

Target Market Determination

1. Target Market Determination – Development Fund Accounts

Development Fund Accounts are a financial product for the purposes of the design and distribution obligations set out in Part 7.8A of the Corporations Act 2001 (Cth).

The purpose of this Target Market Determination is to provide consumers information about the key attributes and target market for Development Fund Accounts, and the distribution and monitoring arrangements of Baptist Financial Services Australia Ltd ('BFS').

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. When making a decision about this product you should refer to the 'Terms and Conditions' of Development Fund Accounts, within the Product Information Statement - Offer Document (for Individuals and Retail Clients) available at www.bfs.org.au/services/savings-investments or by contacting the BFS Client Services Team at clients@bfs.org.au.

Date from which this Target Market Determination is effective

5 October 2021

2. Target Market

Development Fund Accounts are a debenture product offered by BFS to retail investors. The information below summarises the overall class of consumers that fall within the target market for Development Fund Accounts, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

(a) Class of consumers that fall within the target market

Development Fund Accounts are for retail investors who are an Australia resident or have a right to reside in Australia who are looking for an opportunity to:

- i) support new and existing churches and Christian ministry throughout Australia.
- ii) forego all interest or receive a lesser interest rate return on their funds for this purpose,
- iii) have access to their funds at a minimum 31 days' notice.

(b) Description of Development Fund Accounts and key attributes

Development Fund Accounts provide an interest return at the investors instruction at a variable interest rate between zero and an interest rate which is less than the Notice of Withdrawal interest rate and is published on the BFS website from time to time. This debenture product can be added to at any time but requires notice to be given before funds can be withdrawn.

The key attributes of Development Fund Savings Accounts are that:

- It enables lodgement of additional funds into the account at any time.
- No fixed term, but 31 days' notice is required for any withdrawal.
- One or more notices to withdraw funds can be given at any one time provided there is sufficient available balance to fund all notices.
- The interest rate is fixed at the rate agreed when the funds are lodged but may be changed by you at anytime up to the lowest rate payable on the Notice of Withdrawal Account.
- Interest (if any) is calculated daily and credited at the end of each calendar month.
- Interest may be credited to your Development Fund Account or to an account you hold with an Australian Authorised Deposit-taking Institution (ADI).

(c) Excluded class of consumers

Development Fund Accounts are only available to individuals who are an Australian resident or have a right to reside in Australia (Eligible Applicant).

If you are a not a retail client per the definition set out by the Corporations Act, you are an excluded class of consumer for the purposes of this Target Market Determination. Product and Services Information (for Wholesale Clients) is available at www.bfs.org.au/savings-investments.

(d) Consistency between target market and likely objectives, financial situation and needs

Development Fund Accounts are consistent with the likely objectives, financial situation and needs of customers in the target market as:

- They provide a method to assist BFS to resource Christian ministry and the provision of services to churches and other Christian organisations.
- They provide a way to invest funds to earn a lower interest return than the current Notice of Withdrawal Account interest return as a means to support the work of Christian ministries.
- They offer no minimum investment amount which is in accordance with the objective to encourage consumers to invest any amount to support the work of BFS .
- They offer a variable term, where additional funds can be invested at any time, with a minimum notice period for withdrawal of 31 days, consistent with a low-risk tolerance and access to funds within short time frames.

It should be noted that as BFS is not an ADI, all debenture products with BFS are unsecured, and investors are advised that neither the performance of/return on investments, nor repayment of capital is guaranteed.

3. Distribution Conditions and Restrictions

(a) Distribution channels

Development Fund Savings Accounts are designed to be distributed to consumers directly by BFS upon the acceptance of an application form that is available:

- on the BFS website www.bfs.org.au;
- from the BFS client services team at clients@bfs.org.au; or
- from one of the BFS Relationship Managers whose contact details are published on the BFS website.

(b) Distribution conditions and restrictions

- Development Fund Savings Accounts should only be distributed upon the receipt of an application from an Eligible Applicant who: is over 16 years of age and is an Australian resident or has rights to reside in Australia; and
- has been provided with a copy of the current Product Information Statement – Offer Documents: Debentures, the Product Disclosure Statement and Terms & Conditions – BFS Non-Cash Payment Products Retail Clients Only, the BFS Financial Services Guide and relevant application.

(c) Adequacy of distribution conditions and restrictions

The distribution channels and conditions that define the eligibility of applicants for Development Fund Savings Accounts ensure that the consumers of Development Fund Savings Accounts fall within the target market.

4. Reviewing this Target Market Determination

We will review this Target Market Determination in accordance with the below:

Initial review	Within the 12 months of the effective date.
Periodic reviews	At least every 2 years from the initial review.
Review triggers or events	Any event or circumstances arise that would suggest the Target Market Determination is no longer appropriate. This may include (but is not limited to): <ul style="list-style-type: none"> • a material change to the design or distribution of Development Fund Accounts, including related documentation, • occurrence of a significant dealing, • distribution conditions found to be inadequate, • change in legal or regulatory requirements, • external events such as adverse media coverage or regulatory attention, and • significant changes in metrics, including, but not limited to 25 complaints in any 3-month period.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

5. Reporting and monitoring this Target Market Determination

We will collect and report the following information in relation to this Target Market Determination:

Complaints	BFS will report all complaints and their resolution in relation to the Development Fund Accounts covered by this Target Market Determination to the Audit, Risk and Compliance Committee of the BFS Board and to the BFS Board where appropriate.
Significant dealings	BFS will report to the ASIC and the BFS Board if they become aware of a significant dealing that is not consistent with this Target Market Determination within 10 business days.