

# Target Market Determination

Baytulmaal Property Trust  
ARSN 674 597 445

*Home* for  
Islamic Investment



# Salam!

## Introduction

This Target Market Determination (TMD) is prepared and issued by Baytulmaal Finances Limited for the Baytulmaal Property Trust ARSN 674 597 445. This TMD is required under section 994B of the Corporations Act 2001 (Cth) (the Act) and is relevant to the financial product known as the Baytulmaal Property Trust (the Fund or product). The product is a registered managed investment scheme comprising direct property and mortgage investments as scheme assets. Fund property investments are compliant with Shariah Islamic finance and investment principles. This TMD describes the class of investors including target investors who may be suitable for this financial and investment product. The TMD assists current and prospective investors in assessing the suitability of this product for their personal financial objectives. No personal financial advice is provided by the issuer of this product. Accordingly, current and prospective investors should consult their financial advisor or planner for assessment of their own personal investment aims and objectives. Details relevant to the product's distribution and TMD review, distribution conditions, review triggers and periods, and reporting requirements are also detailed in this TMD. The product is distributed by the issuer directly and where relevant any authorised party authorised by the issuer to distribute this product. The product is distributed within the terms and disclosures made within this TMD. This TMD is reviewed regularly and will be reissued when 'trigger conditions' detailed in this TMD warrant the TMD to be reissued.

baytulmaal.com.au

A Product Disclosure Statement (PDS) has been prepared and is available for this product. This TMD is not a PDS and therefore is not a complete summary of the product features, risks 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. You can obtain a copy of the PDS from the issuer of this product at [www.baytulmaal.com.au](http://www.baytulmaal.com.au). Important terms used in this TMD are defined in the TMD Definitions which form part of this document. This TMD and any PDS issued for this product need to be read in their entirety. The Fund investment and application process is conducted via the web site of the issuer (refer to [www.baytulmaal.com.au](http://www.baytulmaal.com.au)). The issuer does not guarantee the return of capital or income distribution from this product. None of the TMD or the PDS are designed to provide any personal financial advice. These two documents need to be read as a whole and in their entirety prior to investing in the product.

This TMD is available to the public free of charge either directly downloaded at [www.baytulmaal.com.au](http://www.baytulmaal.com.au) or by requesting a copy of the TMD by email at [info@baytulmaal.com.au](mailto:info@baytulmaal.com.au)

# Target Market Summary

This product is intended for those investors who have a medium risk/return investment profile and desire a Shariah compliant pooled retail property investment. A Shariah compliant investment is an investment that is compliant with the principles of the Islamic faith. The return of investor capital and/or investor return

distribution is dependent on the performance of the pooled property investments. Two distinct types of Shariah compliant contracts (Bai' Mu'ajjal and Istisna) form the main income earning assets of this investment product. In addition to being Shariah compliant, this product is deemed 'dual compliant' in that the product is also compliant with Australian law.

Issuer	Baytulmaal Finances Limited
Issuer ABN	16 122 787 311
Issuer AFSL	355094
TMD contact details	<a href="http://www.baytulmaal.com.au">www.baytulmaal.com.au</a>
Fund name	Baytulmaal Property Trust
ARSN	674 597 445
TMD issue date	11 April 2025
TMD version	2.0
Distribution status of fund	Available - refer to <a href="http://www.baytulmaal.com.au">www.baytulmaal.com.au</a>
PDS Issue Date	11 April 2025

## 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 investors that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column1 is likely to be in the target market for this product. References to Fund or product refer to the Baytulmaal Property Trust ARSN 674 597 445.

### 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 investors in the target market, as the features of this product in Column 3 of the table below are likely to be suitable for investors with the attributes identified with a green TMD Indicator in Column 2.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio, for example, with an intended product use of *minor allocation*. In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a balanced or moderate diversified portfolio with a *minor allocation* to grow the assets. In this case, a product with a **high** risk/return profile maybe 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	Not in target market	<p><b>Fund overview</b></p> <p>The Fund aims to provide income distributions only by offering two distinct types of Shariah compliant contracts to third party clients. These two contract types are known as Bai' Mu'ajjal (deferred sale arrangements) and Istisna (construction and deferred installment payment arrangements). In Bai' Mu'ajjal contracts, the Responsible Entity sells a Fund property to a third-party client under a deferred sale arrangement. The instalments under this arrangement can be from 5 years to 25 years. Istisna contracts are utilised for construction type arrangements where the Responsible Entity enters into typically a contract with a builder on one hand the third-party client on the other hand. Istisna contract terms can range from 5 years to 25 years (term under 5 years can be considered and subject to approval).</p> <p>The Fund is structured as a pooled registered property investment scheme investing in primarily selected residential property investments. However, the Fund can invest in other property types such as commercial subject to the property not being of a type prohibited for investment in Islam.</p>
Capital Preservation	See Issuer instructions – Capital Preservation	<p><b>Issuer instructions – Capital Preservation</b></p> <p>The Fund secures contractual obligations for both contract types by taking a registered mortgage over the subject property relevant to the contract entered into with the client. However, there is a possibility that proceeds received under a mortgage sale may not be sufficient to recover all unpaid contract amounts. This may result in a capital loss to investors. The PDS details this and other risks for the Fund.</p>
Income Distribution	In target market	<p><b>Capital Growth</b></p> <p>The Fund is "Not in target market" for Capital Growth. The Fund provides income not capital growth.</p> <p><b>Income Distribution</b></p> <p>The Fund is "In target market" for Income Distribution. Income return is a key feature of the Fund.</p> <p>The Fund aims to provide investors income distributions from the profit component of the instalments received under a contract of sale to a third-party client in the case of a Bai' Mu'ajjal contract and under a construction contract with deferred instalments under an Istisna contract. Income distributions are not guaranteed by the issuer of this product. There may be delays in the receipt of income distributions due to risks of the investment, such as the client not meeting instalments due and payable. Distributions to investors in the pool are dependent on the client meeting the instalments due and payable. The Fund does not guarantee distributions to any investor.</p>

Consumer Attributes	TMD indicator	Product description including key attributes
<b>Consumer's intended product use (% of Investable Assets)</b>		
Solution/Stand alone (up to 100%)	Not in target market	The Fund is not likely to be in target market as 'stand alone' solution for this financial product.
Major allocation (up to 75%)	Not in target market	The fund is not likely to be in target market as a "major allocation" solution for this financial product.
Core component (up to 50%)	See issuer instructions- Core Component	The Fund is deemed a Shariah compliant investment. Some Muslim investors for religious reasons may seek a higher and more significant portion of their total investment as "Shariah compliant" investment assets by holding up to 50% of their total investment portfolio in the Fund. It is recommended that any such an allocation considers the risk of the Fund limits to portfolio diversification and other matters details in the PDS.
Minor allocation (up to 25%)	In target market	The Fund is suitable as a 'minor allocation' tended to form no more than 25 % of their total investment portfolio. The Fund is particularly suitable for those investors seeking a Shariah compliant investment as part of their investment pool.
Satellite allocation (up to 10%)	In target market	The Fund is suitable as a 'satellite allocation' tended to form no more than 10% of their total investment portfolio. The Fund is particularly suitable for those investors seeking a Shariah compliant investment as part of their investment pool.

**“Seeking lawful (wealth)  
is an obligation upon  
every Muslim.”**

**PROPHET MUHAMMAD (PBUH)  
(AT-TABARANI)**

Consumer Attributes	TMD indicator	Product description including key attributes
<b>Consumer's investment time frame</b>		
Minimum investment time frame	Typically 1 year minimum depending on the Fund liquidity allowing for withdrawals.	The typical duration of a Bai' Mu'ajjal or deferred sale instalment contract within the Fund is 5 to 25 years. As Istisna contract may be for a contract term of between 5 to 25 years (with term under 5 years can be considered subject to approval), depending on the nature of the construction being entered into. The investor is required to keep their initial and subsequent investments for a minimum period of 6 months before being able to request a withdrawal. Withdrawal requests will only be allowed if the liquidity of the Fund allows it. There may be delays in return of investment due to the client not meeting instalments due under both contract types.
<b>Consumer's Risk (ability to bear loss) and Return Profile</b>		
Low	Not in target market	The Fund is not deemed suitable for those who have a low risk profile.
Medium	In target market	The Fund is likely to be appropriate for investors who have a <b>Medium</b> risk and return investor profile. Investor monies are secured by mortgage. The Fund is not liquid and the return of capital and/or income distributions is dependent on the performance of the investment pool.
High	Not in target market	The Fund is not suitable for those investors that have a "high risk" investment profile. The Fund is not targeting high risk investments.
Very high	Not in target market	The Fund is not suitable for those investors that have a "high risk" investment profile. The Fund investment profile is not targeting very high risk investments.
<b>Consumer's need to access capital</b>		
Within one week of request	Not in target market	The Fund investor access to capital does not generally allow access to capital within one week of request.
Within one month of request	Not in target market	The Fund investor access to capital does not generally allow access to capital within one month of request.
Within three months of request	Not in target market	The Fund investor access to capital does not generally allow access to capital within three months of request.
After six months to one year of request subject to Fund liquidity	In target market	<b>Access to capital invested in the Fund</b> The investor is required to keep their initial investment and any further investment for a period of not less than 6 months. Redemption of investor monies is dependent on the liquidity of the Fund. There are risks that may delay the return of capital and/or the amount of capital returned. The PDS will detail the risks that may adversely affect return and/or timing of the return capital. Notwithstanding the 6-month minimum holding period, investors should allow a redemption timeframe up to 12 months, subject to the Fund's liquidity position.

## Distribution conditions/restrictions

Distribution conditions	Distribution condition rationale	Distributors this condition applies to
Investors seeking to invest directly in the Fund are required to adhere to the following steps:	The distribution conditions designed for direct investors are structured to enhance the likelihood of their being aligned with the target market for the following reasons:	This Distribution Condition applies to all distributors who intend to engage in retail Distribution of the Fund.  The Distribution Conditions noted as numbers 1 to 4 apply to all distributors.
1. Complete the Application Form, explicitly confirming their thorough review of the PDS and the TMD.	The TMD requires investors or prospective investors to confirm they have thoroughly reviewed the PDS and TMD and refer to the issuer with any queries. The investor or prospective investor is required to read the PDS and TMD in its entirety to provide your pertinent information on returns, risks, and investment profile.	
2. Complete the application process online <b>www.baytulmaal.com.au</b> Refer to the issuer for any queries.	Tailored Feedback: The issuer will review your application and refer to you for any additional information required including any queries in respect to the TMD. You will be contacted directly by the issuer to answer any query you may have in respect to the TMD.	
3. Refer any complaints to the issuer directly.	The issuer will consider all complaints received and review the TMD in the light of any complaint(s) received. The issuer will consider whether the complaints received are a trigger event and/or of substance that require a review and reissue of the TMD.	
4. Read any updated TMD when issued by the issuer.	Regular review of this TMD is conducted by the issuer. Where the TMD is reviewed and updated either annually or as required by a trigger event, the updated TMD will be forwarded by email to investors and prospective investors. Refer to the review triggers noted in this TMD that require TMD review.	
Applications are subject to approval by the issuer.	At all times, the issuer will ensure that reasonable steps have been taken to ensure the prospective investor has considered attributes of the product and make it more likely that distribution occurs in line with the target market. This may involve direct discussions by the issuer with prospective investors on their understanding of the TMD and answering queries on the PDS and TMD as presented by a prospective investor to the issuer. If the prospective investor is not deemed by the issuer to be a target investor consistent with this TMD then the issuer will not confirm the application of that prospective investor to invest. The issuer will in all cases advise prospective investors whether their application has been approved.	
The issuer may approve or reject any application at its sole discretion.		

## Review triggers requiring to review this TMD

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.

Complaints from retail investors that have invested in the Fund including complaints submitted by investors to the Australian Financial Complaints Authority (AFCA).

## Mandatory TMD review periods

Review Period	Maximum period for review
Initial review	Not Applicable – initial review has already occurred
Subsequent review	Within the first 12 months from the date of issue and then annually thereafter, unless an earlier review is required. In any case, the review of the TMD cannot be later than 12 months from the last review.

## 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

## Definitions

These definitions are provided as a guide only and not intended to be exhaustive.

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 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).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Stand alone (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 investable assets. The consumer is likely to seek a product with at least medium portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total investable assets. The consumer is likely to seek a product with at least low portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total investable assets. The consumer may seek a product with very low portfolio diversification. Products classified as extremely high risk are likely to meet this category only.
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.

Term	Definition
<b>Portfolio diversification (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 frame work below.	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.

#### Consumer's intended investment time frame

Minimum	The minimum suggested time frame 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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#### Consumer's Risk (ability to bear loss) and Return profile

This TMD uses the Standard Risk Measure (**SRM**) to estimate the likely number of negative annual returns for this product over a 20-year period, using:

The guidance and methodology outlined in the **Standard Risk Measure Guidance Paper For Trustees** (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology maybe supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise, may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating. A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.

Term	Definition
Low	<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 minimize 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</li> <li>• 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>
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 maybe in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

## Term

## Definition

### Consumer's need to access capital

This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product should be considered.

### 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 maybe 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 time frames),
- 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 investors seeking extremely high risk/return.



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