

Funeral Bond

Investment Options

Investing in the Bond gives you the flexibility to choose a range of investment options that provide different investment mixes.

When you take out the Bond, you will be able to select from one of five (5) investment options that suits your particular risk appetite and so grow your Bond investment to meet your future funeral service costs. Whatever investment option is chosen, you become a member of the selected underlying fund. The investment options for the Bond, managed by our investment manager(s), are:

1. **Capital Guaranteed;**
2. **Sustainable;**
3. **Balanced (default);**
4. **Growth;**
5. **High Growth.**

You may only select one investment option and, if no option is chosen, then your Bond will be invested in the Balanced option by default.

As with all investments, there are risks that you need to be aware of. These are outlined in the Investment Risks section of this PDS. It is important to note that there is a risk of a negative return when choosing the when choosing the market-linked investment options. As taking on more risk increases the allocation of growth assets in your investment, this also increases the risk of receiving a negative return. Based on the timing of the withdrawal of your investment when your Bond matures, you may not receive all of the funds you have contributed as a result of this risk. Please seek independent financial advice to make sure that you are selecting the right investment option to suit your financial needs.

Investment Objective

All monies invested in the Bond are held in the Fund whose objective is to provide investors with competitive returns by investing in Authorised Investments as stipulated by the Funeral Benefit Funds Rules and in accordance with the Investment Strategy of each investment option. The approved investment ranges are monitored by our Investment Manager(s) in accordance with the Benefit Fund Rules and the applicable investment policy.

Capital Guaranteed

We offer a capital guarantee only for the Capital Guaranteed investment option. The offer is only able to be taken up when you first open your bond. The capital guarantee means that all your contributions (less fees and duties payable) and declared bonuses are guaranteed to be paid on maturity, no matter how the investment market is performing.

Capital Guaranteed explained

Capital Guarantee means that all money paid into the Funeral Benefit Capital Guaranteed Fund plus declared bonuses, less duties and fees (Away From Home Cover and funeral director GST and administration fees that may have been deducted) is secure. The guarantee is supported by a conservative investment policy which is monitored closely by Foresters Financial, its Investment Manager(s), and its Appointed Actuary and 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.

Asset Allocation Ranges per Investment Option

The investment options provide a range of investments with differing investment risks, which allow you to select an option to match your risk tolerance. Investment in the different investment categories available under each investment option may be in direct investments or through approved unit trusts or managed investment schemes.

Current Investment Information

You can obtain up-to-date investment information, including the asset allocation and historical bonus rates for the Capital Guaranteed option and unit prices for the the market-linked investment options of the Fund, by visiting www.forestersfinancial.com.au or by calling us on **1800 645 326** (free call).

Past performance cannot be taken as a guide to future returns. Future bonus rates of the Capital Guaranteed option of the Fund and unit prices for the the market-linked investment options are not guaranteed and may be subject to fluctuations.

Changing Your Investment Option (Switching)

Your investment in the Bond can be transferred in its entirety between any of the four (4) market-linked investment options at any time. Only one investment option at any one time can be selected and you may incur underlying transaction costs each time a switch is made.

Please note that investors switching out of the Capital Guaranteed investment option are unable to switch back into the Capital Guaranteed investment option. Investors in the market-linked investment options are also unable to switch into the Capital Guaranteed investment option.

For the market-linked investment options, the unit price that applies at the time a switching application is processed, is discussed further on page 10. To switch between investment options, you must complete a Switching Form which can be found at www.forestersfinancial.com.au and sent to: Foresters Financial, PO Box 7702, Melbourne VIC 3004 or via email: service@forestersfinancial.com.au

Investment Options	Capital Guaranteed	Sustainable	Balanced	Growth	High Growth
Risk Profile	Low	Medium	Medium	High	High
Investment Strategy	To invest in a range of mainly cash and fixed interest assets to provide a stable and consistent return.	To invest in a range of defensive and growth assets, with a focus on Environmental, Social and Governance considerations.	To invest in a range of defensive and growth assets, with a moderately higher weighting to defensive assets.	To invest in a range of defensive and growth assets, with a higher weighting to growth assets.	To primarily invest in a range of growth assets.
Investment Objective	Aim to return better than the Reserve Bank of Australia (RBA) cash rate over the long-term.	Aim to return CPI +2% over the long-term.	Aim to return CPI +2% over the long-term.	Aim to return CPI +3% over the long-term.	Aim to return CPI +4% over the long-term.

Investment Options	Capital Guaranteed		Sustainable		Balanced		Growth		High Growth	
	Strategic Asset Allocation	Target Range	Strategic Asset Allocation	Target Range	Strategic Asset Allocation	Target Range	Strategic Asset Allocation	Target Range	Strategic Asset Allocation	Target Range
Defensive Assets										
Cash	57%	0-100%	3%	0-60%	3%	0-60%	3%	0-40%	3%	0-20%
Fixed Interest	39%	0-100%	51%	20-60%	51%	20-60%	33%	10-40%	12%	0-20%
Total Defensive Assets	96%	0-100%	54%	40-60%	54%	40-60%	36%	20-40%	15%	0-20%
Growth Assets										
Equity	4%	0-5%	34%	20-50%	34%	20-50%	46%	30-70%	66%	50-90%
Property	0%	0%	4%	0-20%	4%	0-20%	8%	0-30%	9%	0-30%
Alternatives	0%	0%	8%	0-10%	8%	0-10%	10%	0-15%	10%	0-20%
Total Growth Assets	4%	0-5%	46%	40-60%	46%	40-60%	64%	60-80%	85%	80-100%
Total Asset Allocation	100%		100%		100%		100%		100%	