimum of 1 year term. The PDS sets a minimum investment amount of \$50,000 in each individual sub-scheme.
Within one year of request		
Within 5 years of request		
Within 10 years of request		
10 years or more		
At issuer discretion		Only available when consumer is in financial difficulty and the sub-scheme has one or more members willing to assume the outgoing members investment contribution.

Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
Only for distribution through dealing if distributor is reasonably satisfied that distribution is necessary to implement personal advice given to the consumer.	Consumers that apply to invest via a licenced financial advisor will have obtained financial advice to invest in the Australian Securities Income Fund.	Financial Advisors
The product is distributed via direct contact with employees of Australian Securities Limited in addition to email and the organisations website – www.australiansecurities.com.au	When the product reaches consumers online or by direct contact, the consumers must complete a questionnaire to ensure that their investment objectives are in line with this Target Market Determination.	Direct

Review triggers

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.
Frequent withdrawal requests before the maturity date of the capital invested.
Capital loss to investors.

Mandatory TMD review periods

Review period	Maximum period for review
Initial review	25 September 2025
Subsequent review	31 January 2027

Distributor reporting requirements

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 the issuer. Distributors must report to Australian Securities Limited using the method specified below:

Product Name Australian Securities Income Fund
Attention Compliance Officer
Email mail@asltd.com.au
Phone 1300 275 275
Distributor Name *Please provide*
Consumer Name *Please provide*
Contract Information *Please provide*

The fund compliance officer will respond to the product complaint.

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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).

Definitions Cont.

Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (up to 100%)	<p>The consumer may hold the investment as up to 100% of their total <i>investable assets</i>.</p> <p>The consumer is likely to seek a product with at least <i>very high</i> portfolio diversification.</p>
Major allocation (up to 75%)	<p>The consumer may hold the investment as up to 75% of their total <i>investable assets</i>.</p> <p>The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.</p>
Core Component (up to 50%)	<p>The consumer may hold the investment as up to 50% of their total <i>investable assets</i>.</p> <p>The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification.</p>
Minor allocation (up to 25%)	<p>The consumer may hold the investment as up to 25% of their total <i>investable assets</i>.</p> <p>The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.</p>
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 <i>very low</i> portfolio diversification.</p> <p>Products classified as <i>extremely high</i> risk are likely to meet this category only.</p>
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.

Definitions Cont.

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 <u>and</u> 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.
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Definitions Cont.

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): see <https://www.fsc.org.au/web-page-resources/fsc-guidance-notes/2316-fsc-gn29>. 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.

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>

Definitions Cont.

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>

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.

Definitions Cont.

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*.



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**Responsible Entity and
Fund Custodian**

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