

Target Market Determination

Legal disclaimer

A Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**Act**). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of BrickX Financial Services Limited's (the **Issuer's**) design and distribution framework for the product.

This document is **not** a product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not consider any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Document for the BrickX Platform before deciding whether to buy this product.

Important terms used in this TMD are defined in the 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 by contacting info@brick.com or on our website www.brickx.com/pds.

Target Market Summary

This product is likely to be appropriate for a consumer seeking **capital growth or income distribution**, to be used as a **satellite/small allocation** within a portfolio or a core component not exceeding 50% allocation within a portfolio where the consumer has a **medium or long** investment timeframe, **medium** risk/return profile, needs limited access to capital outside of the matching facility provided by the product. In regards to investment options, this product is likely to be appropriate for a consumer seeking an **extensive, limited or default investment menu**, with **property sector specific, property sub-sector specific and alternative investment options**.

Fund and Issuer identifiers

Issuer	BrickX Financial Services Limited
Issuer ABN	67 616 118 088
Issuer AFSL	494878

Scheme	BrickX Platform
ARSN	613156433
Date TMD approved	5 October 2021
TMD Version	1
TMD Status	Current

Description of Target Market

This part is required under 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:

In target market	Potentially in target market	Not considered in target market
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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 correspond to an **amber** rating.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). 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 conservative portfolio with a satellite/small allocation to

growth assets. In this case, it may be likely that a product with a *High* or *Very High* risk/return profile is consistent with the consumer’s objectives for that 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).

Customisable product

The BrickX Platform (**Scheme**) offers Members two investment options:

- The ability to select the individual properties they wish to buy Bricks in (subject to Brick availability) and build their portfolio based on their own preferences and strategy (**Build My Own**).
- The ability to invest across a range of properties with features that are consistent with a set strategy (**Smart Invest**). The Smart Invest approach removes the need for Members to select individual properties to buy Bricks in. Instead they can elect to invest via a strategy in which Bricks are automatically purchased (subject to Brick availability, diversification rules and availability of Funds Awaiting Investment).

As the BrickX platform is a customisable product, the Issuer has considered Smart Invest and Build My Own options separately in defining the target market.

Consumer Attributes	TMD Indicator ‘Smart Invest’	TMD Indicator ‘Build My Own’	Product description including key attributes
Consumer’s investment objective			
Capital Growth	In target market	In target market	The BrickX Platform empowers investors to invest and transact in ‘fractional’ or part ownership of indirect interests in underlying properties and enjoy the benefits of reduced investment processes and costs. Brick Owners can benefit from any rental yield and potential capital returns without leasing and managing those properties.
Capital Preservation	Potentially in target market	Potentially in target market	
Capital Guaranteed	Not considered in target market	Not considered in target market	The Scheme aims to provide investors with sustainable and stable monthly income and the potential for capital growth by investing in Australian property.
Income Distribution	In target market	In target market	The Scheme is therefore likely to be appropriate for a consumer seeking capital growth or income distribution.
Consumer’s intended product use (% of Investable Assets)			
Solution/Standalone (75-100%)	Not considered in target market	Not considered in target market	The BrickX Platform also allows investors to diversify their investment portfolio to include indirect property holdings across multiple properties and property classes.

Core Component (25-75%)*	Potentially in target market	Potentially in target market	<p>The Scheme offers exposure to a range of residential and commercial property assets in Australia and seeks to maintain a broad range of residential and commercial property assets in established and emerging property markets that meet the investment criteria of the Scheme. Therefore, the Scheme's diversification is Medium (see diversification definitions). The Scheme is therefore likely to be appropriate as a Satellite component of a consumer's portfolio.</p> <p>*Members may also use the Scheme as a Core Component where the investment generally does not exceed 50% of the investor's Investable Assets.</p>
Satellite/small allocation (<25%)	In target market	In target market	
Consumer's investment timeframe			
Short (≤ 2 years)	Potentially in target market	Potentially in target market	<p>The Scheme contains an assortment of BrickX Trusts, most of which do not have a set investment period. Investors in a particular Trust may at any time collectively agree to sell a property and end the BrickX Trust. Additionally, BrickX will facilitate a meeting of investors on each 5 year anniversary of settlement of the Trust or such other period specified in the Additional Disclosure Document for the particular Trust. Investors may also use the Scheme's liquidity function to exit their investments at any time, subject to liquidity. The Scheme is therefore likely to be appropriate for a consumer with a Medium or Long investment timeframe.</p>
Medium (> 2 years)	In target market	In target market	
Long (8 5 years)	In target market	In target market	
Consumer's Risk (ability to bear loss) and Return profile			
Low	Not considered in target market	Not considered in target market	<p>The Scheme's objective is to provide investors with monthly income distributions and the potential for capital growth. However, there are risks involved in the Scheme. It is expected that the Scheme may experience an estimated 2 to less than 3 negative returns over a 20 year period (SRM 3).</p> <p>The Scheme is therefore likely to be appropriate for a consumer with a Medium risk/return profile.</p>
Medium	In target market	In target market	
High	Potentially in target market	Potentially in target market	
Very High	Potentially in target market	Potentially in target market	
Consumer's need to withdraw money			

Daily	Potentially in target market	Potentially in target market	There is no minimum investment period in relation to the interests held in the BrickX Trusts through the Scheme.
Weekly	In target market	In target market	<p>An investor can place a Sell Order at any time, and once a Sell Order has been matched with a buyer, they will receive payment for their BrickX Trust interests which the investor can direct to have remitted to their elected bank account on a daily basis with funds being received by the investors within 1-3 business days dependent upon the banking institution with which they deal.</p> <p>Most BrickX Trusts do not have a set investment period. If there is a set investment period it will be specified in the relevant Additional Disclosure Document. Investors may at any time collectively agree to sell a property and end a particular BrickX Trust. In addition, the Issuer will facilitate a meeting of the investors of a particular Trust at the earlier of: (a) on each 5th anniversary of Settlement of the relevant Trust; and (b) such other period after Settlement (if any) specified in the Additional Disclosure Document and other information displayed on the website for the particular Trust, to determine if the Brick Owners wish to sell or maintain the property on the BrickX Platform.</p> <p>The Scheme is therefore likely to be appropriate for consumers who are comfortable with the Scheme's assets having low liquidity, though understanding that they may be able to liquidate holdings in the specific BrickX Trusts via the seller determined pricing trading function of the Scheme.</p>
Monthly	In target market	In target market	
Quarterly	In target market	In target market	
Annually or longer	In target market	In target market	
Level of decision making			
Investments chosen by customer from extensive investment menu	In target market	In target market	Investors are able to select investments from a wide range of available options, with narrower selection menus available to be defined by investors should they wish to refine their investment selections further.
Investments chosen by customer from limited investment menu	In target market	In target market	<p>Investors are able to invest in interests offered by the Scheme in either of the following ways:</p> <ul style="list-style-type: none"> • Build My Own, where an investor selects investments on their own; and/or

Default investment strategy applied where no investments selection is made	In target market	In target market	<ul style="list-style-type: none"> Smart Invest, where investors elect to invest via a strategy in which investments are automatically purchased on behalf of the investor – subject to availability. <p>The Scheme is likely to be appropriate for consumers that are seeking an extensive, limited or default investment menu.</p>
Product investment menu			
Sector specific options	In target market	In target market	<p>The Scheme enables investors to refine their investment choices in order to access:</p> <ul style="list-style-type: none"> multiple property classes (residential and commercial); properties in various states and territories across Australia; properties with and without gearing; and investments with an income, capital or balanced return focus. <p>The Scheme also enables investors to select their own investments and/or to have investments purchased for them using an automated investment strategy which they elect to participate in.</p> <p>The Scheme is likely to be appropriate for consumers seeking property sector specific, property sub-sector specific and alternative investment options.</p>
Sub-sector specific options	In target market	In target market	
Alternative investment options	In target market	In target market	
Active investment options - No manager choice	Not considered in target market	Not considered in target market	
Active investment options - Some manager choice	Not considered in target market	Not considered in target market	
Active investment options - Wide manager choice	Not considered in target market	Not considered in target market	
Passive investment options, such as passive Exchange traded fund	Not considered in target market	Not considered in target market	

Ready-made diversified portfolio options	Not considered in target market	Not considered in target market	
Capital guaranteed options	Not considered in target market	Not considered in target market	
ESG investment options	Not considered in target market	Not considered in target market	

Appropriateness

Note: This section is required under 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 above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Requirement	Explanation
s 994B(8)	
Target market and product RG 274.68(c)	<p>The Issuer considers that the Scheme, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of investors in the target market on the basis of:</p> <ul style="list-style-type: none"> • the relationship between the key attributes of the Scheme and the target market as set out in this TMD; • the terms of issue of interests in the Scheme; • the investment mandate of the Scheme and the particular investment options; • the investment capability of the manager of the Scheme; • the Issuer’s assessment of the risks and benefits of the Scheme; and

	<ul style="list-style-type: none"> • the Issuer’s assessment of the likely investor outcomes of the Scheme based on: <ul style="list-style-type: none"> ○ the historical performance of the Scheme in a variety of market conditions; ○ internal modelling of Scheme performance based on assets held; and ○ the assessment of the risk profile of the Scheme based on investment structure and strategy.
Target market and distribution conditions and restrictions RG 274.100	<p>The Issuer considers that the distribution conditions will make it more likely that the investors who acquire units in the Scheme are in the target market on the basis of:</p> <ul style="list-style-type: none"> • The requirement for investors who apply to be asked filtering questions relevant to the TMD prior to applying. • The Issuer’s website www.brickx.com providing information about the Issuer’s expectations and requirements in relation to the distribution of the Scheme. • The distributors’ past performance in relation to the distribution of financial products, about which the Issuer is aware.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

Distribution Condition	Distribution Condition Rationale
Direct	Members are asked to complete an online or paper application form, including filtering questions

Review triggers
This part is required under section 994B(5)(d) of the Act.
Material change to key attributes, Scheme 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 affect the product.

Mandatory review periods

This part is required under section 994B(5)(e) and (f) of the Act.

Review period	Maximum period for review
Initial review	1 year and 3 months
Subsequent review	2 years and 3 months

Distributor reporting requirements

This part is required under section 994B(5)(g) and (h) of the Act.

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under s994F(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
To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors



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This target market determination (**TMD**) is made by BrickX Financial Services Limited ABN 67 616 118 088, AFS Licence No 494878 (**Issuer**) pursuant to section 994B of the *Corporations Act 2001* (Cth). The Issuer is the responsible entity of the BrickX Platform (**Scheme**).

This document is not a summary of the Scheme, or the Product Disclosure Statement for the Scheme (**PDS**). It does not (and is not intended to) set out a summary of the terms or features of the Scheme.

This document is intended to provide a record of the Issuer's assessment of the Scheme, which forms the basis of this TMD. It also details the Scheme's distribution channel(s) and distribution strategy which must align to this TMD. This document is also used as a basis for the periodic review of the TMD and the Scheme's suitability for distribution to the identified target market.

This document does not (and is not intended to) provide or constitute financial product advice. The target market described in this TMD is general in nature only and does not make any statement or representation that a particular person is or is not in the target market described in this TMD. This TMD does not take into account the objectives, financial situation and needs of any particular person and the Issuer makes no representation as to whether or not the Scheme is suitable for any particular person.

Prior to making any decision in relation to the Scheme, investors should obtain and consider the PDS, and obtain financial product advice if necessary. This TMD should not be taken by a person to be a substitute for obtaining and considering the PDS or obtaining financial product advice that takes into account the person's objectives, financial situation and needs.

An investment in the Scheme is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and performance of the Scheme may differ materially from the forecasts, estimates and opinions set out in this TMD. No guarantee as to the repayment of capital, the performance of the Scheme or any rate of return described in this TMD is made by the Issuer or any other person.

This material is not intended for distribution to, or use by, any person in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. The Issuer, and its officers, employees, agents and advisers, believe that the information in this TMD and the sources on which the information is based (which may be sourced from third parties) are correct as at the date of this TMD. While every care has been taken in the preparation of this TMD, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by the Issuer, or its officers, employees, agents



or advisers. To the fullest extent permitted under law, the Issuer excludes all liability for information provided in this TMD. No part of this TMD may be reproduced or distributed in any manner without the prior written permission of the Issuer.

Definitions

Term	Definition
Consumer's investment objective	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. 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 to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
Consumer's intended product use (% of Investable Assets)	
Solution/Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).
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)	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
Consumer's intended investment timeframe	
Short (≤ 2 years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium (> 2 years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long (> 8 years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.
Consumer's Risk (ability to bear loss) and Return profile	
<p>Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <u><i>Standard Risk Measure Guidance Paper For Trustees</i></u>. 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 or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, 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.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	The consumer is conservative or low risk in nature, seeks to minimise 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. Consumer typically prefers defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.

Term	Definition
	Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>
Consumer's need to withdraw money	
<p>Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. 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 completing this section.</p>	
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 issuer is typically 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

Term	Definition
	<ul style="list-style-type: none"> • 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 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 reporting period, • the consumer’s intended product use is <i>Solution / Standalone</i>, or • the consumer’s intended product use is <i>Core component</i> and the consumer’s risk (ability to bear loss) and return profile is <i>Low</i>.