

# Product Disclosure Statement (PDS)

Kennards

Discretionary Trust

Effective Date: 30 September 2024



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# Welcome

## What is this document?

This Product Disclosure Statement (PDS) is designed to assist you to understand the cover provided under the Discretionary Trust and to help you decide whether to become a Member of the Discretionary Trust. You should read this PDS carefully to understand if the benefits offered and the risks associated with the Trust Cover are suitable for you before making your decision.





# Definitions

Reference throughout this document to:

A	Advocate	means Kennards Storage Management Pty Limited (ABN 87 109 442 917) including its successor or subsequent assignees
	ARMS	means Alternative Risk Management Services Pty Ltd ABN 70 649 963 191, AFSL 530893.
	Authorised Representative	(of a financial services licensee) means a person authorised under the Corporations Act (Cth) 2001 to provide a financial service or financial services on behalf of the Licensee.
C	Claim	means any claim made by a person or entity that is a Member.
	Claimant	means the person or entity who lodges a Claim.
D	Discretionary Trust	means the Kennards Discretionary Trust.
F	FSG	means Financial Services Guide as defined in the Corporations Act (Cth) 2001.
	Fund	means the bank account created by the Trustee in which all of the Membership Contributions are held.
	Fund Period	means the period under the Trust Cover during which Claims will be considered by the Trustee. A Member can contact the Trustee or Insurance Broker for details of the Fund Period. Individual Member cover is always subject to the Period of Cover (as defined below).
G	GST	means the goods and services tax imposed by the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
	Individual Member's Deductible	means the amount of any Claim payable by a Member before the Trust Cover will respond.
I	Insurance Broker	means Howden Insurance Brokers (Australia) Pty Ltd ABN 79 644 885 389, AFSL 539613.
	Licensee	means Howden Insurance Brokers (Australia) Pty Ltd ABN 79 644 885 389, AFSL 539613.



# M

Member	means an incorporated body, person, company, trust or other legal entity, who has been admitted as a member of the Discretionary Trust and is a customer who has agreed the terms and conditions of their storage contract with the Advocate, the Trust Cover terms and has paid the Member Contribution.
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Membership Contribution/s	means the contributions payable by Members.
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# P

PDS	means Product Disclosure Statement as defined in the Corporations Act (Cth) 2001.
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Period of Cover	means the period under which a Member is entitled to Trust Cover under the Discretionary Trust and commences upon first becoming a customer of the Advocate and becoming a participating Member and terminates upon the Member providing not less than 14 days' written notice that the Member wishes to terminate its membership and no longer wishes to be covered under the Discretionary Trust or upon the Member no longer being a customer of the Advocate, whichever is the earlier. Where a customer receives one month of free Trust Cover upon first agreeing to the Advocate's terms of storage, this cover expires upon the expiry of the one month free Trust Cover if the customer does not opt to become a Member.
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Prospective Member	means an incorporated body, person, company, trust or other legal entity who is entitled to be, but has not yet been, admitted as a Member of the Discretionary Trust.
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# T

Trust Cover	means the discretionary risk protection under the facility of the Discretionary Trust for managing risk and is regulated as a miscellaneous financial risk product. This cover is not insurance. The Trust Cover is usually limited in value per event as well as in the aggregate for the Fund Period. Cover may also be limited in the time required for a Claim to be lodged on the Discretionary Trust.
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Trust Deed	means the deed establishing the Discretionary Trust and by which ARMS declares itself as Trustee and manager thereof (as amended from time to time). A copy of the Trust Deed may be made available to Members or Prospective Members upon request to the Insurance Broker or the Trustee.
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Trustee	means ARMS as the trustee and scheme manager of the Trust.
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# General Information

If the Prospective Member, having read this PDS, decides that the cover provided under the Discretionary Trust is suitable, the amount as detailed on the Advocate's tax invoice should be paid. In addition to the to the storage costs charged by the Advocate, the tax invoice will also include the amount of the Membership Contribution to be paid, subject to the level of cover selected.

Upon admission by the Trustee to the Discretionary Trust as a Member, a Member may be entitled to the cover provided under the Discretionary Trust as outlined in this PDS.

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## This Discretionary Trust has been arranged by:

### **Howden Insurance Brokers (Australia) Pty Ltd**

Level 23, 20 Bond Street,  
Sydney NSW 2000

Telephone: 1300 904 503

as detailed in the FSG distributed by the Trustee  
and the Insurance Broker.

### **The Advocate's details are:**

Kennards Storage Management Pty Limited

7 Khartoum Road

Macquarie Park NSW 2113

Authorised Representative No. 001305932 of Howden  
Insurance Brokers (Australia) Pty Ltd ABN 79 644 885  
389 AFS Licence No. 539613

This PDS is issued by the Trustee. If you have not  
received all of this PDS or if you have any questions  
about this PDS, please contact the Trustee, whose  
details are as follows:

Alternative Risk Management Services Pty Ltd

ABN 70 649 963 191

Level 23, 20 Bond Street,

Sydney NSW 2000

Telephone: 1300 904 503

The Trustee is authorised under its own Australian Financial Services Licence 530893 to provide certain financial services in relation to this Discretionary Trust to the Members including issuing interests in the Discretionary Trust. The respective roles of the Trustee and the Insurance Broker are set out in detail in the FSG.

This miscellaneous financial risk produce is distributed by the Advocate to Members only.



# Section 1: Member information

## Kennards Discretionary Trust Overview

The Discretionary Trust is a risk cover, but it is not insurance because the Trustee has a discretion as to whether or not to pay a Claim and how much to pay.

**The Discretionary Trust has been established to help manage the Members' risk of physical loss, destruction or damage to goods held in storage with the Advocate, subject to the terms of coverage outlined in this PDS.**

Additional information relating to limits and exclusions can be found in Section 2 of this PDS.

There are risks that a Prospective Member or a Member should be aware of associated with the Discretionary Trust, including:

1. The payment of benefits under the Trust Cover is at the absolute discretion of the Trustee which means that the Trustee may exercise its discretion not to pay a Claim if it deems this would not be in the interests of its Members.
2. Ongoing membership of the Discretionary Trust is at the discretion of the Trustee and a Member's cover will cease once they advise the Trustee of termination or cease their storage arrangements with the Advocate. A Claim cannot be made for an event occurring after this occurs.
3. The payment of benefits under the Trust Cover is dependent on sufficient Member funds being available under the Discretionary Trust to meet Claims. Should the funds within the Trust reach zero, a Claim cannot be paid under the Trust Cover, even if it is within the Period of Cover.

The Trustee pools the Membership Contributions of all Members and holds them in the Fund. The Fund is used to meet Claims under the Trust Cover, purchase any (re)insurance or other risk management services and meet the costs of establishing and running the Discretionary Trust.

Membership of the Discretionary Trust is for the Period of Cover. A Claimant is entitled to lodge a Claim for events which occur during the Period of Cover, providing the Claim is lodged during the Fund Period. A Member can contact the Trustee or Insurance Broker for details of the Fund Period.

The Trustee will determine and advise the Member and the Advocate of any change to the Membership Contributions and/or Trust Cover, in writing not later than 14 days' before any change comes into effect. The Member may advise the Trustee or the Advocate if it does not agree to the changes and cancel its Membership providing not less than 14 days' written notice.



If the Trustee accepts a Claim, the Claimant must pay the Individual Member's Deductible as shown below. At the Trustee's discretion, the Trustee may pay the Claim and all associated expenses incurred under the Trust Cover.

The Discretionary Trust is neither authorised under nor subject to the Insurance Act 1973, nor is it regulated by the Australian Prudential Regulation Authority ("APRA").

Upon the closing of each Fund year, any surplus in the Fund will be disbursed for the benefit of the majority of the Members of the Fund, at the discretion of the Trustee.

This could be applied in the following ways:

- As a rebate on contributions for subsequent years; or
- For expenditure on administrative or operational issues relevant to the Fund; or
- On issues, which are relevant to managing the Members' risks under its storage arrangement with the Advocate or which advance the purposes of the Fund generally.

The Trustee can dissolve the Trust after the expiry of the Fund Period. Upon dissolution of the Trust, any Fund balance remaining after payment of all liabilities of the Trust must be paid to a charity at the Trustee's discretion to which gifts are deductible in accordance with the Income Tax Assessment Act 1997.





# Individual Member's Deductible

On any Claim accepted by the Trustee, the Member will have to satisfy the following Individual Member Deductible before the Trust Cover will respond:

- \$100 each and every loss

## Trust Cover

Due to the Trustee's discretion, a Claim can be lodged under the Trust Cover for any event, not only those events that would be covered under the Cover (see Section 2 of the PDS) and the Trustee will consider the Claim.

A benefit of the discretionary Trust Cover is that Claims, which may not be covered under Section 2 of the PDS may be paid by the Trustee, subject to this being for the benefit of the Members. However, the Trustee, in its sole discretion, may not exercise its discretion in favour of the Claimant. For details of further risks associated with this product, please refer to Section 1 of this PDS.

In exercising its discretion, the Trustee cannot be influenced by anyone and is legally bound to conduct its duties and obligations in accordance with trust law. The Trustee must settle each Claim in accordance with the merits of the Claim.

## Making a Claim

All Claims or potential Claims are to be notified to the claims team as soon as possible within the Fund Period. A Member can contact the Trustee or Insurance Broker for details of their Fund Period. Members should aim to notify the claims team of any Claim no later than three (3) months from an occurrence in order to mitigate the Members' loss/es. The claims team's details are set out below. A claim form can be obtained by contacting the Advocate, the Insurance Broker or by contacting the claims team.

## Service Provider Details

The Trustee uses various third parties to assist it in carrying out its functions:

- **Claims Management and Risk Management Services:** Claims X Pty Ltd, ABN 57 649 962 701, AFS Licence No. 530894, e-mail [claims.aus@claimsx.com.au](mailto:claims.aus@claimsx.com.au) or Telephone: 1300 375 723.
- **Insurance Broker:** Howden Insurance Brokers (Australia) Pty Ltd, ABN 79 644 885 389, AFS Licence No. 539613.
- **Auditor:** BDO Audit (SA) Pty Ltd.
- **Bank:** ANZ Banking Group
- **Legal Advisers:** Thomson Geer Lawyers.



# Costs, Fees and Charges

Total monthly cost of the level of cover selected is detailed on the Advocate's tax invoice and will range depending on the limits selected. The total monthly cost may fall in the following range:-

Cost per month	Protection cover value range
\$2,50 - \$25.00	\$1,000 - \$10,000
\$26.50 - \$32.50	\$11,000 - \$15,000
\$34.00 - \$40.00	\$16,000 - \$20,000
\$41.00 - \$52.50	\$21,000 - \$35,000
\$53.00 - \$60.00	\$36,000 - \$50,000
\$60.50 – 85.00	\$50,000 - \$100,000

Please note the above pricing are estimates only and the actual price may vary subject to the location and risk profile of actual cover purchased.

## Reports

The accounts of the Trust are audited annually by an external auditor. A Member may request the accounting and other records of the Trust.

A copy of the quarterly financial report and the annual audited report will be provided to a Member upon request. The Trustee must ensure the Members have reasonable access, which may include the uploading of such information to a designated website, data room or another form of digital server.

As part of the Discretionary Trust's annual financial report, the Trustee will declare Members' detailed Claims data to the service providers referred to in Section 1 under "Service Provider Details".



# Complaints Handling

If a Member or Claimant has a complaint about this Discretionary Trust, including but not limited to a complaint about any non-payment of a Claim by the Trustee, they can communicate it to the Trustee or the Insurance Broker in the first instance.

Alternatively, if the Member or Claimant is not satisfied with the outcome, they may request a review of the decision by notifying:

The Complaints Officer	
Free call:	1300 904 503
Mail or in person:	Level 23, 20 Bond Street, Sydney NSW 2000
Email:	complaints.pacific@howdengroup.com

The complainant will be asked to provide comprehensive details to help investigate their complaint. All information will be treated in the strictest confidence. The Trustee or Insurance Broker will review the complaint and contact the complainant if additional information is required. The Trustee or Insurance Broker will provide the complainant with a response to the complaint within the timeframes required by the law.

The Trustee is a member of an approved external dispute resolution scheme designed to provide independent assistance to the complainant, namely the Australian Financial Complaints Authority (AFCA). Subject to eligibility, AFCA provides a free service for consumers with complaints concerning the financial services industry. If the complainant is dissatisfied with the way in which the complaint is handled by the Trustee or the Insurance Broker, they can refer the complaint to AFCA.

Australian Financial Complaints Authority (AFCA)	
Free call:	1800 931 678
Mail or in person:	Australian Financial Complaints Authority GPO Box 3, Melbourne, VIC 3001
Email:	info@afca.org.au

The matter will then be reviewed by AFCA.



# Privacy

The Insurance Broker and the Trustee (together, we, our) are committed to protecting privacy and are bound by the Australian Privacy Principles for the handling of personal information.

Our Privacy Policy can be viewed on the Internet at <https://www.howdengroup.com/au-en/privacy-policy> or is available on request.

We collect personal information about Members or individuals connected with Members directly.

We collect personal information for the purpose of operating the Trust, including for reporting purposes to Members of the Trust. If we are not provided with the requested personal information, we may not be able to admit an applicant as a Member of the Trust and we may not be able to process a Claim. We usually disclose personal information about Members or individuals connected with Members to (re)insurers that we use to protect the Trust.

We may disclose personal information about Members or individuals connected with Members to other Howden Group companies.

We may also disclose personal information to contractors who supply services to us and the providers of our administration and broking systems which may be maintained by organisations in Australia, New Zealand, Canada, the Philippines and Vietnam.

In administering the Discretionary Trust, we may declare Members' detailed claims data to all Members, the Advocate and service providers referred to in Section 1 under "Service Provider Details".

You may request the details of the personal information we hold about you and if requested in writing, we must disclose this information to You. If we receive a written complaint about the collection or handling of personal information, we will try to respond within 30 days.





# Section 2:

## Cover Information

### Scope of Cover

The Trust Cover may respond to physical loss, destruction or damage to property (including but not limited to fire, water and storm damage) held in a storage facility operated by the Advocate, not excluded below.

Each unit will be subject to the following limits of cover:

Standard cover per unit	\$30,000 for complimentary first month's cover
Following the first month's storage	You nominate your limit up to a maximum of \$100,000, Greater amounts on request

Your limit is nominated on the Advocate's storage space confirmation form and the cover being provided under this arrangement will not exceed this amount, regardless of the value of goods in storage.

### Claim Settlements

Claims may be settled in one of the following methods:

- Indemnity value, subject to adjustment for Depreciation outlined below, for
  - Clothing, linen and similar items; and
  - All other personal effects and household or commercial goods over five (5) years old at the time of loss, destruction or damage.
- Replacement value for all other personal effects and household or commercial goods under five (5) years old at the time of loss, destruction or damage. Replacement value is the reasonable cost of repair or replacement to a condition substantially the same as when new.
- Cost to replace or reinstate documents but not the value of the information contained therein, for archived records.
- Maximum of \$1,000 each and every item up to a maximum of \$5,000 in total for all paintings, antiques, curios and works of art.
- Current market value for alcoholic spirits, wine or beer. This is the amount to purchase goods from all available markets.



# Depreciation

Indemnity value noted above is the amount to replace or repair your goods less an equitable amount for age, wear, tear and depreciation or an adjustment for the general condition or useful life of the individual items.

The value of your goods will be depreciated at the rates as follows for each year since being acquired as new:

Clothing, linen and similar	15%
Personal and/or laptop computers	10%
Communication or photographic equipment	10%
Electronic equipment, iPod, mobile phones, CDs and DVDs	10%
Any other computerised or electronic equipment	10%
Camping, sporting and leisure equipment (excl clothing)	10%
Musical instruments (incl electrical)	10%
Building supplies and materials	10%
Household furniture and electrical goods	10%
Office furniture and office electrical machines	10%
Any other goods	10%



# Exclusions

The following are a set of common exclusions, which are excluded from your cover under the Trust. If you have any doubt or any questions regarding these exclusions, please contact the Insurance Broker whose details are given under 'General Information' within the PDS.

1. Physical loss, destruction of or damage to the property covered or any legal liability of whatsoever nature, directly or indirectly caused by or contributed to, by or arising from:
  - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
2. Any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:
  - a. mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless where there is (i) any physical loss or damage to covered property; (ii) any covered peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

3. Any unexplained or inventory shortage or disappearance;
4. Physical loss, destruction or damage caused or contributed to by incorrect packing or stacking of storage within your locked storage;
5. Currency, deeds, securities, money, notes, jewellery, watches, precious stones, gold, precious metals, furs or garments trimmed with fur;
6. Livestock/animals;
7. Motor vehicles and motorcycles;
8. Boats or watercraft or aircraft;
9. Any flammable liquid, gas or oil such as petrol, kerosene, LPG, aerosols, diesel fuel or engine oil, any corrosive chemicals or nitrates such as chlorine, sulphuric acid or fertiliser;
10. Biological and chemical materials;
11. Tobacco or cigarettes;
12. Paint;
13. Tyres in bulk;
14. Hazardous goods in the storage facility, such as fireworks, explosives, flammable or chemical goods;
15. Alcohol, wine or beer unless it is stored in a temperature, humidity and light controlled environment;
16. Physical loss, destruction or damage to your goods which is caused by its own:
  - a. moths, termites or other insects, vermin, rust or oxidation, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in



temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen damage resulting therefrom); or

- b. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good; or
  - c. error or omission in design, plan or specification or failure of design; or
  - d. normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration; or
  - e. faulty materials or faulty workmanship
17. mechanical breakdown, electrical breakdown, fault, inherent defect, omission or design.
18. physical loss, destruction or damage directly or indirectly resulting from damage to any asbestos related material at the storage premises;
19. physical loss, destruction or damage directly or indirectly resulting from pollution or contamination;
20. physical loss, destruction or damage directly resulting from communicable disease meaning any disease which can be transmitted by means of any substance or agent from any organism to another organism including but not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
21. physical loss, destruction or damage directly resulting from detention, confiscation, destruction or requisition by customs or other authorities;
22. physical loss, destruction or damage caused by any consequence of war, invasions, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
23. physical loss, destruction, damage or liability caused by or arising from radioactivity or the use, existence or escape of any nuclear fuel, nuclear waste, or nuclear material;
24. loss of profits or legal liability of any kind;
25. flood, which means the covering of normally dry land by water that has escaped or been released from the normal confines of:
- a. any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
  - b. any reservoir, canal, or dam;

this exclusion does not apply if the loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance;

26. water from or action by the sea, tidal wave or high water. This exclusion does not apply if the loss; destruction or damage is caused by or arises out of an earthquake or seismological disturbance.
27. physical loss, destruction or damage caused by subsidence, landslide, erosion or earth movement (other than earthquake);
28. any physical loss, destruction, damage, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with, any action taken in controlling, preventing, suppressing or in any way relating to terrorism is also excluded from the arrangement.
- a. Terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any



political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- i. involves violence against one or more persons; or
- ii. involves damage to property; or
- iii. endangers life other than that of the person committing the action; or
- iv. creates a risk to health or safety of the public or a section of the public;
- or
- v. is designed to interfere with or to disrupt an electronic system.

### **Sanction Limitation and Exclusion Clause**

We will not be liable to provide any cover, pay any claim or provide any benefit under this arrangement, to the extent that to do so may expose us to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

## Contact details

For advice relating to the cover, simply phone the Insurance Broker whose details are given under 'General Information' within this PDS.

## Class of Cover

Customer's Goods in Storage



The product issuer of the Kennards Discretionary Trust ABN 57 894 706 744 is:

Alternative Risk Management Services Pty Ltd

ABN 70 649 963 191 AFS Licence 530893

Level 23, 20 Bond Street,

SYDNEY NSW 2000