

Target Market Determination (TMD)

Australian Unity Mutual Capital Instruments



This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers that comprises the target market (TM) for Australian Unity Mutual Capital Instruments (**Australian Unity MCIs**), being the class of consumers for whom Australian Unity MCIs including their key attributes, would likely be consistent with the consumers' likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the TMD and certain other information. It forms part of the design and distribution arrangements of Australian Unity Limited ACN 087 648 888 (the **Issuer**) for Australian Unity MCIs.

This TMD is not a prospectus and is not a summary of Australian Unity MCIs or its features or attributes. This TMD does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring Australian Unity MCIs should carefully read the prospectus for Australian Unity MCIs located at www.australianunity.com.au/mci

Product	Australian Unity MCIs
Issuer	Australian Unity Limited ACN 087 648 888
Date of TMD	11 October 2021
Version of TMD	1

Target Market

The TM for Australian Unity MCIs is investors who are seeking:

- an income return but can tolerate the risk that dividends may not be paid; and
- an ASX-quoted investment,

and who can benefit financially from franking credits and can tolerate the risks that the value of Australian Unity MCIs may decline and of being unable to sell Australian Unity MCIs at a time of their choosing or at a price acceptable to them.

Description of likely objectives, financial situation and needs of consumers in the TM

The likely objectives, financial situation and needs of retail client investors in the TM include:

- the objective of seeking a regular income return in the form of discretionary and non-cumulative dividends;
- the financial situation of having other savings or sources of income so that the investor can manage:
 - the risk of any periods when discretionary and non-cumulative dividends are not paid (and can tolerate the risk that dividends on Australian Unity MCIs are discretionary and non-cumulative and might not be paid in full or at all);
 - the risk of any loss in capital value of the investment because they may not be able to sell Australian Unity MCIs at a time or price of their choosing; and
 - the risk of any periods when the ASX-quoted market price for Australian Unity MCIs is a price at which investors do not want to sell Australian Unity MCIs; and
- the financial and taxation situation or circumstances of being able to benefit financially from franking credits.

Classes of consumers for whom the product is clearly unsuitable

The likely objectives, financial situation and needs of retail client investors in the TM do not include those:

- who do not understand or cannot accept the risks of Australian Unity MCIs as noted above;
- who require capital growth;
- who need certainty that they can sell their Australian Unity MCIs as and when they want to and at a price of their choosing;
- who cannot tolerate the risk of any loss in the capital value of their Australian Unity MCIs; or
- who require a regular income return and cannot tolerate the risk that dividends may not be regularly paid.

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the TM

Australian Unity MCIs, if subscribed for by retail client investors in the TM, are likely to be consistent with the likely objectives, financial situation and needs of those retail client investors because the key attributes of Australian Unity MCIs are likely to be suitable for retail clients in that TM, including because:

- Australian Unity MCIs are designed for retail client investors who can tolerate periods where they may not be able to sell their Australian Unity MCIs at a time or price of their choosing and who can tolerate a decline in the value of Australian Unity MCIs; and
- while Australian Unity MCIs have the potential to provide a regular source of income, in the form of twice-yearly discretionary and non-cumulative dividends, they are not designed for retail clients that would rely on dividends being paid in full twice a year and cannot financially tolerate any periods where dividends are not paid.

Distribution Conditions	<p><i>Distribution conditions</i></p> <p>The Issuer has created a distribution strategy for Australian Unity MCIs. The key elements of the distribution strategy for retail clients and applicable distribution conditions are outlined below:</p> <table border="1"> <thead> <tr> <th data-bbox="392 495 831 555">Distribution Channels</th> <th data-bbox="839 495 1453 555">Distribution Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 566 831 734">Via a Joint Lead Manager (JLM) and/or Co-Manager</td> <td data-bbox="839 566 1453 734">Retail client investors must be clients of JLMs or their financial services licensee affiliates, and must have either been provided with personal advice to subscribe for Australian Unity MCIs or have been assessed by the licensee as being in, or reasonably likely to be in the TM.</td> </tr> <tr> <td data-bbox="392 745 831 1048">Via a third party financial adviser (unaffiliated or unassociated with any JLM)</td> <td data-bbox="839 745 1453 1048">Retail client investors must be clients of financial services licensees who have either provided the retail client investor with personal advice in relation to subscribing for Australian Unity MCIs or have assessed the retail client investor as being in, or reasonably likely to be in, the TM. The Issuer or a Joint Lead Manager must have received written confirmation of the provision of such advice or such assessment from the financial services licensee before the close of the offer.</td> </tr> <tr> <td data-bbox="392 1059 831 1227">Directly</td> <td data-bbox="839 1059 1453 1227">Eligible retail client investors who apply via an online application on the offer website www.australianunity.com.au/mci must have completed an online pre-application assessment designed to assist the Issuer to determine whether the retail client investor is in, or is reasonably likely to be in, the TM.</td> </tr> </tbody> </table>	Distribution Channels	Distribution Conditions	Via a Joint Lead Manager (JLM) and/or Co-Manager	Retail client investors must be clients of JLMs or their financial services licensee affiliates, and must have either been provided with personal advice to subscribe for Australian Unity MCIs or have been assessed by the licensee as being in, or reasonably likely to be in the TM.	Via a third party financial adviser (unaffiliated or unassociated with any JLM)	Retail client investors must be clients of financial services licensees who have either provided the retail client investor with personal advice in relation to subscribing for Australian Unity MCIs or have assessed the retail client investor as being in, or reasonably likely to be in, the TM. The Issuer or a Joint Lead Manager must have received written confirmation of the provision of such advice or such assessment from the financial services licensee before the close of the offer.	Directly	Eligible retail client investors who apply via an online application on the offer website www.australianunity.com.au/mci must have completed an online pre-application assessment designed to assist the Issuer to determine whether the retail client investor is in, or is reasonably likely to be in, the TM.
Distribution Channels	Distribution Conditions								
Via a Joint Lead Manager (JLM) and/or Co-Manager	Retail client investors must be clients of JLMs or their financial services licensee affiliates, and must have either been provided with personal advice to subscribe for Australian Unity MCIs or have been assessed by the licensee as being in, or reasonably likely to be in the TM.								
Via a third party financial adviser (unaffiliated or unassociated with any JLM)	Retail client investors must be clients of financial services licensees who have either provided the retail client investor with personal advice in relation to subscribing for Australian Unity MCIs or have assessed the retail client investor as being in, or reasonably likely to be in, the TM. The Issuer or a Joint Lead Manager must have received written confirmation of the provision of such advice or such assessment from the financial services licensee before the close of the offer.								
Directly	Eligible retail client investors who apply via an online application on the offer website www.australianunity.com.au/mci must have completed an online pre-application assessment designed to assist the Issuer to determine whether the retail client investor is in, or is reasonably likely to be in, the TM.								
	<p>Why do the distribution conditions make it more likely that retail clients who acquire Australian Unity MCIs are in the TM?</p> <p>The Issuer has determined that if the Australian Unity MCIs are sold to a retail client investor in accordance with these distribution conditions, it is likely that the retail client investor is within the TM because:</p> <ul style="list-style-type: none"> • for retail client investors who have been provided with personal advice to subscribe for Australian Unity MCIs, the financial adviser is subject to legal obligations under the Act in respect of the giving of personal advice including the best interests obligation; • for retail client investors who have not been provided with such personal advice, only retail client investors assessed by the relevant JLM, or third party financial adviser as being in, or reasonably likely to be in, the TM may invest; and • for direct applicants, retail client investors must complete the online pre-application assessment which is designed to assist the Issuer to take reasonable steps to determine if the retail client investors are in or are reasonably likely to be in the TM. 								
Review Triggers	<p>The occurrence of any of the following is a review trigger for this TMD:</p> <ul style="list-style-type: none"> • a significant dealing to retail client investors outside the TM or which is inconsistent with the distribution conditions that reasonably suggests that the TMD is no longer appropriate; • a material number of complaints are received in relation to Australian Unity MCIs; or • there is a material change to the terms of Australian Unity MCIs that relates to their attributes taken into account in making the TMD. 								
Review Periods	<p>First review date: 18 October 2021.</p> <p>Periodic reviews: 5 business days after the last review date, until the close of the offer.</p>								

Distribution Information Reporting Requirements	The Issuer’s distributors must provide the following information to it:									
<table border="1"> <thead> <tr> <th data-bbox="395 456 571 486">Type of Information</th> <th data-bbox="762 456 863 486">Description</th> <th data-bbox="1118 456 1286 486">Reporting Period</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 495 523 524">Complaints</td> <td data-bbox="762 495 999 524">Number of complaints</td> <td data-bbox="1118 495 1426 524">Daily during the offer period</td> </tr> <tr> <td data-bbox="395 533 616 562">Significant dealings</td> <td data-bbox="762 533 1070 591">Date and range of significant dealings</td> <td data-bbox="1118 533 1431 651">As soon as practicable but no later than 10 business days after becoming aware of a significant dealing</td> </tr> </tbody> </table>	Type of Information	Description	Reporting Period	Complaints	Number of complaints	Daily during the offer period	Significant dealings	Date and range of significant dealings	As soon as practicable but no later than 10 business days after becoming aware of a significant dealing	
Type of Information	Description	Reporting Period								
Complaints	Number of complaints	Daily during the offer period								
Significant dealings	Date and range of significant dealings	As soon as practicable but no later than 10 business days after becoming aware of a significant dealing								
Significant Dealing outside of the TM or which is inconsistent with the distribution conditions – guidance for distributors	<p>For each distributor, a significant dealing outside of the TM or which is inconsistent with the distribution conditions includes (but is not limited to) any one or more of the following:</p> <ul style="list-style-type: none"> • 30%+ of the number of total retail applicants that they are dealing with or advising make an application for, and are issued Australian Unity MCIs, are not within the TM; or • 30%+ of total application monies of accepted retail applications for Australian Unity MCIs that they arrange or advise on are not consistent with the TMD (eg the distribution is inconsistent with any distribution conditions or the applicants are not in, or likely to be in, the TM). 									