

Target Market Determination

1. Target Market Determination – Term Investments

Term Investments 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 Term Investments, 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 Term Investments, 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

Term Investments 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 Term Investments, 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

Term Investments are for retail investors who are an Australian resident or have a right to reside in Australia who are looking for an investment opportunity to:

- i) earn an interest rate on their funds,
- ii) have options of investment term and frequency of interest payments, and
- iii) resource and help Christian ministries including Churches, schools, and other Christian organisations

(b) Description of Term Investments and key attributes

Term Investments provide a fixed interest rate on your investment for a fixed term between 31 days and 36 months.

The key attributes of Term Investments are that:

- It provides fixed interest rates on investments for fixed terms.
- Interest is calculated daily and credited on maturity, or at another frequency chosen by consumers where available.
- For terms of one year or more, consumers can elect to be paid interest monthly, quarterly, semi-annually, annually or on maturity or such frequency that may be offered by us from time to time.
- Interest may be credited to a Term Investment Account or to an account you hold with an Australian Authorised Deposit-Taking Institution (ADI).
- Additional investments cannot be made during the fixed term and may only be added up to 10 calendar days following renewal of an existing investment. Reinvestment is not available if, at the time the fixed term expires, BFS is not offering a term investment for that term.
- Notwithstanding the contract between BFS and the investor for payment of a fixed interest rate on funds lodged for a fixed term, a request for Early Redemption of a debenture product may be made to BFS. BFS may approve an Early Redemption request for a valid reason at its sole discretion. However, except in hardship cases, 31 days' notice must be provided. The BFS Early Redemption Policy is available from the BFS website www.bfs.org.au.

(c) Excluded class of consumers

Term Investments are available to retail investors who are an Australian resident or have a right to reside in Australia (Eligible Applicant).

If you are 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

Term Investments are consistent with the likely objectives, financial situation and needs of consumers in the target market as:

- They provide a way to invest funds to earn an interest return, while supporting 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 terms from 31 days to 36 months, with a minimum notice period for withdrawal of 31 days (subject to BFS approval and early redemption fee), consistent with a low-risk tolerance and access to funds within the specified 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

Term Investments 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

- Term Investments 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 Term Investments ensure that the consumers of Term Investments 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 Term Investments, 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 product(s) 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 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.