

TARGET MARKET DETERMINATION: Aveo Discretionary Aggregate Deductible Fund (Industrial Special Risks Protection – Strata)

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| Product: Aveo Discretionary Aggregate Deductible Fund - Strata (Scheme) |
| Product Disclosure Statement: Prepared 31st May 2023 (AVEO052023(2)) |
| TMD Commencement Date 31st May 2023 |
| Issuer: Aon Risk & Asset Management Pty Ltd (ABN 51 629 413 314) |

INTRODUCTION

This target market determination (**TMD**) has been prepared by Aon Risk & Asset Management Pty Ltd (ABN 51 629 413 314) as the Trustee (**Trustee**) of the Aveo Discretionary Aggregate Deductible Fund (**Scheme**) and relates to the above-named discretionary risk product issued by the Trustee. This TMD is current as at 31st May 2023.

This TMD is designed to help the members of the Scheme (**Members**) and the Trustee's staff and authorised product distributors understand the class of customers the discretionary protection is most suitable for (**target market**).

References to 'we', 'us' or 'our' means the Trustee as the product issuer and the entity responsible for offering the discretionary protection to Members.

This TMD describes:

- Who the product is suitable for and who it is not suitable for;
- How the product will be distributed to Members;
- How often we will review this TMD and when the next review will occur;
- What events or circumstance may trigger a review of this TMD;
- The information that we need, to decide if the TMD is no longer appropriate; and
- Our reporting obligations for this TMD.

The TMD is not intended to provide financial advice and does not form part of the terms of protection. In addition to the key eligibility requirements outlined in this TMD, the product is subject to acceptance criteria as determined by the Trustee from time to time.

When considering whether to purchase discretionary protection, please refer to the Aveo Discretionary Aggregate Deductible Fund – (Industrial Special Risks -Strata) Product Disclosure Statement and Protection Wording (Disclosure Document) to decide whether the product is right for you.

Please use the Disclosure Document to understand the meaning of any capitalised terms used in this TMD which are not defined in this document.

EFFECTIVE DATE AND OPERATION OF TMD

The effective date of this TMD is 31st May 2023 (**Effective Date**). The TMD will apply to the Industrial Special Risks Protection - Strata issued to Members on or after the Effective Date until it is replaced or withdrawn. We may review this TMD at any time.

PRODUCT DESCRIPTION AND TARGET MARKET

Product Description

The Industrial Special Risks Protection – Strata provides protection to the owners' corporation, body corporate and lot owners of retirement villages structured as a strata or community title scheme which are operated by the Promoter (**Aveo Retirement Living**) for physical loss, damage or destruction to all property (including the building, common area contents and contents owned by a lot owner) and consequential loss (including, but not limited to, loss of rent, temporary accommodation, prevention of access, interruption of utilities). There is some additional protection for loss of or damage to money which occurs within the property, whilst in transit in certain scenarios.

Additional included protection is provided for (but is not limited to) the following:

- Accidental damage
- Professional fees;
- Temporary accommodation expenses;
- Replacement of locks and/or keys;
- Removal of debris;
- Additional Green Standards costs;
- Emergency services; and
- Landscaping;
- Clearing and/or repairing drains.

Further protection is available under this product. Refer to the Disclosure Document for full details.

Industrial Special Risks Protection – Strata is a discretionary risk product. It is not a contract of insurance and may not be suitable for people who require a contract of insurance.

Who Industrial Special Risks Protection - Strata is suitable for

Industrial Special Risks Protection – Strata has been designed for Members of the Scheme who require protection for their strata title or community title scheme building and common property at a Aveo Retirement Living location and consequential loss that may arise as a result of a protected loss or damage.

It is suitable for Members of the Scheme who:

- Are an owners' corporation, body corporate and lot owners of a strata or community title scheme property at an Aveo Retirement Living location; and
- Require protection for their property/building and certain contents and personal effects against physical loss, damage or destruction and who are also looking for protection for consequential loss consistent with the type of coverage that is required under the Retirement Villages legislation and / or applicable Strata legislation in the state where their properties are located (in conjunction with the Insurance Cover); and
- Do not already have an insurance policy covering these risks.

Who Industrial Special Risks Protection - Strata is not suitable for

Industrial Special Risks Protection - Strata is not suitable for people who:

- Are not Members of the Scheme or are not eligible to or willing to become Members of the Scheme.
- Are not an owners' corporation, body corporate and lot owners of a strata or community title scheme property.
- Are seeking protection for property (other than for all or part of a Building) required to be insured by Retirement Villages legislation and / or applicable Strata legislation.
- Are seeking cover for damage to or theft of property (other than money) in transit.
- Are seeking cover for damage to or theft of jewellery and furs.
- Are seeking cover for damage to or theft of building materials, watercrafts, locomotives, rolling stock, motor vehicles, trailers and aircraft.
- Are seeking coverage for any legal liability.

- Are seeking coverage for buildings and property that are under construction.
- Are seeking coverage for blockchain-based digital assets or the loss, destruction or damage resulting from a computer machinery no longer working.
- Are not located in Australia.
- Are seeking or require an insurance policy (e.g. where required by law, including Retirement Village legislation or applicable strata legislation), noting that this product is only suitable where it is purchased in conjunction with the Member also having protection as an insured under the Insurance Cover.
- Already hold other risk products which adequately protect them for building property damage and business interruption, including by way of insurance.

Industrial Special Risks Protection – Strata is designed for those whose likely objectives, financial situation and needs are described below.

| Likely objectives, financial situation, and needs | |
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| Objectives | People in the target market who are looking to protect themselves against physical loss, damage or destruction to their property and any resultant consequential loss. |
| Financial situation | People in the target market who are likely to experience financial hardship and burden if their property is affected by physical loss, damage or destruction to property. |
| Needs | People in the target market will be looking for discretionary protection that will assist them in accessing protection for their building and consequential loss as a result of physical loss, damage or destruction to property. |

Industrial Special Risks Protection – Strata is only suitable for a person with the objectives, financial situation and needs described above because:

- It provides cover for the types of loss or damage events that people in the target market are seeking to be protected against; and
- It is designed for people who require protection with the key attributes described above.

DISTRIBUTION OF THIS PRODUCT

This product is distributed by Aon Risk Services Australia Pty Ltd under an intermediary authorisation with the Trustee and offers are made to Members at the request of Aveo Group Limited, as the promoter of the Scheme (**Promoter**).

We have conditions in place to help ensure that Industrial Special Risks Protection - Strata is only sold to people in the target market. These conditions include:

- Industrial Special Risks Protection - Strata is only available to entities who meet the eligibility criteria to become a Member and come within the target market set out in this TMD – it is not available to anyone else;
- Those involved in offering to arrange Industrial Special Risks Protection - Strata are appropriately trained, understand the market this product is designed for and how to identify people within and outside of the target market; and
- Internal processes and systems are in place to support the distribution of Industrial Special Risks Protection - Strata to people in the target market.

REVIEWING THIS TMD

This TMD will be reviewed no later than 1 year from the Effective Date. We will then review this TMD annually to ensure it remains appropriate. This TMD will be reviewed earlier if any event or circumstance occurs that would reasonably suggest that the target market is no longer appropriate, or this product is no longer consistent with the likely objectives, financial situation and needs of people in the target market. These events or circumstances are called **review triggers**.

A review trigger might be where:

- There is a material change to this product, including to the benefits or exclusions;
- There is a relevant and significant change or event affecting a reasonable proportion of people in the target market (e.g. a change in law or regulation);
- There are changes to how this product is distributed;
- There is a pattern of complaints or feedback relating to the appropriateness of this product for the target market;
- Trends in claims suggest that this product is not performing appropriately for the target market;
- There is a reportable significant dealing in this product;
- Significant changes in metrics, including but not limited to member benefit cancellations, lapses in renewals, claims, complaints, and loss ratios;
- There is a material defect in the Disclosure Document for the product which reasonably suggests that the TMD is no longer appropriate; or
- Feedback, orders or directions from a regulator or external dispute resolution body like AFCA that suggests this TMD is no longer appropriate.

This TMD will be reviewed within 10 business days of the occurrence of any of the review triggers above.

REPORTING

We record all complaints that we receive about Industrial Special Risks Protection - Strata. Our authorised product distributors and the Promoter must provide written details of any complaint received about this product within 10 business days after each Complaints Reporting Period.

For the purpose of this TMD, each 6-month period from the Effective Date is a Complaints Reporting Period. If a product is sold to a person that is not within the target market (i.e. a significant dealing), this must be reported to us within 10 business days of the date on which our authorised product distributors or the Promoter become aware of the sale.

RECORDS

We will keep records of any actions that are taken to make sure Industrial Special Risks Protection - Strata is distributed only to people within the target market. We will also keep records of any decisions and reasons for:

- Any changes to the TMD for Industrial Special Risks Protection - Strata;
- How the review triggers were set;
- The steps taken to decide if a review trigger has taken place; and
- How often this TMD is reviewed.