

# Target Market Determination

Solar Cloud Scheme · ARSN 612 098 110  
LLA Equity Ltd. · ABN 52 089 240 513 · AFSL No. 229 754

## Solar Cloud Scheme ARSN 612 098 110 (the Product)

This TMD is required under section 994B of the Corporations Act 2001 (the Act). This TMD describes the class of investors that comprises the target market for whom the financial product is likely to be consistent with the likely objectives, financial situation and needs of the class of retail investors to whom the financial product is provided and matters relevant to the Product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements).

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

This document is not a product disclosure statement (PDS) and is not a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS that can be obtained by visiting [www.solarcloud.com.au/pds](http://www.solarcloud.com.au/pds)

Important terms used in this TMD are defined in the TMD Definitions.

Issuer	LLA Equity Limited
Issuer ABN	52 089 240 513
Issuer AFSL	229754
Fund Name	Solar Cloud Scheme
Fund ARSN	612 098 110
TMD approval date	2024
TMD version	1
TMD status	Current

## Product description and key attribute

This Product is a Participation Interest in registered managed investment scheme. A Participation Interest in the Scheme initially provides to an investor a proportion of the wattage rating of a particular Solar Cloud Panel or particular Solar Cloud Panels ("Participant's Virtual Solar Cloud Panel").

The Solar Cloud Panels are made available to the Responsible Entity for use in the Scheme. The electricity output generated from each Solar Cloud Panel is pooled and sold to an energy user. The Participants share in the revenue generated from the Scheme on a proportionate basis according to the number and age of Solar Cloud Panels of which the Participant's Virtual Solar Cloud Panel forms the whole or a part. The Participant's share of revenue (after deduction of all fees and expenses) may be taken either by way distribution or by way of offset against the Participant's electricity account for their residence. The Solar Cloud Panels are a depreciating asset and eventually will have no value.

## Description of Target Market

The Target Market is the class of persons who are the type of customer set out below, who have the needs and objectives set out below and are in the financial situation set out below.

## Type of customer

This product is suitable for the following class of consumers that are likely to have objectives, financial situations and needs in common that might be met by acquiring a Participation Interest in the Solar Cloud Scheme:

consumers who are either:

- (a) looking for a cash flow from the production of electricity from Solar Panels that can be offset against the cost of their home electricity consumption, or
- (b) intending to carry on or are carrying on a business of generating electricity for sale to produce income with an accompanying deduction for the depreciation of the Solar Panels

consumers who are prepared to accept:

- do not require to make any capital gain from their investment
- are content to own an interest in a depreciating asset that has a limited life being the Solar Panels
- are content to invest in a non-liquid asset

The product is not designed for a consumer who:

- requires regular income unaffected by weather or market risks
- requires easy withdrawal of the funds invested in the Solar Cloud Scheme
- requires capital appreciation of their investments
- are looking for an investment product offered through personal financial product advice.

## Instructions

In the tables below, Column 1 indicates a description of the likely objectives, financial situation and needs of the class of investors that are considering this product. Column 2 indicates whether an investor meeting the attribute in column 1 is likely to be in the target market for this product.

TMD Indicator Key: In target market See issuer instructions Not in target market

<b>Consumer Attributes</b>	<b>TMD Indicator</b>
The ability to manage investments yourself with administration handled by the product issuer	In target market
Capital Growth	Not in Target Market
Capital Preservation	Not in Target Market
Capital Guaranteed	Not in target market
Income Distribution	In target market
Consumer needs to withdraw money	Not in target market
<b>Consumer investment objectives</b>	<b>TMD Indicator</b>

1. Daily	Not in target market
2. Weekly	Not in target market
3. Monthly	Not in target market
4. Annually or longer	Not in target market

<b>Product investment</b>	<b>TMD Indicator</b>
Environmentally and socially responsible investment scheme	In target market
Requires income from the production and sale of electricity generated from Solar Panels	In target market
The ability to make withdrawals	Not in target market
The ability to transfer ownership	In target market
App-based and web-based investing	In target market
Product availability	In target market

<b>Investor's Risk</b>	<b>TMD Indicator</b>
Low	Not in target market
Medium	Not in target market
High	In target market
Very High	In target market

## Appropriateness

Note: This section is required under RG 274.64-66.

The Issuer has conducted a thorough assessment of the product and believes that it aligns well with the likely objectives, financial situation, and needs of consumers within the target market. This determination is based on the analysis of the product's key features. The product's characteristics have been matched with consumer attributes that are marked with a green TMD Indicator in Column 2, indicating a high level of suitability for these consumers.

## Distribution Conditions/Restrictions

Note: This section is required under section 994B(5)(c) of the Act.

The Issuer has determined that the following distribution conditions and restrictions will make it likely that new retail clients who purchase the product are in the class of customers for which it has been designed. The Issuer considers that the distribution conditions are appropriate for this product and will assist distribution in being directed towards the target market for whom the product has been designed.

Distribution Condition	Distribution Condition Rationale
<p>May only be distributed through SolarCloud Investments Pty Ltd ACN 680 396 525 (as authorised representative no.....of .....Or .....AFLS No,.....) or online at <a href="http://www.leodaitislynch.com.au">www.leodaitislynch.com.au</a> and <a href="http://www.SolarCloud.com.au">www.SolarCloud.com.au</a></p>	<p>This is to ensure that any consumer who acquires a Participation Interest is within the target market as set out in this TMD.</p>
<p>The distribution of Participation Interests will be subject to the following conditions: Investors must be provided with a copy of the PDS and access to this TMD before they apply for a Participating Interest. The distributors must check that persons to whom a PDS is provided are only retail clients who have the consumer attributes that place them in the target market as described above. The distributors must not procure investments from retail clients who the distributor has determined do not have the consumer attributes that place them in the target market (for example, because the consumer has disclosed a low risk appetite).</p>	<p>This is to ensure that any consumer who acquires a Participation Interest is within the target market as set out in this TMD.</p>
<p>Where an application is made online, the applicant must complete an online application form which includes filtering questions to ensure that the applicant can only acquire a Participation Interest if they satisfy the requirement to be in the target market. The application form, including filtering questions, are used to determine suitability of the Products for those interested in acquiring a Participation Interest.</p>	

## Review Triggers

Note: This section is required under section 994B(5)(d) of the Act.

The following events constitute a review trigger of this TMD:

- any event or circumstance that would materially change a factor taken into account in making this TMD;
- any material change to key attributes of the investment
- key attributes have not performed as disclosed to a material degree
- the existence of an ASIC reportable significant dealing of the Participating Interests that is not consistent with this TMD;
- a material or unexpectedly high number of complaints (as defined by section 994A(1) of the Corporations Act) about the Participating Interests or the distribution of the Participating Interests;
- ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Participating Interests or this TMD; and
- material changes to the regulatory environment that applies to an investment in the Participating Interests;
- The use of Product Intervention Powers, regulator orders or directions that affects the product.

## Mandatory Review Periods

Note: This section is required under section 994B(5)(e) and (f), (6) and (7) of the Act.

In the event that the Issuer knows or ought reasonably know that a review trigger or an event or circumstance that reasonably suggests that the TMD is no longer appropriate has occurred, the Issuer must review this TMD within 10 business days of the review trigger or the event or circumstance.

The Issuer will otherwise complete the first review within 12 months after the date of issue of this TMD and then for subsequent reviews at least once every year since the date of the last review of the TMD (for whatever reason).

The following reporting periods as to when distributors must provide information about the number of complaints about the product to the Issuer and the kinds of information the distributors must report to the Issuer (and how frequently) to enable the Issuer to identify whether the TMD needs to be reviewed is made pursuant to s994B(5)(g), (h), (6) and (7) of the Act.

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints (as defined by section 994A(1) of the Corporations Act) about the Participating Interests	Reports will be sent quarterly, within 10 business days following the conclusion of each calendar quarter.	The number of complaints received. A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Participating Interest that is not consistent with this TMD (as defined by section 994F(6) of the Corporations Act).	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	Details of the significant dealing. Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Reports will be sent quarterly, within 10 business days following the conclusion of each calendar quarter.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

## Definitions

Term	Definition
<b>Consumer's investment objective</b>	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income.
<b>Consumer's Risk</b>	

Low	The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period and is comfortable with a low target return profile). The consumer typically prefers defensive assets such as cash and fixed income.
Medium	The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period) and comfortable with a moderate target return profile.
High	The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period) in order to target a higher return profile.
Very High	The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period and possibly other risk factors, such as leverage).

## Distributor Reporting

### Significant dealings

Section 994F(6) of the Act requires distributors to notify the Issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning. ASIC also considers that whether a dealing is significant will be a matter for the Issuer and/or distributor to determine in the particular circumstances.

The Issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.

Dealings outside this TMD may be significant because:

- they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product; or
- they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer).

In each case, the distributor should have regard to:

- the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes);
- the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss); and
- the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer).

Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:

- it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period;

- the consumer's intended product use is Solution/Standalone; or
- the consumer's intended product use is Core component and the consumer's risk (ability to bear loss) and return profile is Low.