

## Prepaid Funeral Plan Target Market Determination (TMD)

Name of product	<i>Prepaid Funeral Plan</i>
TMD date	<i>1 July 2023</i>
TMD Version	<i>Version 1a</i>
TMD end date	

### Purpose

A Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). The purpose of this TMD is to describe:

- the types of customers that the Funeral Plan is suitable for and not suitable for;
- how it is distributed;
- when this document will be reviewed; and

This TMD is not a Product Disclosure Statement (PDS) and is not a summary of the product terms and conditions. Any advice provided in this document is general advice only. It has been prepared without considering any individual customer's particular objectives, financial situations or needs. This product is issued by Foresters Financial. More information about this product can be found in the PDS, which contains full details of coverage, conditions, limitations and exclusions. Consider whether the product is appropriate for you before making any decisions about whether to buy or continue to hold a policy. If you have already purchased this product, you should review the information we have provided you whenever your circumstances change.

### Key product attributes

The Prepaid Funeral Plan is a funeral expense facility, specifically designed to be used to pay for the costs of the life insured's funeral as agreed with a funeral director under a prepaid funeral contract. If the Capital Guaranteed investment option is selected, the policy will receive an annual declared bonus. The product's proceeds can only be used to pay for funeral expenses at the time of death with any excess proceeds being paid to their estate if they have passed.

The Funeral Plan has four investment options; Capital Guaranteed, Sustainable, Growth and High Growth. The product provides

- The requirement to nominate a funeral director to whom the policy proceeds can be paid to pay for your funeral
- No obligation to contribute to the product after the initial contribution of \$100.
- The option of either a lump sum investment or regular instalments (starting from \$25 per month)
- The option of joint names to ensure you and your spouse are covered
- A default investment in the capital guaranteed fund, where all capital and declared bonuses are guaranteed
- Investment earnings that are not subject to personal tax
- Investments qualify for asset test exemptions for Services Australia (i.e. Age Pension, Carer Payment or Disability Support Pension).



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Who is this product suitable for? Customer objectives

This product is suitable for an individual or joint policy holders with any one or more of the following objectives;

- To have in place a prepaid funeral contract with a funeral director to whom the policy proceeds can be paid to pay for your funeral.
- To cover the funeral expenses of their spouse or nominated life insured
- To invest in a preferred option that aligns with their risk profile and be able to move between investment options as needed
- Have their investment qualify for income and asset test exemptions for Services Australia (i.e. Age Pension, Carer Payment or Disability Support Pension).
- To have an investment where the earnings are not subject to personal tax.

Customer Needs and Financial Situation - Funeral Bond				
Age	Suitable for customers 10 years and over			
Customer's Risk (ability to bear loss) and return profile	Capital Guarantee Option Low	Sustainable Option Medium	Growth Option High	High Growth Option High
Consumer's minimum need for access to capital	Suitable for customers not needing access to withdrawals any time prior to death			

Foresters has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, as the features of this product are likely to be suitable for consumers with the attributes identified in this TMD.

Who is this product not suitable for?

This product may not be suitable for customers wanting;

- to access funds prior to the death of the life insured/s
- to have funds paid to cover expenses other than for that of a funeral
- to make an investment from outside Australia
- to independently select underlying investments

How is this product distributed?

The product is designed to be distributed by:

- Funeral directors who can offer the Foresters Financial Prepaid Funeral Plan product to their own customers. This product cannot be sold as a standalone policy and must be sold alongside a prepaid funeral contract.

These distributors understand the market this product has been designed for, and will take reasonable steps to ensure that the product is distributed consistently with the TMD.



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## Distributor reporting requirements

All distributors are required to report relevant details and outcomes to Foresters:

As soon as practicable	Where there are instances of significant dealings in the product that are not consistent with the TMD
Quarterly  (Due 10 business days after the end of the March, June, September, December quarters)	Where there are any: <ul style="list-style-type: none"><li>- complaints received related to the products design, features and distribution, or</li><li>- dealings outside the TMD and whether acquisition occurred under personal advice.</li></ul>

## Reviewing this document

We will collect information and prepare reports regarding sales activity, performance, complaints, and any occasions where this product has been sold contrary to TMD, on an at least quarterly basis, to help improve our products and service.

We will review this TMD if:

- there are amendments to our PDS that change the benefits provided;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product;
- the business performance and value provided by this product indicate the TMD is no longer appropriate; or
- we identify that there has been a significant dealing in the product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring. In any event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

## Questions?

If you have any questions about our products or this TMD, please contact us on 1800 645 326.

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