

Target Market Determination



Product

This target market determination (TMD) applies to the **Bendigo Funeral Bond** under section 994B of the Corporations Act 2001 (Cth).

Issuer

Australian Friendly Society Limited ABN 29 087 648 851 AFSL 247028 (Australian Friendly Society).

Date from which this target market determination is effective

5 October 2021.

1. Target market for this product

Target Market

The retail clients for whom this product has been designed are individuals who:

- are at least 10 years of age and reside in Australia;
- have a minimum of \$25 (or \$100 if paying by cheque) to invest;
- want to accumulate funds to contribute to the cost of theirs or someone else's funeral expenses;
- want to invest in a capital guaranteed environment;
- do not want to access to these funds at any time prior to the payment of funeral expenses;
- want their investment to qualify for income and asset test exemptions for Centrelink and Department of Veterans' Affairs purposes;
- want an investment where the earnings are not subject to personal tax.

Product Description

The Bendigo Funeral Bond is a funeral expenses facility consisting of a capital guaranteed investment plan designed solely to accumulate funds to contribute to the cost of funeral expenses of the member or life insured.

Product key attributes

The key attributes of this product that make it likely to be consistent with the target market described above, include:

Attribute	Appropriate for
Eligibility Criteria	Retail clients who reside in Australia who are at least 10 years old with a minimum of \$25 (or \$100 if paying by cheque) to invest. For those who are 10 years old but not yet reached 16 must have written consent of a parent or a person who stand in the place of a parent.
Fixed Term	Retail clients who do not require access to the invested amount prior to maturity (death).
Capital guaranteed	Retail clients who want a low-risk investment product that is capital guaranteed
Social Security Benefits	Retail clients who are in receipt of means-tested pensions or benefits from Centrelink of the Department of Veterans' Affairs as monies invested qualify for income and asset test exemptions.
Taxation Benefits	Retail clients who invest in a Funeral Bond are not required to provide their tax file number. Investors are not subject to personal tax on earnings or will then incur a Capital Gains Tax liability upon maturity.

2. How this product is to be distributed

Australian Friendly Society applies certain conditions and restrictions to the distribution of this product so that distribution is likely to be to retail clients within the target market for this product. The conditions and restrictions are:

Channel	<p>This product is to be distributed only through the following channels:</p> <ul style="list-style-type: none"> • Financial Advisers; • Funeral Directors; and • Directly with Australian Friendly Society
Additional conditions or restrictions	<p>The following additional conditions and restrictions also apply to the distribution of this product:</p> <ul style="list-style-type: none"> • Only prospective retail clients who meet Australian Friendly Society's minimum eligibility criteria for the product should submit an application for this product; • This product can only be issued to retail clients after applying Australian Friendly Society's application and assessment processes; • This product can only be issued (or arranged to be issued) by persons who are appropriately trained and accredited; and • This product can only be issued to individuals.

3. Reviewing this target market determination

Australian Friendly Society will review this target market determination as set out below:

Initial review	<p>Within the first year of the effective date.</p>
Periodic reviews	<p>At least every 12 months from the initial review.</p>
Review triggers or events	<p>Any event or circumstances arises that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • occurrence of a significant dealing; • distribution conditions found to be inadequate in ensuring that the product is issued to a retail clients who are likely to be in the target market; • relevant changes in the law or its application, a change in an industry code or decision of a court or other body (including through regulatory guidance) that materially affects the product; • significant changes in metrics, including, but not limited to: <ul style="list-style-type: none"> ○ a material increase in the number of complaints in relation to a product or aspect of a product; and ○ an increase in withdrawing within the cooling off period; and ○ any other event occurs, or information is received that reasonably suggests this TMD is no longer appropriate.



4. Reporting and monitoring this target market determination

Australian Friendly Society's third-party distributors who are regulated persons will need to collect, keep and report the following information:

Type	Description of information	Frequency of reporting
Complaints	<p>Customer complaints made in relation to this product. This includes:</p> <ul style="list-style-type: none"> written details of the complaint; and the number of complaints during the reporting period. 	<p>Reporting period: Monthly</p> <p>When does the regulated person have to report: Within 10 business days of the end of the reporting period.</p>
Sales data	Australian Friendly Society sales and customer data in relation to this product.	<p>Reporting period: Monthly</p> <p>When does the regulated person have to report: Within 10 business days of the end of the reporting period.</p>
Significant dealings	<p>The following information:</p> <ul style="list-style-type: none"> details of the significant dealing; the date (or range) on which significant dealing occurred; why the distributor considers the dealing to be significant (including why it is inconsistent with this TMD); and how the dealing was identified. 	<p>When does the regulated person have to report: Within 10 business days of the distributor becoming aware of the dealing.</p>

