

A pair of hands is shown from a top-down perspective, holding a white outline of a house. The house has a gabled roof, a chimney with smoke, a door, and a window with a lattice pattern. The hands are positioned as if supporting the house. The background is a dark blue surface with white rain streaks and light blue clouds. A semi-transparent orange rectangle is overlaid on the hands and house.

Target Market Determination

MYBRIX
P R O P E R T I E S

MyBrix Properties Pty Ltd (ACN: 669 491 338)



About this Document

This document is a Target Market Determination for the purposes of section 994B of the Corporations Act 2001 (Cth) (Corporations Act) in respect to **Brix** issued by Australian Financial Licencing Group Pty Ltd, AFS Licence 269868, through its Intermediary Authority MyBrix Properties Pty Ltd (ACN: 669 479 636).

This document is not a product disclosure statement (PDS) and does not consider any client's objective, financial situation or needs. You should refer to the MyBrix Product Disclosure Statement (PDS)" and obtain independent financial product advice before deciding to invest in Brix.

Issuer	MyBrix Properties Pty Ltd, ACN: 669 479 636, as an Intermediary Authority of Australian Financial Licencing Group Pty Ltd, AFS Licence 269868 (Licensee)
Effective Date	1 December 2023
Product	<p>MyBrix fractionalises a property to allow Investors to acquire an interest in the future sales proceeds and rental proceeds (if applicable) of that property. Fractionalisation refers to division into smaller, proportional shares or "fractions." These fractions in MyBrix are called Brix and represent a percentage of the future sale and rental proceeds of the property.</p> <p>A Brix is a Derivative, that derives its value from the underlying property asset.</p>
Product Overview	<p>Brix are derivatives sold on the MyBrix platform. You use them to gain exposure to the performance of the underlying property with which they are associated. Brix represents a share of the future sales and rental proceeds of the underlying property.</p> <p>Brix appeal to Property Owners wishing to participate in an alternative financing model for their property and Investors who wish to spread the risk of their investments.</p> <p>There are a number of reasons why Property Owners choose to sell and buyback Brix including:</p> <ol style="list-style-type: none"> a) to reduce the impact that variable interest rates have on monthly repayments and the Owner's standard of living. b) to lock in a price to sell a fractional interest in their underlying property without surrendering property ownership. c) to be able to re-acquire additional fractional interests in their underlying property over time at a rate they can control. <p>There are a number of reasons why Investors trade via MyBrix, including:</p> <ol style="list-style-type: none"> a) to access fractionalised investments in property and diversify their portfolio. b) to access properties previously not available to investors. c) to lock in a price or sell their interest in the underlying investment while maintaining the opportunity for capital growth.
Risks	<p>Brix are subject to risks, including but not limited to:</p> <ol style="list-style-type: none"> a) the long-term value of Brix in a property are directly related to the underlying property value. Property Owners and Investors should be aware that a property's value may not achieve capital growth during the MyBrix term. b) Brix are not suitable for Property owners who cannot withstand an immediate drop in equity to participate in MyBrix. c) Brix are not suitable for first home buyers with low deposits. d) Brix are not suitable for investors who are unable to withstand losses without material personal hardship.



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- e) Brix have a set life span and will expire. Their value as they approach their expiry date, is directly related to the value of the underlying property at that time. Accordingly, buyers of Brix should actively manage their open positions, particularly as expiry dates approach.
 - f) sellers of Brix are exposed to the liquidity of the market and should accept a holding position may be required to optimise returns.

It should also be noted that a client wishing to trade in Brix is required to acknowledge that:

- a) they have read and understood the documents including the Product Disclosure Statement and terms of use and conditions.
- b) dealing in derivatives incurs a risk of loss as well as a potential for profit.
- c) they have considered their objectives, financial situation and needs and formed the opinion that dealing in derivatives is suitable for their purposes.
- d) the effect that time has on a position or strategy.
- e) how volatility changes, both up and down, may affect the price or value of Brix and the potential outcome.
- f) they know how to calculate worst case scenarios for any position.
- g) the likelihood of early exercise and associated costs.
- h) the liquidity of Brix, the role of market makers, and the effect this may have on your ability to enter and exit a position.

Clients for who, Brix are unsuitable

Brix will generally not be suitable for retail clients outside the target market. Potential categories would include:

- a) clients below the age of 18.
- b) Investors who live in a country which restricts or prohibits trading in derivatives.
- c) clients who do not understand the risks of Brix as applicable to their proposed trading.
- d) clients who do not have access to financial and/or legal advice.

Target Market for Brix

MyBrix considers that the target market for Brix Property Owners is a client that falls within one (or more) of the below categories:

- a) **Property Owners with a bank mortgage** that applies stress to the household budget.
- b) **Property Owners that wish to release equity** in their property for personal use or property improvements.
- c) **Reverse mortgage requirements** to release equity for personal reasons.

Given the diverse nature of different Brix strategies, MyBrix considers that the target market for Brix Investors is a client that falls within one (or more) of the below categories, noting there may also be some overlap between categories:

- a) **High Risk Tolerance Investors** seeking to make profit via speculation in Brix.
- b) **Risk Mitigation Investors** seeking to hedge potential risk from other investments or exposures.
- c) **Premium Generation Investors** seeking to earn income, maintain capital growth opportunities whilst having a diversified portfolio.

Note it is not necessary for a client to fall within all three categories; it is sufficient for a client to fall within one of the above categories to be within the target market for Brix.



Likely objectives, financial situation and needs of clients in the target market

THE PROPERTY OWNER

Property Owners with a bank mortgage are clients who wish to eliminate the pressure of bank loan repayments on the household income:

- *Likely objectives:* to use existing assets to attract investors to their property to raise funds to pay out an existing bank loan.
- *Likely financial situation:* acquired a bank loan in a low interest environment and now face high interest repayments that place significant stress on the household budget.
- *Likely needs:* Not have to sell their property to maintain an acceptable standard of living.

Property Owners that wish to release equity in their property for personal use or property improvements:

- *Likely objectives:* to use existing assets to attract investors to their property to raise funds to achieve a personal goal.
- *Likely financial situation:* own their own home, do not wish to use traditional finance facilities to achieve a personal objective.
- *Likely needs:* to satisfy a personal or family objective such as property improvements, new car or pay school fees (Note: that the "likely needs" will be many and varied).

Reverse mortgage requirements to release equity for personal reasons:

- *Likely objectives:* to use existing assets to attract investors to their property to raise funds to achieve a personal goal.
- *Likely financial situation:* own their own home, do not wish to use, or are unable to access traditional finance facilities to achieve a personal objective.
- *Likely needs:* to satisfy a personal or family objective such as medical bills, new car or assist a family member (Note: that the "likely needs" will be many and varied).

THE INVESTOR

High Risk Tolerance Investors are clients who are likely to have a high-risk appetite, and who are seeking higher returns through a diversified risk strategy. These clients are prepared to suffer material losses (and able to withstand such losses).

- *Likely objectives:* to use existing assets to seek higher returns with corresponding higher risk.
- *Likely financial situation:* Have a relatively high and regular income and/ or substantial holdings of capital available for investment. Can withstand losses from trading without causing distress or material impact on living standards. Have available liquid assets to react quickly to opportunities. Have a good understanding of Brix and trading strategies.
- *Likely needs:* Wish to use spare capital to enhance returns.

Risk Mitigation Investors are clients who are likely to be relatively risk averse and are looking to protect previous gains, lock in purchase or sale prices, or mitigate against potential future losses.

- *Likely objectives:* Protect previous gains or mitigate against potential future losses and/or lower the cost of acquiring underlying assets.
- *Likely financial situation:* Have existing investments or exposures which the retail client wishes to hedge.
- *Likely needs:* Loss or profit protection.

Premium Generation Investors are likely to be clients with a moderate risk appetite who are looking to increase their yield and reduce risk through diversification of their portfolios.

- *Likely objectives:* Increase their income return.
- *Likely financial situation:* Like to hold existing positions in underlying stocks. Require a



regular income and can address capital gains tax position if Brix are sold.

- *Likely needs:* Increase income return.

**.Distribution
Conditions**

Brix are sold directly on the MyBrix platform via online trading by Property Owners and Investors.

Review Triggers

The review triggers that may suggest that the TMD is no longer appropriate, such that a review of the TMD should be undertaken, include:

- MyBrix becoming aware of a significant interest in the product to clients outside the target market.
- Material changes to the Brix product by MyBrix.
- Material changes to law affecting Brix, or
- MyBrix becomes aware of a significant volume of complaints from clients.

Review Periods

This TMD will be reviewed annually or more frequently if a review trigger occurs.

If a review trigger occurs, the review will be carried out within 3 months from the date of occurrence. Should the detriment to clients be material the review will be completed within 1 month, or where this timeframe not met, reasonable steps to resolve the issue identified should be taken.
