

FORESTERS FINANCIAL
FUNERAL BENEFIT FUND

Funeral Bond

(INCORPORATING AWAY FROM HOME COVER)

PRODUCT DISCLOSURE STATEMENT
DATED 1 JULY 2020

Foresters Financial Limited
ABN 27 087 648 842
AFSL 241421





Things you should know

This Product Disclosure Statement (PDS) contains details about:

- The Foresters Financial Funeral Bond (the Funeral Bond or Bond); and
- The Away From Home Cover, which is ancillary to the Bond

Each of these is a separate funeral expenses facility (financial product) issued by Foresters Financial Limited (Foresters Financial) issued from separate benefit funds established under the Foresters Financial Constitution. Investors in each of the financial products offered under this PDS; the Foresters Financial Funeral Bond will become members of Foresters and of the Funeral Benefit Fund – rule B.4.5, and investors in the Away From Home Cover will become members of Foresters and of the Funeral Transfer Fund – rule 4 (collectively called the Funds) established under the Foresters Financial Constitution.

The information contained in this PDS is the latest available at the date of printing. We will update information that should be updated by issuing a replacement PDS or a supplementary PDS, or by such other means which is convenient to you and allowable under the *Corporations Act 2001* (Cth). An electronic copy of this PDS, including the Application Form, can be downloaded from our website at www.forestersfinancial.com.au. If you have received this PDS electronically, please ensure that you have received the entire document, including the Application Form. A paper copy of this PDS is available free of charge and can be obtained by contacting us on the telephone number below. It is important that you read this PDS carefully before making an investment decision, as this document does not take into account your particular financial situation, investment objectives or needs. As investors' needs and aspirations differ, you should consider whether investing in the Bond and the Away From Home Cover is appropriate for you. To help you make an informed investment decision, we recommend you obtain independent professional advice from a licensed financial adviser and/or tax adviser before investing.

Applications to invest in the Funds can be made by completing an Application Form contained in this PDS. This document may only be used by investors receiving it electronically or otherwise in Australia.

Issued by Foresters Financial Limited; ABN 27 087 648 842, Australian Financial Services Licence 241421. If you have any questions please contact us on 1800 645 326 (free call). This PDS is dated and issued on 1 July 2020.

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About Foresters Financial

Foresters Financial is a leading funeral industry fund manager providing exceptional customer service.

Originating back in 1849 as the Ancient Order of Foresters, a Victorian friendly society, (now known as Foresters Financial) was established amid community concerns about the lack of financial and social support in times of extreme hardship. By pooling their funds, Society members who experienced unemployment, sickness, death or disability could rely on financial assistance and support from the Society, to ensure they and their families were looked after during difficult times.

More than 170 years on, Foresters Financial continues that tradition as a member-owned Australian financial services provider of investment and insurance products with approximately \$365 million in funds under management, serving over 80,000 members around Australia.

Foresters Financial exists to benefit our members' financial security while enriching the communities in which we belong.



Why Invest in a Funeral Bond?

A funeral bond is a tax paid investment, in the nature of a life policy that can increase in value over time by the addition of accumulated declared bonuses or earnings. It helps to protect your family from the financial cost of a funeral with no medical restrictions.

FEATURES OF A FUNERAL BOND

- The money must be held in an independently managed funeral fund.
- The declared bonuses or earnings are added to the investment.
- It can help maximise your government pension or allowance entitlements provided it is within the Federal Government's Funeral Bond Allowable Limit (\$13,250 as at 1 July 2019, indexed annually).
- The investment proceeds can only be released after the death of the life insured.
- Any excess funds after payment of the Funeral Expenses are paid to the policy owner's estate (when the member is also the life insured) or to the investor (if the bond has been taken out on the life insured of another person).

FUNERAL EXPENSES COVERED

- ✓ Burial or cremation fees
- ✓ Coffin or casket
- ✓ Floral arrangements or tributes
- ✓ Funeral vehicles
- ✓ Burial plot or cremation placement
- ✓ Funeral director's professional service fees
- ✓ Clergy offering or Celebrant's fees
- ✓ Funeral notices
- ✓ Wake expenses provided by funeral home
- ✓ Music or organist fees
- ✓ Statutory certificates
- ✓ Other funeral-related expenses

Foresters Financial Funeral Bond Benefits

Our Bond is a product of the Funeral Benefit Fund and the features are outlined below.

Our Bond is a secure investment to assist with the financial stress that a funeral can place on your family or friends by contributing to the costs of your funeral.

WHY CHOOSE A FORESTERS' FUNERAL BOND?

- ✓ Your investment is capital guaranteed (your money is secure and guaranteed, see page 10)
- ✓ Quick access to the funds when they are most needed
- ✓ Exceptional customer service
- ✓ You are able to select how you want to invest, lump sum or regular instalments
- ✓ Investments from as small as \$25 per month
- ✓ Flexibility to simply set aside the funds or choose your funeral director
- ✓ 30-day cooling off period
- ✓ Option of joint names to ensure you and your spouse are covered (see pages 5-7)
- ✓ Option to take-out a policy on behalf of someone else (see pages 5-7)
- ✓ Option to assign your Bond to a funeral director to meet the fixed funeral service costs of a prepaid funeral (see page 5)
- ✓ Optional cover for body transportation within Australia (see Away From Home Cover on pages 13-15)

APPLICANT TYPES

The Funeral Benefit Fund provides for Bond ownership by the following applicant types:

- **Single or Joint Policy** – you can have a Bond in the name of one individual, as owner, or the Bond can be owned by two individuals. For a joint policy, upon the death of the first of the joint policy holders, your investment and accumulated bonuses will be paid out in full to meet the funeral expenses of the deceased.
The surviving policy holder will then have to enter into a new Plan and or Bond in order to meet their future funeral expenses.
- **Life Insured Investor** – you may take out a Bond in your name, as owner, with a third party, as the life insured, usually a family member or close friend.
- **Power of Attorney ('POA')** - A person appointed under a POA can take out a Bond on behalf of the donor; the donor being the person who has appointed a POA.

Persons taking out a Bond will become members of Foresters Financial and of the Funeral Benefit Fund and will remain members until their membership ceases in accordance with the Fund Rules.

BENEFICIARY OPTIONS

Option 1: Non-Assigned Funeral Bond

A Non-Assigned Funeral Bond is where you do not appoint a specific funeral director or make any specific pre-arrangements in regards to a funeral. Details of the investment will be provided to the member.

Option 2: Nominated Funeral Director

The Nominated Funeral Director option is where the member has nominated a preferred funeral director to conduct the funeral services of the Life Insured without entering into a prepaid funeral contract. The member retains their membership in the Funeral Benefit Fund.

If the member wishes to change the Nominated Funeral Director, it can be done at any time prior to death of the Life insured by contacting Foresters Financial and completing a Change of Nominated Beneficiary Form. Both the member and the Nominated Funeral Director will be provided with details of the investment from time to time.

We recommend you read the details summarised in the table on page 7, of each of these Applicant Types and Beneficiary Options before deciding which is right for you. Also, see page 16 for information about making a claim to pay funeral costs.

Assigned Funeral Bonds

If a prepaid funeral contract has been entered into and it is proposed that the applicant will meet the fixed funeral service costs of the prepaid funeral by an investment in the Bond which will be assigned to the funeral director, then the applicant will need to complete an application under the Foresters Financial Prepaid Funeral Plan (Prepaid Funeral Plan) product disclosure statement, as different terms and conditions apply (download from www.forestersfinancial.com.au).

Even if you have assigned your Bond to a funeral director to meet fixed price funeral service costs under a prepaid funeral contract, you can still hold an additional bond to meet funeral service costs that are not included in your fixed priced funeral contract.

However, you should be aware that in such circumstances, your investment in the additional Bond, is not exempt for the purposes of the assets and income test and deeming provisions of both pension and veterans' entitlements legislation or other means tested Government benefits.

The monies invested in the additional Bond will remain an asset and will need to be declared as such to the relevant Government Departments (see page 12).

For more information please visit www.humanservices.gov.au or seek specialist advice. Applications for an additional Bond can be made using the Application Form attached to this PDS.

It is important that you inform your family or estate representative of your investment in the Funeral Benefit Fund and your funeral arrangements.

CONTRIBUTIONS

Contributions can be either one-off (single) or ongoing (instalments) using a variety of payment methods such as cheque, direct payment to Foresters Financial's bank account or direct debit from a bank account, credit or debit card (using our Direct Debit Request Form on page 26).

The minimum contribution amounts are outlined in the table below.

	Minimum amount
Initial contribution	\$100
Regular contributions	\$25 per month
Ad-hoc contributions	\$100

Direct Payments

If you choose to make direct payments into Foresters Financial's bank account, which is only available for your initial contribution, please include your full name in the reference field so we can identify you.

Foresters Financial's bank account details are:

Bank	Westpac
Name of Account	Foresters Financial Combined
Account BSB	033-059
Account Number	456732
Reference	<INSERT YOUR FULL NAME>

Payments by Cheque

If you choose to make a cheque payment, please ensure it is made payable to 'Foresters Financial Funeral Benefit Fund'.



APPLICANT TYPES AND BENEFICIARY OPTIONS EXPLAINED

	Single/Joint	Life Insured Investor	Power Of Attorney (POA)
Which applicant will become the member of Foresters Financial?	The first applicant (i.e. Applicant 1 in the Application Form)	The applicant (Investor)	The first applicant (i.e. Applicant 1 in the Application Form) being the donor under the POA
Who is the Life Insured?	Single: The applicant Joint: Both applicants	The named Life Insured	The first applicant being the donor
When can a claim be submitted?	Single: Upon the death of the Life Insured Joint: Upon the death of the first Life Insured <i>PLEASE NOTE: The surviving Life Insured should then consider entering into a new Bond to fund their funeral</i>	Upon the death of the Life Insured	Upon the death of the Life Insured
Who can submit a claim for payment?	<p style="text-align: center;">Non-Assigned Funeral Bond</p> <p style="text-align: center;">The personal legal representative of the estate of the Life Insured (Applicant) OR the Investor</p> <p style="text-align: center;">Nominated Funeral Director</p> <p style="text-align: center;">The Nominated Funeral Director OR the personal legal representative of the estate of the Life Insured (Applicant) OR the Life Insured Investor</p>		
What happens if there are excess funds after paying all the funeral expenses?	Any excess funds will be paid to the personal legal representative of the estate of the Life Insured	Any excess funds will be paid to the Investor	Any excess funds will be paid to the personal legal representative of the estate of the Life Insured
Tax Implications	Upon maturity, the income component of the Bond is assessable and needs to be included in the tax return of the estate in the year of receipt	Upon maturity, the income component of the Bond is assessable and needs to be included in the tax return of the Investor in the year of receipt	Upon maturity, the income component of the Bond is assessable and needs to be included in the tax return of the estate in the year of receipt

Investment Strategy and Bonuses

Monies paid into the Bond are held in the Funeral Benefit Fund which is capital guaranteed (see page 10). The key objective is to provide members of the Funeral Benefit Fund with competitive returns whilst protecting the security of their investment. The Funeral Benefit Fund was established and is administered by Foresters Financial.

ASSET ALLOCATION RANGE

Under the Funeral Benefit Fund Rules, Foresters Financial has the ability to invest in a range of investments.

These investments are made based on recommendations from Foresters Financial's independent investment adviser.

The Funeral Benefit Fund may principally invest in cash, fixed interest securities, stocks, Australian shares and bonds. Typical investments may include low risk highly rated government and semi-government securities, money market securities, mortgage backed securities, bank backed securities, shares and term deposits. Investments are also allowed with other financial institutions and in mortgages secured against land.

Foresters Financial has no predetermined view about how fair labour standards or environmental, social or ethical considerations will be taken into account, other than it will take into account such considerations it may become aware of, but only to the extent

that they financially affect the investment performance of the Fund.

Asset Class	Allowable Range
Australian Shares	0%-5%
Mortgage Backed Investments	0%-5%
Mortgages and Advances	0%-10%
Fixed Interest	0%-95%
Cash	0%-100%

RISKS

Investments in the Funeral Benefit Fund may be subject to a variety of risks including market and specific security risk. As a capital guaranteed fund, your contributions (less fees) and declared bonuses are guaranteed. These risks may affect the ability to pay a bonus in the future.

Market risk is the possibility that a member may not receive a bonus due to factors that impact the performance of financial markets in which they are invested. This can include material changes to interest rates.

Security specific risk is the possibility that a member may not receive a bonus due to factors that impact the performance of an individual company, industry or sector in which they are invested.

This can include poor business performance, competition or industry regulatory changes, including changes to the taxation treatment of the Funeral Benefit Fund.

How we manage risk

Whilst it is not possible to eliminate all investment risks, we seek to minimise and manage investment risk through the appointment of an experienced and independent investment adviser.

Their investment mandate is to invest and manage the portfolio on behalf of Foresters Financial only in authorised investments and in accordance with our approved Investment Policy.

CURRENT INVESTMENT INFORMATION

You can obtain up-to-date investment information, including the asset allocation and historical bonus rates of the Funeral Benefit Fund, by visiting Foresters Financial's website www.forestersfinancial.com.au or calling us on 1800 645 326 (free call).

Please Note: Past performance cannot be taken as a guide to future returns. Future bonus rates of the Funeral Benefit Fund are not guaranteed and may be subject to fluctuations.



CAPITAL GUARANTEED EXPLAINED

Capital Guaranteed means that all money paid into the Funeral Benefit Fund plus declared bonuses, less fees (Away From Home Cover and funeral director GST and administration fees that may have been deducted) is secure. Your investment and its security is supported by the solvency reserves that Foresters Financial maintains in accordance with the *Life Insurance Act 1995 (Cth)* and the APRA Prudential Standards issued under that Act.

BONUSES

Bonus is a term used to describe return or earnings on your investment.

Every year, Foresters Financial declares an annual bonus that is applied to the current value of your Bond. The bonus rate is calculated based on the investment earnings of the Funeral Benefit Fund, less income tax calculated at the corporate rate of 30%, management fees, expenses of the Funeral Benefit Fund and any other required transfers to statutory reserves.

The bonus rate is based on actuarial advice and is subject to approval by Foresters Financial's Board of Directors. Once approved, it becomes a declared bonus with communications advising members being issued in October each year.

The declared annual bonus is allocated to the current value of your Bond investment as at 30 June and forms part of your capital guaranteed investment and contributes to increased future bonuses (accumulated bonuses).

Interim Bonus

For Bonds that mature and become payable within a financial year, an interim bonus rate may be paid.

If a claim is made after 30 June in the following financial year, but prior to the actual annual bonus rate declaration, then the interim bonus rate is applied from 1 July up until the date of when the Bond's investment proceeds are paid out.

The interim bonus is not guaranteed and can be amended at any time; it is based on actuarial advice and is a conservative estimate of the expected investment return of the Fund.

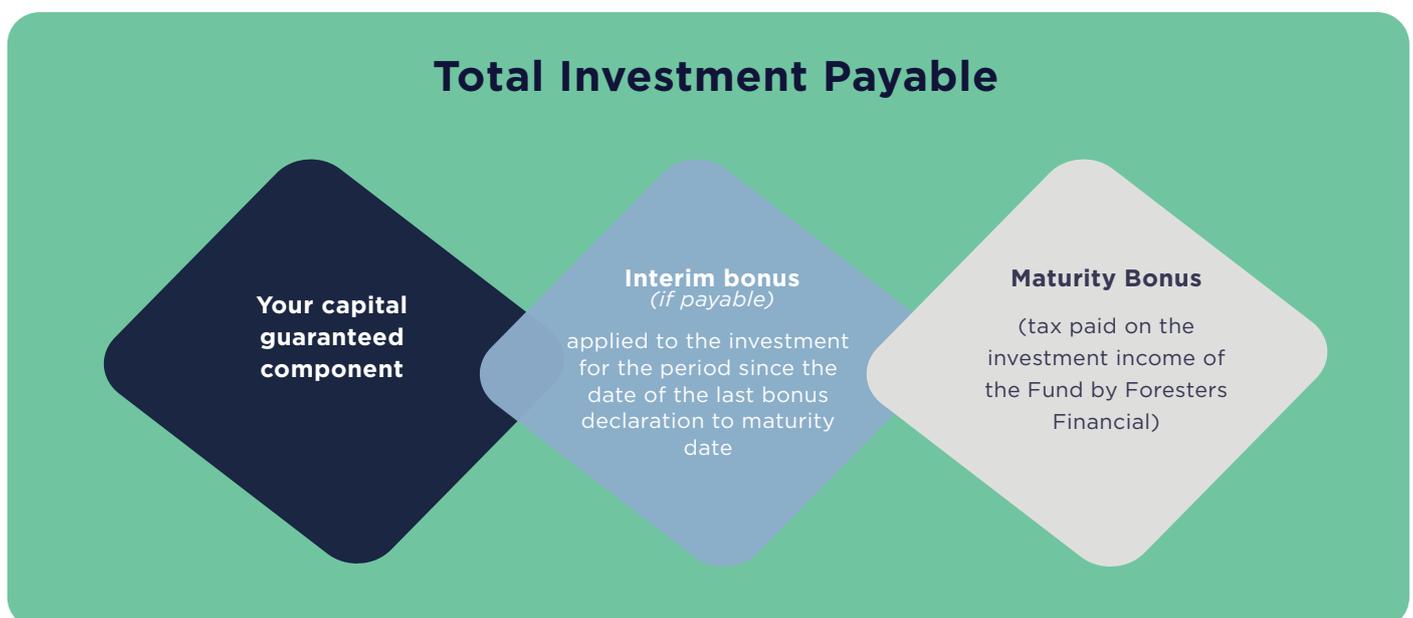
Maturity Bonus

The Maturity Bonus is the amount of tax paid on investment earnings of the Funeral Benefit Fund during the term of the Bond and this may be recoverable from the Australian Taxation Office upon maturity.

The Maturity Bonus is not subject to the capital guarantee.

TOTAL INVESTMENT PAYABLE CALCULATION

The value of your total investment in the Funeral Benefit Fund is summarised in the diagram below.



Please Note: Past performance cannot be taken as a guide to future returns. Future bonus rates of the Funeral Benefit Fund are not guaranteed and may be subject to fluctuations.

Taxation, Fees and Pensions

TAXATION

The investment earnings of the Funeral Benefit Fund are subject to income tax at the corporate tax rate of 30%. This tax is paid by Foresters Financial as an expense of the Funeral Benefit Fund before the declaration and allocation of annual bonuses to the Bond.

However, under current tax rules, tax paid on the Funeral Benefit Fund income is expected to be fully recovered with the final calculation of the Total Investment Payable. This means that the Total Investment Payable will reflect its gross, pre-tax value.

The income component of the pay out will be assessable in the hands of the estate of the Life Insured in the year of receipt for both the single/joint and POA options OR for the Life Insured Investor option, becomes assessable income of the Investor in the year of receipt. Foresters Financial will inform either the personal legal representative (usually the estate representative) OR if applicable, the Investor, of the assessable amount.

Growth in the value of the Bond is not subject to Capital Gains Tax.

It is not necessary, under current taxation laws, for the member to include the amount of annual declared bonuses in their personal tax return.

This taxation information is general in nature, is current as at the date of issue of this PDS and may be subject to future legislative change. You should seek professional advice regarding your individual circumstances.

GOODS AND SERVICES TAX (GST)

GST does not apply to your contributions or your Total Investment Payable. However, the provision of funeral services is subject to GST. You should discuss the impact of GST on the cost of funeral services with your funeral director.

STAMP DUTY

Stamp Duty may be payable on your initial investment in the Funeral Benefit Fund depending upon your State or Territory of residence and will be deducted from your initial contribution.

FEES AND CHARGES

	Amount
Entry fee	\$0
Exit fee	\$0
Commission	\$0
Management Fee	1.75% per annum

The Management Fee is calculated on the Funeral Benefit Fund's average gross assets less liabilities to the Management Fund and unsettled investment commitments at market value, at the beginning and end of the month and deducted monthly in arrears against the investment earnings of the Funeral Benefit Fund.

The Management Fee is used to fund the ongoing administration costs of the Funeral Benefit Fund.

Marketing assistance may be provided to funeral directors from Foresters' Financial management fees. No commission payments are paid.

Direct Fund Charges

Income taxes (includes corporate tax), bank debit taxes, investment management/ brokerage, account keeping fees and any other taxes or statutory charges that are subsequently introduced will be charged against the Funeral Benefit Fund's investment earnings, monthly in arrears.

Both Management Fees and Direct Fund Charges reduce the investment earnings of the Funeral Benefit Fund.

SOCIAL SECURITY ENTITLEMENTS

The Bond is exempt for the purposes of the assets and income test and deeming provisions of both pension and veterans' entitlements legislation or other means tested Government benefits, provided certain criteria within the Funeral Bond Allowable Limit are satisfied. The Funeral Bond Allowable Limit as at 1 July 2019 is \$13,250. It is adjusted every 1 July.

The Allowable Limit applies to the total contribution initially invested in the Bond, net of fees and increases in value of the Bond over time. To satisfy the requirements of this social security legislation, the investment must be kept solely to contribute towards funeral expenses and cannot be withdrawn prior to the death of the Life Insured.

Please note that under these social security provisions you will now be able to include the value of up to two funeral bonds provided the following criteria are met:

- You do not also have a prepaid funeral contract; and
- The combined amount invested in the Bonds does not exceed the Funeral Bond Allowable Limit as set by the Federal Government, which at the date of this PDS was \$13,250 (this amount is indexed annually on 1 July).

Special exemption rules apply for couples who can each hold individual funeral bonds, provided they do not exceed the Allowable Limit. Should you subsequently assign ownership of your Bond in favour of a funeral director as part of a prepaid funeral plan, the Allowable Limit will cease to apply. If you are a Life Insured Investor we recommend you seek independent professional advice in relation to any social security and or tax specific issues.

For more information please visit www.humanservices.gov.au or seek specialist advice.

Away From Home Cover (Optional)

Foresters Financial's Away From Home Cover protects your loved ones from the associated transportation costs, back to your chosen funeral director, up to a maximum of \$3,000, should you die whilst traveling within Australia, provided their premises are within 100km from your permanent residence.

WHAT'S COVERED

- The cost of transporting the deceased Life Insured's body from their place of death, being 100 kilometres or more from their permanent residence, to the funeral home of their chosen Funeral Director;
- Suitable container for transportation;
- Cost for preparing the body for transportation;
- Any professional service fee charged by the Funeral Director; and
- Costs associated with obtaining the appropriate documentation.

The Away From Home Cover is a product of Foresters Financial Funeral Transfer Fund. Persons taking out a policy will become members of the Funeral Transfer Fund and of Foresters Financial. Membership and cover will cease if the member dies and is not entitled to make a claim or if their personal legal representative (usually the estate representative) makes a claim which is paid.

PREMIUM

	Amount
Applicant or member of a Funeral Bond or Prepaid Funeral Plan with Foresters Financial	\$120

FEES AND CHARGES

	Amount
Administration Fee	\$0
Management Fee	Up to 2% per annum

The Management Fee may vary from time to time in accordance with the Funeral Transfer Fund Rules, but may not exceed 2% of the Funeral Transfer Fund's average gross assets. The fee is calculated on the Funeral Transfer Fund's average gross assets for a month and deducted in arrears against the investment earnings of the Funeral Transfer Fund and accrues daily and is payable in arrears.

The Management Fee is used to fund the ongoing administration costs of the Funeral Transfer Fund.

Direct Fund Charges

Liabilities or expenses (including Taxes) incurred for the purpose of the business of the Funeral Transfer Fund and costs associated with making investments, including investment management fees, will be charged against the Funeral Transfer Fund's investment earnings.

Both Management Fees and Direct Fund Charges reduce the investment earnings of the Funeral Transfer Fund.

ELIGIBILITY TO APPLY

You are eligible to apply for Foresters Financials' Away From Home Cover if you:

- Are applying for either a single or joint Funeral Bond or Prepaid Funeral Plan with Foresters Financial; or
- Have within the past 6 months of this application already invested in a Funeral Bond or Prepaid Funeral Plan with Foresters Financial; and
- Are currently residing at your permanent residence; and
- Are aged 18 years or over and under 85 years; and
- Are an Australian permanent resident.

There are no medical restrictions to taking out Away From Home Cover.

ELIGIBILITY TO CLAIM

Your personal legal representative (usually the estate representative) is entitled to a claim a benefit if you are a member of the Fund and:

- You die within Australia, 100 km or more from your permanent residence; and
- Your chosen Funeral Director is less than 100 km from your permanent residence; and
- You are permanently living at your permanent residence; and
- You have not spent 3 or more months temporarily away from your permanent residence in the last 12 months preceding your death; and
- A claim from a joint policyholder has not already been made; and
- The claim is made within 6 months of your death.

Unless the eligibility conditions are all met, no benefit will become payable.

IMPORTANT INFORMATION

Cooling off period

If you change your mind for any reason, simply provide written notice of your intention to cancel your Away From Home Cover and return your Certificate of Membership for the Funeral Transfer Fund within 30 days from the date of issue or such other period permitted by relevant legislation. Foresters Financial then will refund all money contributed (subject to any applicable local State or Territory laws).

Keeping you informed

Upon your application being accepted to the Funeral Transfer Fund, Foresters Financial will send a confirmation letter and Certificate of Membership for the Funeral Transfer Fund directly to you.

Terms and Conditions

Eligible members will be covered up to a maximum of \$3,000.

To claim, notice and supporting evidence of death together with transportation costs incurred must be sent to Foresters Financial by your personal legal representative (usually the estate representative) within 6 months of death or your entitlement to claim and membership of the Funeral Transfer Fund and Foresters Financial shall automatically cease.

Payments from the Funeral Transfer Fund are not subject to tax. Policies have no surrender value.

JOINT POLICYHOLDERS

Two individuals may apply to become joint Life Insured's with Foresters Financial Away From Home Cover.

The first applicant (i.e. Applicant 1 in the Application Form) becomes the member of the Funeral Transfer Fund and will receive the Confirmation of Membership of the Funeral Transfer Fund and any other communications from Foresters Financial.

Upon the death of the first of the joint policyholders who is eligible to make a claim, the surviving policyholder will cease to be a member of the Funeral Transfer Fund and of Foresters Financial (unless membership is held in some other capacity) and will no longer be covered.

In the case where both joint policyholders are eligible to make a claim at the same time, then the claim will be assessed by Foresters Financial on the same basis had only one of the joint policyholders made a claim.

INVESTMENT ALLOCATION RANGE

Under the Funeral Transfer Fund Rules, Foresters Financial has the ability to invest in a range of investments which may comprise of Cash, Australian Shares, Mortgages, Fixed Interest and Government and Semi-Government Securities.

These investments are made based on recommendations from Foresters Financial's experienced and independent investment adviser.

Their investment mandate is to invest and manage the portfolio on behalf of Foresters Financial only in authorised investments and in accordance with our approved Investment Policy.

Asset Class	Allowable Range
Australian Shares	0%-20%
Mortgages	0%-40%
Fixed Interest	0%-50%
Government and Semi - Government Securities	0%-90%
Cash	10%-100%

RISKS

There is a risk that the policy holder(s) may die and not be eligible to make a claim under the Away From Home Cover. Eligibility to make claim is outlined on page 14 of this PDS.



Important Information

FUNERAL BENEFIT FUND

KEEPING YOU INFORMED

As a Funeral Benefit Fund member, upon your application being accepted, Foresters Financial will send a confirmation letter and Certificate of Membership of the Funeral Benefit Fund directly to you. If you have opted for a Non-Assigned Funeral Bond, Foresters Financial will send an annual statement detailing all transactions in relation to the Bond during the past year as at 30 June.

If you have opted for a Nominated Funeral Director option, your nominated funeral director will also receive information relating to the investment.

Foresters Financial will keep you up-to-date with any relevant changes that may materially or adversely affect your investment via our website www.foresterfinancial.com.au.

TERMS AND CONDITIONS

Cooling off period

If you change your mind for any reason, simply provide written notice of your intention to cancel your Funeral Bond and return your

Certificate of Membership of Foresters Financial within 30 days from the date of issue or such other period permitted by relevant legislation. Foresters Financial then will refund all money contributed (subject to any applicable local State or Territory laws).

Eligibility

There are no medical restrictions to investing in the Funeral Benefit Fund but you must be at least 10 years of age. As per the *Life Insurance Act 1995* (Cth) a person who is at least 10 years of age but has not reached 16 years of age may, with written consent of a parent or guardian, invest in the Funeral Benefit Fund.

Investment withdrawal

The Bond has been specifically designed to meet future funeral expenses. Accordingly, withdrawal can only occur at time of death of the Life Insured subject to the cooling-off period. ***After the cooling-off period has expired, the investment and accumulated bonuses cannot be accessed until after the death of the Life Insured.***

Payment of funeral expenses

Upon your death and receipt of satisfactory

supporting documentation*, the investment is paid as shown below:

Non-Assigned Funeral Bond

1. Upon instructions and submission of supporting documentation from the personal legal representative of the Life Insured the Total Investment Payable is made to the estate or the executor of the estate of the Life Insured
OR
2. Upon instructions and submission of supporting documentation and a tax invoice from the personal legal representative of the Life Insured or the Life Insured Investor the Total Investment Payable will be paid to a funeral director toward the cost of the funeral service or to the person who has paid for the funeral service.

Nominated Funeral Director

1. Upon instructions and submission of supporting documentation and a tax invoice from the Nominated Funeral Director, the Total Investment Payable is paid to the Nominated Funeral Director towards the cost of the funeral service
OR
2. Upon instructions and submission of supporting documentation and a tax invoice from the personal legal representative (usually the estate representative) of the deceased Life Insured or the Life Insured Investor the Total Investment Payable is paid towards the cost of the funeral service to the funeral director who has provided the funerals.

Please note: Any excess remaining after payment of funeral expenses will be paid to the estate or the Life Insured or the Life Insured Investor where a Bond is taken on behalf of a separate Life Insured.

**Supporting documents include but are not limited to, a completed Foresters Death Claim Form and proof of death e.g. Death Certificate or Medical Cause of Death.*

GENERAL

YOUR PERSONAL INFORMATION

Foresters Financial collects personal information you provide in response to the forms in this PDS or through any subsequent correspondence or communication. The information is collected for the primary purpose of Foresters Financial issuing our

products to you (including assessing your application and identifying you).

There are also a number of related purposes for which your personal information will be collected, including processing of your application, the administration and managing of your investment in the Funeral Benefit Fund and/or the Funeral Transfer Fund to effectively provide our services and compliance with Australian taxation laws, the *Life Insurance Act 1995* (Cth) and other laws and regulations. If you do not provide Foresters Financial with your personal information, we may not be able to process your application, administer or manage your investment or tell you about other opportunities in which you may be interested.

Your information may also be used in connection with the purpose for which it is collected.

Foresters Financial may also use your information to forward to you, from time to time, details of other opportunities offered by Foresters Financial in which you may be interested. You can let Foresters Financial know if you do not want to receive details of other investment opportunities by ticking the box on the Application Form or by contacting us.

Subject to the *Privacy Act 1988* (Cth), you are entitled to request access to the information that you provide to Foresters Financial. If you have a privacy query, concern or complaint in respect of any investment made please contact:

The Privacy Officer	
Postal Address	PO Box 7702 Melbourne VIC 3004
Telephone	1800 645 326 (free call)

If we are unable to address your query, concern or complaint to your satisfaction, you may contact the Privacy Commissioner at:

Office of the Australian Information Commissioner	
Postal Address	GPO Box 5218 Sydney NSW 2001
Telephone	1300 363 992 (free call)

The information that an investor provides to Foresters Financial may be disclosed to certain organisations. The types of organisations or persons to whom Foresters Financial usually discloses the information provided by investors includes:

- The Australian Taxation Office and other government or regulatory bodies;
- Your adviser or adviser dealer group, their service providers and any joint holder of your investment (if any);
- Organisations involved in providing services to Foresters Financial, such as any third-party service provider engaged by Foresters Financial to provide administration, investment management, technology, auditing, mailing or printing services; and
- Those where you have consented to such disclosure as required or authorised by law.

You should notify us immediately if any of your personal information held by us changes.

If you would like to read our Privacy Policy, a copy is available on our website www.forestersfinancial.com.au/privacy or can be obtained by contacting our Privacy Officer.

DISPUTE RESOLUTION

Foresters Financial is committed to providing a great range of products and services to our members. Please talk to us using the details set out below if at any time we have not satisfied your expectations. Most times we will be able to resolve your concerns upon initial contact.

Foresters Financial	
Address	PO Box 7702 Melbourne VIC 3004
Telephone	1800 645 326 (free call)
Email	service@forestersfinancial.com.au
Website	forestersfinancial.com.au

If we are unable to resolve your concern, please ask to speak to our Customer Resolution Leader who will register your complaint and conduct an initial review of the matter and provide a recommendation to you. Our dispute resolution procedure is free of charge to you. If your issue cannot be resolved directly between you and Foresters Financial, then you may refer your issue to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial service complaint resolution that is free to consumers.

Their details are:

AFCA	
In writing to	GPO Box 3 Melbourne VIC 3001
Telephone	1800 931 678 (free call)
Email	info@afca.org.au
Website	www.afca.org.au

FORESTERS FINANCIAL

Foresters Financial issues the Funeral Bond and the Away From Home Cover and is responsible for all administration, promotion and management of the Funeral Benefit Fund and Funeral Transfer Fund.

Foresters Financial is incorporated under the *Corporations Act 2001* (Cth) as a public company limited by shares and guarantee and is regulated by the Australian Securities & Investments Commission under the provisions of the *Corporations Act 2001* (Cth). It is registered under the *Life Insurance Act 1995* as a Friendly Society Life Insurance Company and is regulated by the Australian Prudential Regulation Authority (APRA). The Funeral Benefit Fund and Funeral Transfer Fund are also registered under the *Life Insurance Act 1995* and regulated by APRA.

Under the *Corporations Act 2001* (Cth), members of Foresters Financial are bound by the terms of its Constitution and are required to guarantee that in the event of the company being wound up and unable to meet its liabilities, they will contribute an amount not exceeding \$1.

Foresters Financial operates under strict government regulations covering friendly societies. The investment of members' money is subject to rigorous independent actuarial valuation and audit certification.

CONSTITUTION AND FUND RULES

In accordance with Foresters Financial's Constitution and the Funeral Benefit Fund and Funeral Transfer Fund Rules, the assets of each fund maintained by Foresters Financial are separate and distinct from other funds and assets. The statements in this PDS give only a summary of the provisions of Foresters Financial's Constitution Funeral Benefit Fund Rules and Funeral Transfer Fund Rules.

Members may inspect a copy of the Constitution, Funeral Benefit Fund Rules and Funeral Transfer Fund Rules at Foresters Financial's registered office any time between 9 am and 5 pm Monday to Friday (except Victorian Public Holidays).

DISCLOSURE OF INTEREST

No Director of Foresters Financial, or any expert, has any interest in respect of the assets or benefits of the Funeral Benefit Fund and/or the Funeral Transfer Fund to which this PDS relates and in respect of which an entitlement, other than an entitlement on the same terms and conditions available to other members of the Funeral Benefit Fund and/or Funeral Transfer Fund, is available.

RSM Australia Partners, Brett & Watson Pty Ltd, TurksLegal and Pitcher Partners Investment Services Pty Ltd receive professional fees in respect of audit, actuarial, legal and investment services and advice provided in relation to the Funeral Benefit Fund and Funeral Transfer Fund respectively.

FORESTERS FINANCIAL DIRECTORS

The under mentioned Directors of Foresters Financial have authorised the issue of this PDS:

Theodore Fleming, Chairman

Caroline Banhidy, Deputy Chair

Philip Fraher, Director

Richard Bouchier, Director

David Heath, Director

CONSULTANTS TO FORESTERS

Auditor

RSM Australia Partners

ABN 36 965 185 036

Actuary

Brett & Watson Pty Ltd

ABN 65 060 568 676

Lawyers

TurksLegal

ABN 50 150 169 411

Investment Adviser

Pitcher Partners Investment Services Pty Ltd

ABN 24 052 941 036

RSM Australia Partners, Brett & Watson Pty Ltd, TurksLegal and Pitcher Partners Investment Services Pty Ltd have each given, and have not before the date of this PDS withdrawn, their consent to be named in this PDS.

They are not responsible for the contents of and accept no liability in respect of this PDS, nor have they authorised or caused the issue of this PDS.



Completing Your Funeral Bond Application

The Foresters Financial Funeral Bond Application Form can be used for both our Bond and Away From Home Cover. Simply mark what you are applying for at the beginning of the Application Form.

The following table may assist you in completing the Application Form.

	Single/Joint	Life Insured Investor	Power Of Attorney (POA)
Part 1: Personal Information	<p>Single: complete Applicant 1 details</p> <p>Joint: complete both Applicant 1 and 2 sections. Applicant 1 will become the primary contact.</p>	<p>Investors to provide their details under Applicant 1 and Life Insured's details under Applicant 2.</p> <p>All correspondence will be sent to the Investor.</p>	<p>POA to provide the Life Insured's details under Applicant 1. If all correspondence is to be sent to the POA then complete the Principal Contact Details section.</p>
Part 2: Your Beneficiary Options	If you have a preferred funeral director please provide their details in this section. Alternatively, mark the Non-Assigned Funeral Bond option.		
Part 3: Payment Details	Please provide the breakup details of your initial contribution and the method of payment for both this amount and if applicable any ongoing contributions.		
Part 4: Declaration	Please sign and date. For Joint applications please ensure both applicants complete declaration.	The Investor needs to sign and date.	The POA needs to sign and date.
Queensland Residents ONLY	PLEASE NOTE: It is a regulatory requirement of the Queensland Government that you also need to complete a Client Care Statement which must accompany this Application. Visit www.forestersfinancial.com.au/qccs to download the form.		
Part 5: Direct Debit Request (DDR) Form	<p>The DDR form can be used for one-off as well as ongoing regular payments. Please ensure that the bank account holder signs and dates this form.</p> <p>Please note for credit card payment Foresters Financial is only able to accept the original signed and completed form by post mail.</p>		

Foresters Financial Funeral Bond Application Form

I wish to apply for membership of Foresters Financial's Funeral Benefit Fund and/or the Funeral Transfer Fund (Away From Home Cover). This application is for a:

Funeral Bond AND Away From Home Cover

IMPORTANT INFORMATION

Prior to signing this application, applicants should read and have a copy of Foresters Financial Funeral Benefit Fund Funeral Bond Product Disclosure Statement dated 1 July 2020.

(Please use CAPITAL letters if handwriting)

Part 1: Personal Information

Applicant 1

Single OR **Joint (applicant 1)** OR **Investor**

Title Mr Mrs Ms Miss Other

First Name

Last Name

Birth Date

Street Address

Suburb State Postcode

Telephone (Day) Mobile

Email

Applicant 2

Joint (applicant 2) OR **Life Insured**

Title Mr Mrs Ms Miss Other

First Name

Last Name

Birth Date

Street Address

Suburb State Postcode

Telephone (Day) Mobile

Email

Principal Contact Details - If different from above

Complete this section if all correspondence is to be sent to this person ONLY or in the case where you are the Power of Attorney (POA).

Contact Type **POA** OR **Other**

Title Mr Mrs Ms Miss Other

First Name

Last Name

Street Address

Suburb State Postcode

Telephone (Day) Mobile

Email

Part 2: Your Beneficiary Options

Please choose your beneficiary option from the following, which are set out in detail on pages 5-7 of this Product Disclosure Statement:

Mark only one box and if appropriate fill in the Funeral Director Details below

1. Non-Assigned Funeral Bond Option

A Non-Assigned Funeral Bond is where no specific funeral director has been nominated. All information relevant to your investment will be forwarded to you. If you have chosen this option you DO NOT need to fill in the Funeral Director Details below.
Please proceed to Part 3.

OR

2. Nominated Funeral Director Option

By nominating a funeral director as your beneficiary, you agree to the funeral director having access to your investment information. The Nominated Funeral Director can be changed at any time prior to death. All investment information will be sent to both yourself and your Nominated Funeral Director.

If you have chosen this option you need to fill in the Funeral Director Details below.

Please complete and acknowledge below.

I/We in accordance with the Foresters Financial Constitution do hereby nominate my/our investment in the Foresters Financial Bond to:

Funeral Director Details (to be completed only if option 2 is selected)

Company Name	<input type="text"/>		
	<input type="text"/>		
Street Address	<input type="text"/>		
Suburb	<input type="text"/>	State	<input type="text"/>
		Postcode	<input type="text"/>
Contact Name	<input type="text"/>		
Telephone Number	<input type="text"/>		
Email	<input type="text"/>		

Part 3: Payment Details

Please indicate below how the allocation of the total amount invested will be distributed to Foresters Financial.

a) Funeral Bond Investment	\$
b) Away From Home Cover (if applicable)	\$
c) Establishment/Administration Fee (if applicable)	\$
Total Amount Paid to Foresters Financial	\$
<u>Target Amount</u> to be Paid to Foresters Financial (if different to Total Amount Paid to Foresters)	\$

Payment Type

Please mark applicable

Initial (One-Off)	Instalments (Ongoing)	Method
<input type="checkbox"/>		Cash
<input type="checkbox"/>		Direct Payment to Foresters Financial's Bank Account Please ensure the reference field includes your full name. Bank: Westpac Name of Account: Foresters Financial Combined Account BSB: 033059 Account No: 456732
<input type="checkbox"/>	<input type="checkbox"/>	Cheque Please ensure it is made payable to 'Foresters Financial Funeral Benefit Fund'
<input type="checkbox"/>	<input type="checkbox"/>	Credit/Debit Card or Bank Account Please complete the Direct Debit Request Form on page 26 of this Product Disclosure Statement

Part 4: Declaration

I/We have read, and agreed to be bound by the Foresters Financial Funeral Benefit Fund Funeral Bond Product Disclosure Statement dated 1 July 2020.

I/We agree to be bound by the Rules of Foresters Financial Funeral Benefit Fund and/or the Funeral Transfer Fund (collectively called the Funds) (as amended from time to time) and the terms and conditions upon which the Funeral Bond is issued and, if applicable, the Funeral Transfer Fund from which the Away From Home Cover is issued.

I/We agree that in the event that I/we effect more than one funeral policy or enter into additional policies, the aggregate contributions do not and will not exceed the amount required to meet the cost of my/our funeral chosen by me/us.

I/We acknowledge that **THE FUNERAL BOND and THE FUNERAL TRANSFER FUND POLICY WILL REMAIN IN EFFECT UNTIL THE DEATH OF THE APPLICANT OR THE LIFE INSURED OR IN THE CASE OF JOINT APPLICANTS, THE FIRST DEATH TO OCCUR and NO MONEY CAN BE WITHDRAWN FROM THE FUNERAL BENEFIT FUND OR WILL BE PAID FROM THE FUNERAL TRANSFER FUND BEFORE THAT TIME**, except during the cooling-off period.

I/We acknowledge that Foresters Financial does not guarantee the investment performance of the Funds.

I/We acknowledge that if I/we have received this Application Form from the Internet or other electronic means, I/we declare that I/we have received it personally, or a printout of it, accompanied by or attached to the complete Foresters Financial Funeral Benefit Fund Funeral Bond Product Disclosure Statement dated 1 July 2020.

I/We acknowledge that my/our personal information will be collected, used and disclosed in accordance with Foresters Financial Privacy Policy and with the law.

I/We acknowledge that Foresters Financial may from time to time offer goods and services appropriate for my needs and interests.

I/We consent to my/our information being used for direct marketing subject to my/our right to opt-out by calling 1800 645 326. If you do **NOT** wish to be updated with such opportunities please mark the box below. Foresters Financial may use service providers, such as posting services to assist us in doing so. *If you do not mark the box we will assume that you want to hear about these opportunities.*

I/We acknowledge that by providing my/our email address in this Application Form, Foresters Financial may use this address to provide me, where permitted by law or regulation, information via email about my/our Funeral Bond and/or my Away From Home Cover policy/policies, including any communications such as annual statements to satisfy any continuous disclosure requirements

I/We acknowledge that if I/we have applied for membership of the **Away From Home Cover** that:

I/We currently reside in our permanent residence which is within 100km of my/our nominated or assigned funeral director as set out in Part 2 of this PDS Application Form; and

I/We are over 18 years and under 85 years of age; and

Policies issued from the Funeral Transfer Fund have no surrender value and I/we will be unable to make a claim on the Funeral Transfer Fund unless I/we meet the eligibility conditions described in the PDS.

Signature
Applicant 1*

Date

Signature
Applicant 2*

Date

*Where applicant is aged from 10 and under 16 years of age, a parent or guardian must sign.

QUEENSLAND RESIDENTS: It is a regulatory requirement of the Queensland Government for you to complete a Client Care Statement which must accompany your application. Visit www.forestersfinancial.com.au/qccs to download the form.

Part 6: Direct Debit Request (DDR) Service Agreement

This document outlines Foresters Financial Limited, User ID 028104, ABN 27 087 648 842 obligations to you, in respect of the DDR arrangements made between Foresters Financial and you. It sets out your rights and obligations to us, together with where you should go for assistance.

Please keep this agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your DDR authorisation.

DEFINITIONS

account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Request Service Agreement between you and us.

banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by you to us is due.

debit payment means a particular transaction where a debit is made.

Direct Debit Request (DDR) means the written, verbal or online request between us and you to debit funds from your account.

us or we means Foresters Financial, (the Debit User) you have authorised by requesting a Direct Debit Request.

you means the customer(s) who has authorised the Direct Debit Request.

your financial institution means the financial institution at which you hold the *account* you have authorised us to debit.

INITIAL TERMS OF AGREEMENT

In terms of the DDR arrangements specified on your DDR Form we undertake to periodically debit the nominated account for the agreed amount for contributions to your Policy.

DIRECT DEBIT ARRANGEMENTS

The first direct debit under this DDR arrangement will occur in accordance with your DDR form. If any direct debit falls due on a non-banking day, it will be debited to your account on the next business day following the scheduled direct debit date.

We will give you at least 14 days' notice in writing when changes to the initial terms of the arrangements are made. The notice will state relevant changes to the initial terms.

CHANGES TO THE ARRANGEMENT

All changes to the DDR arrangements must be in writing and forwarded directly to Foresters at least 7 business days prior to the date of your specific change. These changes may include:

- Deferring a direct debit; or
- Altering the schedule; or
- Stopping an individual debit; or
- Suspending the DDR; or
- Cancelling the DDR completely.

If you wish to discuss any changes to the initial terms, telephone us on 03 8580 4000 or 1800 645 326 (free call).

YOUR COMMITMENT TO US

It is your responsibility to ensure that:

- Your nominated account can accept direct debits (your financial institution can confirm this) as this option may not be available on all accounts via the Bulk Electronic Clearing System (BECS);
- On the direct debit date there are sufficient cleared funds in the nominated account;
- You advise us if the nominated account is transferred or closed;
- You arrange a suitable payment alternative should your bank terminate the DDR for any reason;
- You ensure that all authorised signatories nominated on the financial institution account to be debited sign the Direct Debit Request;
- You check your account statement to verify that the amounts debited from your account are correct; and
- You check with your financial institution before completing the DDR if you have any queries about how to complete the DDR.

If a direct debit is returned or dishonoured by your financial institution, you will be advised in writing that we will add that debit amount on the next scheduled direct debit date. Any transaction fees incurred by us in respect to the above may be recovered by adding that amount to the next scheduled direct debit.

DISPUTES

If you believe that a direct debit has been initiated incorrectly, we recommend that you take the matter up directly with us by contacting us on 03 8580 4000, or 1800 645 326 (free call), during office hours.

If the dispute is unresolved and/or you are dissatisfied with the response, contact your financial institution who will respond to your claim. You will receive a refund of the direct debit amount if we cannot substantiate the reason for the direct debit.

ENQUIRIES

Direct all enquiries to us, rather than your financial institution, at least 5 business days prior to the next scheduled direct debit date. All communication should include your member and policy numbers.

Simply contact us on 03 8580 4000, or 1800 645 326 (free call), during office hours.

CONFIDENTIALITY

We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

We will only disclose information that we have about you to the extent specifically required by law; or for the purposes of this agreement (including disclosing information in connection with any query or claim).





**Foresters
Financial**

INVESTED SINCE 1849

Level 4, 417 St Kilda Road
Melbourne VIC 3004

forestersfinancial.com.au
1800 645 326 (free call)