

Product Disclosure Statement (PDS)

The Family Day Care
Australia Discretionary Trust

Date prepared: 12 December 2025

Contents

Welcome	3
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Definitions	4
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General Information	6
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Section 1:	
Member Information	7

The Family Day Care Discretionary Trust overview	7
Key Risks	8
Membership	8
Trust Cover	9
Insurance Cover	9
Making a Claim	10
Claims Made Notice	10
Service Provider Details	11
Reports	11
Fees, Expenses and Charges	12
Complaints Handling	13
Privacy	14

Section 2: Insurance	
Cover Information	15

Insurance Cover	15
Contact Details	15
Insured	15
Insurer	15
Period of Insurance	15
Class of Insurance	15

Welcome

What is this document?

This Product Disclosure Statement (PDS) is designed to assist you to understand the Discretionary Trust and to help you decide whether to become a Member of the Discretionary Trust. The Tax Invoice and the PDS make up the Product Disclosure Statement. You should read this PDS carefully before making your decision.



Definitions

Reference throughout this document to:

A	Advocate	means Family Day Care Australia Limited ABN 93 094 436 021.
	Annual Aggregate Limit	means \$775,000. Please note the Annual Aggregate Limit may increase or decrease during the Fund Period based on membership numbers.
	ARMS	means Alternative Risk Management Services Pty Ltd ABN 70 649 963 191, AFSL 530893.
C	Claim	means any claim made by a person or entity on the Discretionary Trust.
	Claimant	means the Member who lodges a Claim.
D	Cooling Off Period	means the period of fourteen (14) days after the date of payment of Membership Contributions during which a Member may cancel their cover and receive a full refund of their Membership Contribution.
F	Discretionary Trust	means The Family Day Care Discretionary Trust.
	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.
G	Fund Period	means the period under the Trust Cover during which Claims will be considered by the Trustee. The Fund Period is 14 December 2025 to 14 December 2026 both days at 4.00pm local standard time at the address of the Member. This period will usually follow the period of insurance under the Insurance Cover identified in section 2 of this PDS. Individual Member cover is always subject to the Period of Cover (as defined below).
	GST	means the goods and services tax imposed by the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
I	Insurance Broker	means Family Day Care Australia Limited ABN 93 04 436 021, AFSL 329616.
	Insurance Cover	means the insurance cover, which is purchased by the Trustee for the Discretionary Trust and its Members.
	Insurance Policy	means the document/s issued by the Insurer which contains the terms and conditions of the Insurance Cover.

	Insurer	means the insurer identified in section 2 of this PDS and as specified in the Insurance Policy.
M	Member	means an incorporated body, person, company, trust or other legal entity, which has been admitted as a member of the Discretionary Trust.
	Membership Contributions	means the contributions payable by Members as detailed in the Tax Invoice.
P	PDS	means Product Disclosure Statement as defined in the Corporations Act 2001 (Cth).
	Period of Cover	means the period commencing when a Member is admitted as a Member to the Discretionary Trust and ceases at the end of the Fund Period.
	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.
S	Retroactive Date	14 December 2025
	Single Event Limit	means \$500,000 for each and every event or series of events arising from a covered Claim.
T	Tax Invoice	has the same meaning as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and which will include details of the amount payable, including GST, by a Prospective Member to become a Member.
	Trust	means the trust established under the Trust Deed.
	Trust Cover	means the discretionary cover component of the Discretionary Trust, which is not insurance. This 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.
	Trust Deed	means the deed establishing the 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.
	Trustee	means ARMS as the trustee and scheme manager of the Trust.

General Information

If the Prospective Member decides that the cover provided under the Discretionary Trust is suitable, the amount as detailed on the Tax Invoice should be paid.

The Tax Invoice will be sent separately.

This Discretionary Trust is subject to the Cooling Off Period.

This Discretionary Trust has been arranged by:

Family Day Care Australia Limited

Unit 2, 22 Willesee Crescent, Kincumber NSW 2251

Telephone: 1800 658 699

as detailed in the FSG distributed by the Insurance Broker.

The Advocate's details are:

Family Day Care Australia Limited

Unit 2, 22 Willesee Crescent, Kincumber NSW 2251

Telephone: 1800 658 699

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 role of the Insurance Broker is set out in detail in its FSG.

Section 1: Member information

The Family Day Care Australia Discretionary Trust Overview

The Discretionary Trust is made up of two parts:

1

The Trust Cover

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

2

The Insurance Cover

The Insurance Cover, which is insurance. A Member has a third-party beneficial interest in the Insurance Policy which is purchased by the Trustee for the Discretionary Trust and its Members.

The Discretionary Trust has been established to help manage a Member's risks that they become legally liable to pay arising out of:

- personal injury;
- property damage;
- advertising injury;
- errors and omissions;
- criminal defence expenses;
- certain fines and penalties;
- commercial legal expenses;
- landlords cover;
- in home care and in venue care;
- fundraising events, fetes, excursions, training, playgroups;
- liability, defence costs or any other costs, fees or expense of whatsoever nature directly or indirectly caused by or arising out of the actual, alleged, attempted, threatened or proposed sexual or physical abuse or molestation, harassment or any other form of physical, or mental abuse of any person; or any other act of a sexual nature or any act undertaken with a sexual motive.

Key Risks

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 sole discretion of the Trustee which means that the Trustee may exercise its discretion not to pay a Claim. Even if the Trustee decides to pay a Claim and that Claim exceeds the Trust Cover limits, being either the Single Event Limit or Annual Aggregate Limit, any further payments are subject to the Insurance Cover and its various conditions and exclusions.
2. The Insurance Cover component has various conditions and exclusions. Therefore, if a Claim is in excess of the Trust Cover limits, and the Insurance Cover component comes into effect, the Claim may not be covered under the Insurance Cover component as a result of the terms, conditions, limits and exclusions.
3. Renewed membership of the Discretionary Trust is at the discretion of the Trustee and a Member's cover may cease after the expiry of the Period of Cover if renewed membership is not offered. If this happens, a Claim cannot be lodged for an occurrence or claims made basis after the expiry of the Period of Cover.
4. 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. However, the Claim may be addressed by the Insurance Cover subject to its various terms, conditions, limits and exclusions.
5. Should an abuse liability or commercial legal expenses claim Claim not be notified to the Insurance Broker as soon as possible, that Claim may not be covered under the Trust Cover and/or Insurance Cover.
6. The retroactive date for abuse liability is 14 December 2025. Changing retroactive dates may leave a gap in coverage and any events before that date will not be covered.
7. The Trust Cover will consider eligible Claims in accordance with the terms, conditions, limits and exclusions of the Insurance Policy.
8. Please see further risks under the 'Claims Made Notice' section of this PDS.

Membership

A Prospective Member may become a Member of the Discretionary Trust by making the payment of the Membership Contributions within the date specified on the Tax Invoice, whichever is later, or such longer period as is determined by the Trustee. The Insurance Broker will forward the Membership Contribution to the Trustee.

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 the Insurance Cover and meet the costs of establishing and running the Discretionary Trust. Further details relating to the allocation of funds relating to Membership Contributions is located within the 'Fees, Expenses and Charges' section.

Membership of the Discretionary Trust is for the Period of Cover, unless cancelled earlier. A Claimant is entitled to lodge a Claim as follows:

- for abuse liability, commercial legal expense and errors and omissions Claims, on a claims made basis during the Period of Cover and for events from the Retroactive Date. Please note that Claims must be notified to the Insurance Broker as soon as possible to avoid the Claim being rejected;

- for all other Claims, for events which after the Prospective Member becomes a Member and during the Period of Cover. Claims which occur during this timeframe can be notified to the Trustee up to no later than 3 years after the expiry of the Fund Period.

At the end of the Period of Cover the membership of each Member under the Discretionary Trust ceases and the Member ceases to be covered. The Trustee will determine and advise the Member as soon as reasonably practical prior to the end of the Period of Cover whether the Member will be offered renewed membership for the next period of cover and if so, the terms of the Trust Cover, Insurance Cover and to the extent possible, the Membership Contribution payable.

At the Trustee's discretion, the Trustee may pay the Claim and all associated expenses incurred under the Trust Cover.

Once the Trust Cover is exceeded, the Trustee will refer the Claim to the Insurer for the Insurer to decide whether or not to pay the Claim in accordance with the Insurance Cover (see below).

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

Upon the closing of each Fund Period, any surplus in the Discretionary Trust will be disbursed for the benefit of the majority of the Members of the Discretionary Trust, 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 Discretionary Trust; or
- on issues, which are relevant to Members and/or Member's businesses or which advance the purposes of the Discretionary Trust generally.

The Trustee can commence dissolving 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 (Cth).

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 Insurance 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 the Insurance Policy wording of the Insurance Cover 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.

Insurance Cover

Insurance is purchased by the Trustee for the Discretionary Trust and its Members and provides cover for a Claim, which is:

1. in excess of the Single Event Limit and/or Annual Aggregate Limit; and
2. subject to the Insurance Policy terms and conditions.

Certain details of the Insurance Cover can be found in Section 2 of this PDS. A copy of the Insurance Policy is available on request from the Insurance Broker.

Any Claim not met by the Trust Cover and/or the Insurance Cover will be borne by the Claimant.

Making a Claim

Abuse liability, commercial legal expense and errors and omissions Claims - Claims and all incidents that may reasonably be expected to give rise to a Claim must be reported to the Insurance Broker as soon as reasonably practical and before the Period of Cover expires. If a Claim has not been notified as soon as possible, the Claim may be rejected.

Other Claims - all other Claims or potential Claims must be notified to the Insurance Broker or claims team as soon as possible but no later than 3 years after the expiry date of the Fund Period.

A claim form can be obtained by contacting the Insurance Broker. The Insurance Broker's details are set out below under 'Service Provider Details'.

Claims Made Notice

The abuse liability, commercial legal expense and errors and omissions cover components contain 'claims made' provisions, which also applies to the Trust Cover. This means that the policies provide (subject to their terms, conditions, limits and exclusions) cover for Claims first made against a Member and notified to the Insurance Broker and Insurer during the Period of Cover, irrespective of when the incident causing the Claim occurred.

The Trust Cover and Insurance Cover will not cover:

- any claim made, threatened or intimated against a Member prior to the commencement of the Period of Cover;
- any circumstances which could reasonably be expected to give rise to a Claim which were known prior to the commencement of the Period of Cover;
- any claim or circumstance which could reasonably be expected to give rise to a Claim, reported or which should have been reported to an insurer under any insurance policy entered into before the commencement of the Period of Cover;
- any claim or circumstance which could reasonably be expected to give rise to a Claim which is noted in a Member's proposal form or in any offer of renewal (provided by the Insurance Broker) or any previous proposal form or offer of renewal;
- any claim made against you after the expiry of the Period of Cover (unless that Claim arises from circumstances properly notified during the Period of Cover);
- acts, errors or omissions that occurred prior to the Insurance Policy retroactive date (if one is specified in a Member's Insurance Policy).

If a Member, inadvertently or otherwise, fails to notify the Insurance Broker and Insurer before the expiry of the Period of Cover about any new facts or circumstances, which may give rise to a claim, the Trustee and Insurer may refuse to pay any subsequent claim, notwithstanding that the events giving rise to it or the circumstances alleged in it may have taken place during the Period of Cover.

Members should implement a procedure to ensure that all claims and circumstances which could reasonably be expected to give rise to claims are identified and notified to the Trustee and all relevant insurers immediately via your Insurance Broker and within the Period of Cover to ensure your rights to coverage under the Trust Cover and Insurance Cover are not prejudiced.

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 or Telephone: + 61 1300 375 723. Claims X Pty Ltd is a related company of the Trustee.
- **Insurance Broker:** Family Day Care Australia Limited, ABN 93 094 436 021, AFS Licence No. 329 616. Telephone: 1800 658 699, email: memberservices@fdca.com.au.
- **Auditor:** BDO Audit (SA) Pty Ltd, Level 7, 420 King William Street, Adelaide SA 5000.
- **Bank:** ANZ Banking Group
- **Legal Advisers:** Thomson Geer Lawyers, 19 Gouger St, Adelaide SA 5000.

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 that Members have reasonable access, which may include the uploading of such information to a designated website, data room or another form of digital server.

In preparation of the Discretionary Trust's annual financial report, the Trustee will declare Members' de-identified claims data to the Advocate and the service providers referred to above under "Service Provider Details".

Fees, Expenses and Charges

The total cost of membership varies due to several factors. This includes but is not limited to the type of cover allocated to a Member based on the nature of the work that Member undertakes, the duration in which cover is required, as well as whether or not they are covered under a similar insurance product. The total cost of membership excluding GST and statutory charges is listed below.

Educator

Educator Product	Membership Contribution for new business (AUD)	Membership Contribution for renewal (AUD)
Individual Family Day Care and In Home Care	252.72	240.08
Individual Out of Home Care	604.45	574.23
Dual Package Rate	445.50	423.23
Out of Home Care Dual	906.83	861.49
3 month Individual Family Day Care and In Home Care	99.00	N/A
3 month Dual	148.50	N/A
3 month Individual Out of Home Care	198.00	N/A
3 month Out of Home Care Dual	297.00	N/A
6 month Individual Family Day Care and In Home Care	198.00	N/A
6 month Dual	297.00	N/A
6 month Individual Out of Home Care	396.00	N/A
6 month Out of Home Care Dual	594.00	N/A

Service

Service Product	Membership Contribution for new business (AUD)	Membership Contribution for renewal (AUD)
Service Starter Pack	500.00	N/A
0-50 Educators	608.40	547.56
51-100 Educators	655.19	589.68
100+ Educators	702.00	631.80

Service Starter Pack

Please note that for the Service Starter Pack the cost is \$500 plus GST and statutory charges for a 12 month period for all services applying for their service approval. On service approval those Members will be charged the \$608.40 less \$500 (they initially paid) plus GST and statutory charges.

The costs of membership above are collected and utilised for the following purposes:

- Premium for the Insurance Cover component - 81%.
- Discretionary Trust cover 19%, which is apportioned as follows:
 - Trust aggregate is the provision for payment of claims, including to service providers – 84%.
 - The Trustee fee is payable from the assets of the Trust and is calculated as an amount equal to 14% of the cost of membership received by the Trust from each Member.
 - Administration fees – 2%, which are payments to third parties to provide professional and other support services to assist with the risk management and administration of the Discretionary Trust.

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:	+61 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 complaints officer will review the complaint and contact the complainant if additional information is required. The complaints officer 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, the 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 complaints officer, they can refer the complaint to the AFCA.

Australian Financial Complaints Authority (AFCA)	
Free call:	+61 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 the AFCA.

Privacy

The Trustee (we) is committed to protecting privacy and is bound by the Australian Privacy Principles for the handling of personal information.

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

The Trustee collects personal information about individuals connected with Members. The Trustee collects personal information about individuals connected with Members through the Insurance Broker.

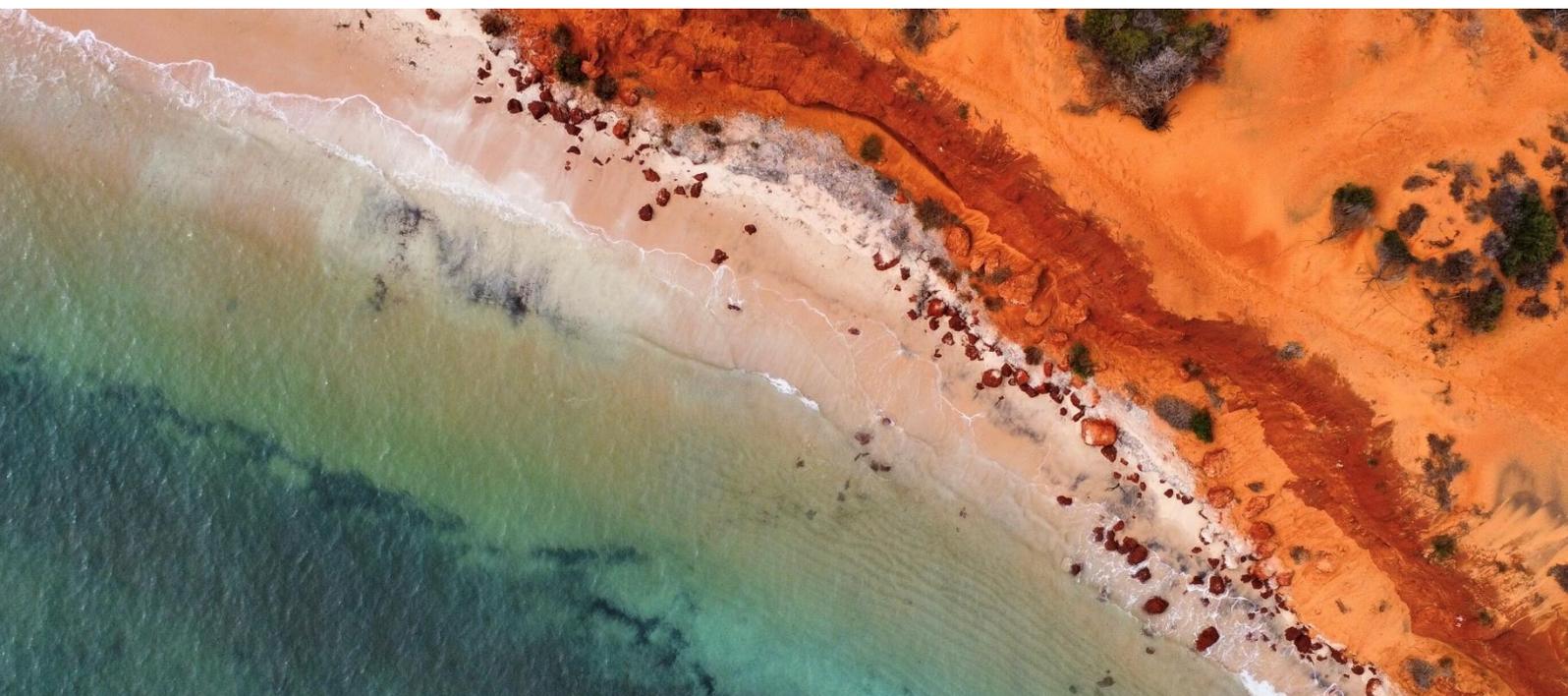
We collect personal information for the purpose of operating the Trust. If we are not provided with the requested personal information, we may not be able to admit an applicant as a Member of the Trust and we may not be able to process a Claim. We usually disclose personal information about individuals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

We may disclose personal information about 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 are 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 the Advocate and service providers referred to in Section 1 under "Service Provider Details".

We will disclose personal information which we hold about individuals connected with Members upon written request by the individual concerned. If we receive a written complaint about the collection or handling of personal information, we will try to respond within 30 days.



Section 2:

Insurance Cover Information

For full details of all covers, limitations, exclusions or conditions, please ensure you carefully read the Insurance Policy, which is available on request from the Insurance Broker. Further important information surrounding Insurance Cover may also be found on the Tax Invoice, Insurance Policy and supporting documentation provided.

Insurance Cover

The Insurance Cover is placed in excess of the Individual Member's Deductible and the Trust Cover. The cover provided by the Insurer is governed by the Insurance Policy terms and conditions. Any claim against the Insurance Cover is not subject to the Trustee's discretion.

Contact Details

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

Insured

Alternative Risk Management Services Pty Ltd as trustee for The Family Day Care Discretionary Trust and its Members are the insured under the Insurance Policy. A statutory right to make a Claim under the Insurance Policy may also arise pursuant to section 48 of the Insurance Contracts Act 1984 (Cth), where the Claimant is specified or referred to in the Insurance Policy as a person to whom the Insurance Cover extends.

Insurers

Certain Lloyd's underwriter syndicates – 69.334%
Sompo International – 15%
Ki Insurance – 0.666%
Sevanta Speciality Liability Limited – 15%

Period of Insurance

Please refer to the Policy Wording or contact the Insurance Broker.

Classes of Insurance

Public and Products Liability

The product issuer of the The Family Day Care Discretionary Trust ABN 99 460 662 546 is:

Alternative Risk Management Services Pty Ltd

ABN 70 649 963 191 AFS Licence 530893

Level 23, 20 Bond Street,

SYDNEY NSW 2000