

# Target Market Determination

## 1. Target Market Determination – Funeral Investment Accounts

Funeral Investment 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 Funeral Investment 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 Funeral Investment Accounts, within the Product Information Statement - Offer Document (for Individuals and Retail Clients) available at [www.bfs.org.au/savings-investments](http://www.bfs.org.au/savings-investments) or by contacting the BFS Client Services Team at [clients@bfs.org.au](mailto:clients@bfs.org.au).

Date from which this Target Market Determination is effective

5 October 2022 (annual review)

## 2. Target Market

Funeral Investment 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 Funeral Investment 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

Funeral Investment Accounts are for retail investors who are an Australia resident or have a right to reside in Australia who are looking for an investment opportunity to:

- i) put money aside to help meet the cost of their funeral,
- ii) earn an interest rate on their funds, and
- iii) resource and help Christian ministries including Churches, schools, and other Christian organisations.

### (b) Description of Funeral Investment Accounts and key attributes

Funeral Investment Accounts provide an interest return at the current variable interest rate published on the BFS website. This debenture product can be added to at non-regular intervals up to a maximum limit as approved by Centrelink. The maximum amount can be found on our website [www.bfs.org.au](http://www.bfs.org.au). The account is not a prepaid funeral account. Money invested can only be withdrawn to assist with costs relating to the funeral of the individual investor.

The key attributes of Funeral Investment Accounts are that:

- They provide funds to assist with payment of the investor's funeral expenses at a time of grief for those bereaved.
- Up to 2 accounts may be opened by the same individual.
- They must only be in one individual name. Joint Accounts are not available.
- Interest is calculated daily and credited at the end of each calendar month.
- Interest may only be credited to your Funeral Investment Account.
- As required by Government regulations, funds cannot be withdrawn at any time during the life of the investor and are paid to the Estate of the deceased investor (upon supply of the documents outlined in the 'Terms and Conditions' of Funeral Investment Accounts).
- Additional funds may be invested on an ad-hoc basis at any time (direct debit and/or periodical payment are not permitted) up to the limit of contributions approved by the Federal Government. The balance of such account may only exceed this limit amount where the excess is caused by accumulation of interest. Additional fund contributions exceeding the limit will be returned to the investor.
- Exempt from Centrelink income and assets tests (subject to special conditions).

**(c) Excluded class of consumers**

Funeral Investment Accounts are available to individuals who are an Australian resident or have a right to reside in Australia.

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) are available at [www.bfs.org.au/savings-investments](http://www.bfs.org.au/savings-investments).

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

Funeral Investment Accounts are consistent with the likely objectives, financial situation and needs of customers 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 make funds available at the appropriate time to assist in meeting the costs of the investor's funeral expenses at a time of grief for those bereaved.

It should be noted that as BFS is not an Authorised Deposit-taking Institution (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**

Funeral Investment 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](http://www.bfs.org.au),
- from the BFS client services team at [clients@bfs.org.au](mailto: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**

- Funeral Investment 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 Funeral Investment Accounts ensure that the consumers of Funeral Investment Accounts fall within the target market.

### 4. Reviewing this Target Market Determination

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

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

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:

<b>Complaints</b>	BFS will report all complaints and their resolution in relation to the Funeral Investment 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.
<b>Significant dealings</b>	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.