

# Target Market Determination

For Strata Guardian ABN 20 646 722 518

## 1. About this document

Strata Guardian is Australia's first, purpose-built investment service, developed specifically to seek better investment returns for strata and owners/body corporate funds in the face of prolonged and unsatisfactory cash and term deposit rates.

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumer must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

### Product Disclosure Statement (PDS) to which this target market determination applies

This TMD applies to the investment services provided by Strata Guardian.

The **Strata Term service** accesses a panel of Australian Deposit Taking institutions (ADI) in its delivery of term deposits. Each ADI supplies its own product disclosure statement which is provided upon accepting the proposal through the service.

The **Strata Guardian & Grow portfolio management service** uses the Praemium SMA portfolio service as the administrative platform. For more information, please refer to the following Product Disclosure Statements and other relevant information booklets:

- Praemium Partner PDS
- Praemium Investment Menu

### Date from which this target market determination is effective

5 October 2021 (Revised 1 August 2022)

## 2. Target Market

The investment services provided by Strata Guardian are designed for clients who, at the point of acquiring the product meet the following.

For the **Strata Term** service:

- The ideal investment timeframe for the investment is a minimum of 3 months.
- The Strata Term service enables to ability to source market leading rates of interest from a panel of up to 26 Australian banks.
- The administration fee is 0.20% p.a on the balance invested. This is charged by Strata Guardian for sourcing and implementation of the Term Deposit, along with the administration of requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. A Letter of Engagement is provided for each account.

For the **Strata Guardian** portfolio management service:

- The ideal investment timeframe for the investment is a minimum of 2 years, with drawdown available at any time.
- The Strata Guardian portfolio is comprised of ASX listed exchange traded funds, which have liquidity and size minimums to ensure reliability. This portfolio has a maximum growth (equity) exposure of 35% at any time.
- The investment management fee is 0.40% p.a charged by Strata Guardian for the maintenance of the portfolio, asset allocation and stock (exchange traded fund) selection. This fee also covers day to day account administration and point of contact costs.
- There is also a platform administration fee which varies depending on the amount invested. A Letter of Engagement is provided for each account with further fee disclosures.

For the **Strata Grow** portfolio management service:

- The ideal investment timeframe for the investment is a minimum of 5 years, with drawdown available at any time.

- The Strata Grow portfolio is comprised of ASX listed exchange traded funds, which have liquidity and size minimums to ensure reliability. This portfolio has a maximum growth (equity) exposure of 52% at any time.
- The investment management fee is 0.50% p.a charged by Strata Guardian for the maintenance of the portfolio, asset allocation and stock (exchange traded fund) selection. This fee also covers day to day account administration and point of contact costs.
- There is also a platform administration fee which varies depending on the amount invested. A Letter of Engagement is provided for each account with further fee disclosures.

### Objectives, financial situation, and needs

The **Strata Term** service has been designed for Australian Owners and Body Corporates with accumulated Capital Works, Reserve, Maintenance and Sinking Funds who:

- are seeking a market leading rate of term deposit interest, with short to long term (3 months to 5+ years) investment horizon, depending on the term selected.
- want to make an upfront deposit of cash into an account for an agreed term; and
- want to earn a fixed rate of interest on their balance; and
- do not have any of the objectives or needs which are indicated by red dots, in the tables below.

The **Strata Guardian & Grow** portfolio management service has been designed for Australian Owners and Body Corporates with accumulated with accumulated Capital Works, Reserve, Maintenance and Sinking Funds who:

- are seeking a diversified and lower risk portfolio management service, with medium to long term (2 to 5+ years) investment horizon.
- want access to investment management services and are comfortable with not selecting the particular securities that make up their selected SMA Model Portfolio(s)
- want an SMA investment structure which takes the form of a beneficial interest in the specific investments in the SMA Model Portfolio(s) selected; and
- do not have any of the objectives or needs which are indicated by red dots, in the tables below.

Colour Guide	Relevance to Client Investment
	Deemed appropriate
	May not be fully applicable, but can be appropriate in some circumstances
	Deemed not appropriate

Service Name	Minimum Investment Timeframe		
	Short (<2 years)	Medium (>2 years)	Long (>5 years)
Strata Term			
Strata Guardian			
Strata Grow			

Service Name	Investment Objectives		
	Capital Growth	Capital Preservation	Income Distribution
Strata Term			
Strata Guardian			
Strata Grow			

Service Name	Risk Tolerance		
	Low	Medium	High
Strata Term			
Strata Guardian			
Strata Grow			

Service Name	Intended Use		
	Solution (75%-100%)	Core (25%-75%)	Satellite (<25%)
Strata Term			
Strata Guardian			
Strata Grow			

### 3. Additional Product Features

The **Strata Term** service has been designed for investors who are seeking:

- a fixed rate of return on savings
- investment terms of 3 months to 5 years
- an investment with a minimum balance of \$10,000
- interest paid at maturity on terms from 1 month to 12 months.
- monthly, quarterly, half yearly and annual interest payments on terms of 12 months and greater

The **Strata Guardian & Grow** portfolio management service have the following additional features:

- Both are comprised of on market (ASX) holdings that can be liquidated on market anytime.
- Additional investment for is allowable, by simply adding more funds through the accounts' BPAY or bank transfer service.
- Daily account rebalancing to ensure ongoing alignment with the selected investment strategy taking account of:
  - changes to Model Portfolios notified by the relevant investment manager
  - investments in or cash withdrawals from your account;
  - Model Portfolio or individual asset switches; fees and
  - minimum cash holding requirements and other circumstances as outlined in the PDS for the Product.
- Consolidated ongoing reporting of investment holdings, asset allocation, transactions, fees, performance and taxation which is available 24/7 via the Investor Portal
- Access to potential costs savings associated with pooling of investments with other consumers (e.g., lower brokerage fees from the netting of listed securities trades)

### 4. Excluded class of consumers

The **Strata Term** service has not been designed for individuals who:

- need Immediate access to funds in the account prior to the end of the agreed term;
- a desire the ability to deposit additional funds into the account after making the initial upfront deposit; or
- would like to earn a variable rate of interest on their balance.

The **Strata Guardian & Grow** portfolios have not been designed for individuals who:

- are not part of an Australian Owners and Body Corporate, with relevant strata / sinking funds to invest
- want to exercise greater control over each investment transaction
- may not benefit from consolidated reporting and the associated administration costs

#### Consistency between target market and the product

For both the **Strata Term** service and the **Strata Guardian & Grow** portfolio management service:

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of clients in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the likely objectives, financial situation and needs of the identified class of clients.

### 5. How this product is to be distributed

#### Distribution channels

This product is designed to be distributed through the following means:

- through facilitation by an authorised member of the Strata Guardian administrative team
- making an account with Strata Guardian is through the online onboarding portal, available at [strataguardian.com](http://strataguardian.com)

#### Adequacy of distribution conditions and restrictions

All new accounts are reviewed to ensure that the information provided is true and correct, and that the applicant is seeking the Strata Guardian investment service in accordance with section 2 of this document.

## 6. Reviewing this target market determination

We will review this target market determination in accordance with the below:

Review Period	Description and Requirements
<b>Initial review</b>	Within the 1 year of the effective date.
<b>Periodic reviews</b>	At least every 1 year from the initial review.
<b>Review triggers or events</b>	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> <li>• a material change to the design or distribution of the product, including related documentation;</li> <li>• occurrence of a significant dealing;</li> <li>• distribution conditions found to be inadequate;</li> <li>• external events such as adverse media coverage or regulatory attention; and</li> <li>• significant changes in metrics, including, but not limited to, complaints or as directed by our legal and compliance advice.</li> <li>• Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.</li> </ul>

## 7. Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

Type of Information	Description	Reporting Period
<b>Complaints</b>	Customer complaints (including number of complaints, complaints record verbatim, product name and distributor name) in relation to this product that may indicate the TMD may no longer be appropriate for this product	As well as agreed in writing, quarterly and in any case within 10 business days from the end of the reporting period
<b>Significant dealings</b>	The date or date range of when the Significant Dealing occurred and a description of why it may not be consistent with this TMD	As soon as practicable, and in any case within 10 business days after becoming aware
<b>Incidents/Issues (including regulatory breaches)</b>	Incidents and breaches that may indicate product is no longer appropriate for the Target Market or is being distributed outside the Target Market	As soon as practicable, and in any case within 10 business days after becoming aware

The information in this document contains general information and does not take into account your personal objectives, financial situation or needs. Prepared by Tim Fuller. Past performance is not an indication of future performance. Strata Guardian Pty. Ltd. (ABN 20 646 722 518) is a Corporate Authorised Representative of Strata Advice Pty Ltd - AFSL 528306. View our [Financial Services Guide](#).