



Target Market Determination

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Futurity Investment Group Limited (Futurity) ACN 087 648 879 and AFSL 236665, a mutually structured friendly society-based life insurance company, is the issuer of the Futurity Education Bond described in this Target Market Determination (TMD).

Futurity Education Bond (APIR code: FIG9322AU) is an investment-linked life policy, governed by the *Life Insurance Act 1995* (Cth) (Life Act) and Education Bond Master Product Rules (Product Rules), subject to prudential regulation by the Australian Prudential Regulation Authority (APRA) and also subject to regulation by the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001* (Cth) in respect of disclosure and conduct obligations.

Futurity Education Bond is structured under Australian tax law as a scholarship plan, entitling its education beneficiaries to concessional tax treatment where investment earnings are used to pay for eligible education expenses. It is a medium-to long-term tax-effective saving and investment product, with a diversified range of Investment Options, designed to help meet the cost of education-purposed objectives, and is suitable for individuals, families, companies or trusts whose objectives, financial situation and needs are consistent with the target market described in this TMD.

This TMD describes the type of investor Futurity Education Bond is designed for, and who it is not designed for, based on their financial goals and needs. It also identifies conditions and restrictions placed on the product's distribution, events and circumstances that would reasonably suggest that the TMD is no longer appropriate, review periods and reporting obligations for the TMD.

Detailed information regarding the Futurity Education Bond can be found in its Product Disclosure Statement (PDS). Before making any investment decisions in relation to investing in a Futurity Education Bond, potential investors should consider and read the PDS and Financial Services Guide (FSG), available at futurityinvest.com.au, and obtain appropriate advice as necessary.

Target market

Likely suited investors (within target market)

- Those wishing to tax-effectively save and invest by using Futurity Education Bond as a:
 - **Savings Plan** – with regular ongoing contributions that can be flexibly adjusted by amount and frequency; or
 - **Lump Sum Plan** – through a single ‘once off’ lump sum contribution with flexibility to make ad hoc add-on contributions from time to time, with the purpose of accumulating funding over the medium- to long-term for their education-purposed objectives.
- Those with education-purposed objectives seeking:
 - to benefit an individual(s), their family members or unrelated other persons, including those who are objects of charitable giving or family or testamentary trusts;
 - to cover an expansive range of education costs of Australian and international courses – pre-school, primary, secondary and higher education; vocational education and training; career enhancing; adult education and special needs courses;
 - to cover a full spectrum of educational expenses for school, such as tuition and course fees, books, devices, uniforms, excursions, travel, education living expenses or student debt repayments.
- Those wanting to tax-effectively save and invest to accumulate funding for their education-purposed objectives with a product that has 35 underlying Investment Options, included within the investment categories referred to in the table on pages 6 and 7, and detailed in the PDS that:
 - comprise leading Australian and international investment managers;
 - span diversified and sector-specific Investment Options and active and indexed (passively managed) Investment Options – as well as offering a range of responsible Investment Options;
 - cater for investment strategies that can be tailored to an investor’s risk appetite and the investment timeframe related to their Futurity Education Bond objectives;
 - allows investors to switch between the menu’s Investment Options at any time without personal tax or capital gains tax consequences under current Australian tax law, subject to the investor’s individual circumstances.
- Those wanting a flexible online application process to establish their Futurity Education Bond.
- Those wanting to access their investment subject to product conditions. Education Benefit Claims and Other Withdrawals (Any Purpose) are generally allowed to be made at any time provided that applicable product conditions are satisfied, including minimum balance requirements and, for Savings Plans, the attainment of Paid-Up Status. In certain circumstances, Futurity may defer or delay processing of withdrawal requests. See the PDS for more information.
- Those who may commence the investment for the education purposes of their own, their families’ or others’ specific or personal lifelong education goals, but may, due to a change in circumstances, want the ability to access their investment as an Investment Bond for non-education purposes, rather than solely for making education expense claims. (**Important Note** – If a Futurity Education Bond is accessed for non-education purposes by making Other Withdrawals (Any Purpose), then Investment Bond Tax Rules apply to the withdrawal amount. This treatment is explained in the PDS).
- Those wanting an investment product with competitive fees that are built into the product’s Unit Prices, which are calculated daily.
- Those wanting an investment product that has planning features that allow transfers, Bond Estate Nominations and the appointment of Bond Guardians and Bond Representatives as described in the PDS.

- Those investors with assets available for investment that meet the minimum Futurity Education Bond product investment requirements applicable to:
 - **Savings Plans** – minimum initial investment of \$1,000 (\$100 minimum per Investment Option) and savings contributions of \$200 per month (\$50 minimum per Investment Option); or
 - **Lump Sum Plans** – minimum initial investment of \$5,000 (\$500 minimum per Investment Option) and minimum add-on contributions of \$500 (\$100 minimum per Investment Option).

(**Important Note** – Maximum contribution limits apply over the duration of the Futurity Education Bond. This limit is currently set at \$1,000,000 per Education Beneficiary but may be reviewed annually or otherwise at Futurity's discretion, with updated limits published on futurityinvest.com.au.)

- Generally, for those investors on middle to high marginal tax rates (MTRs) (as at 1 July 2026, 32%, 39% and 47% – including the 2% Medicare levy), the Futurity Education Bond, being a Tax-Paid investment, means it can have tax rate 'arbitrage' benefits because the effective Fund Tax rates (that Futurity pays on behalf of Bond Owners of 30% or less) on investment earnings are generally lower than the Bond Owner's own higher ongoing personal MTRs.

Investors not suited (considered not within target market)

- Minors under 10 years of age, as Futurity Education Bond's minimum age requirement for ownership is 10 years under the product's terms and conditions. Minors aged from 10 to under 16 years can invest with parental or guardian consent.
- Those wanting to transfer their Futurity Education Bond to another product issuer. While Futurity Education Bond can be transferred at any time to someone else with full preservation of the tax-advantaged status, it is not portable (unlike a superannuation account) between product issuers.
- Those with minimal investable assets or who do not wish to accumulate funding over the medium- to long-term for their, their families' or unrelated other persons' education-purposed objectives.
- Those investors seeking to make investment contributions in excess of the Futurity Education Bond maximum contribution limits established and as published from time to time.
- Superannuation funds which must be maintained solely to provide retirement benefits to their members.
- Investors in vulnerable circumstances whose financial situation does not support the commitment of funds over a medium- to long-term investment horizon, including those experiencing financial hardship, those under external administration or those who may not have the capacity to understand the product's features and risks.
- Investors seeking a product with unconditional and immediate access to all contributed funds at any time as the product imposes minimum balance requirements and, in the case of Savings Plans, a Paid-Up Status threshold before withdrawals may be made.

Objectives and purposes of the Futurity Education Bond

Specific objectives and purposes of Education Bonds include:

- a dedicated, tax-effective way to save and pay for eligible education expenses for one or more (up to 10) selected Education Beneficiaries;
- education funding for children or others who are the objects of charitable giving or sponsorships;
- estate planning or the ability to make intergenerational wealth transfers or distributions as an alternative to wills, family trusts or testamentary trusts (created under a will).

Likely objectives, financial situation and needs of investors in the target market are those seeking:

- a tax-paid investment structure with special tax benefits when used for education, estate planning and wealth transfer features;
- a medium- to longer-term investment horizon (five years or more) with the ability to access contributed capital and accumulated investment earnings at any time;
- an expansive investment menu with a range of Investment Options to suit investors' investment strategies that can be tailored to investors' objectives, risk appetite and investment timeframes.

Appropriateness of target market

Futurity Education Bond is likely to be consistent with the objectives, financial situation and needs of investors in the target market on the basis of:

- its attributes as a medium- to long-term tax-effective investment vehicle to fund education-purposed objectives as described within this TMD and, more particularly, the PDS, including the product's tax advantages for investors on MTRs of 30% or above;
- the terms of issue of the product;
- Futurity's assessment of the risks, benefits and features of the product and likely investor outcomes from owning the product.

Futurity Education Bond is not consistent with the objectives, financial situation and needs of investors who are outside the target market as described in this TMD, including those described in the 'Investors not suited' section on page 4. Distributors must not distribute the product to investors who are outside the target market.

Investment categories

The table below details various investment categories relevant to the Investment Options into which investors can invest. Investors can invest in a range of investment categories and Investment Options that can be tailored to investors' objectives, risk appetite and investment timeframes. The target market for the Futurity Education Bond includes investors across all risk profiles from Very Low (1) to Very High (7) as described in the Standard Risk Measure framework in the table below, provided that the investor's chosen Investment Option(s) correspond to their risk profile as described in the table. An investor whose risk profile is inconsistent with the risk level of their chosen Investment Option(s) is outside the target market for that Investment Option.

Investment category ¹	Investment objective ²	Standard Risk Measure ³	Minimum suggested timeframe ⁴
Diversified – Conservative	To earn returns based on an appropriate benchmark with a strong bias to defensive assets and some exposure to growth assets. The defensive assets (such as cash and fixed income) provide relatively stable returns with lower volatility, while the growth assets (such as equities) bring higher returns but with higher short-term volatility.	Low to Medium (3) Medium (4)	3 years
Diversified – Balanced	To earn returns based on an appropriate benchmark with a balanced mix of defensive and growth assets. The defensive assets (such as cash and fixed income) usually provide relatively stable returns with low volatility, while the growth assets (such as equities) bring higher returns but with higher short-term volatility.	Medium (4) Medium to High (5)	4-5 years
Diversified – Growth	To earn returns based on an appropriate benchmark with a focus on growth assets and some exposure to defensive assets. The defensive assets (such as cash and fixed income) usually provide relatively stable returns with low volatility, while the growth assets (such as equities) bring higher returns but with higher short-term volatility.	Medium to High (5) High (6)	3-7 years
Diversified – High Growth	To earn returns based on an appropriate benchmark with a strong bias towards growth assets and a small exposure to defensive assets. The defensive assets (such as cash and fixed income) usually provide relatively stable returns with low volatility, while the growth assets (such as equities) bring higher returns but with higher short-term volatility.	High (6)	5-7 years
Diversified – All Growth	To earn returns based on an appropriate benchmark with a strong bias towards growth assets. The growth assets (such as equities) bring higher returns but with higher short-term volatility.	High (6)	7 years
Cash	To earn a return at least in line with the Bloomberg AusBond Bank Bill Index by investing in predominantly cash and short- to medium-term fixed interest investments.	Very Low (1)	None
Australian Fixed Income	To earn a return at least in line with the Bloomberg AusBond Composite 0+ Yr Index by having a diverse portfolio of predominantly Australian fixed interest investments.	Low (2)	3-7 years

Investment category ¹	Investment objective ²	Standard Risk Measure ³	Minimum suggested timeframe ⁴
International Fixed Income	To earn a return at least in line with the Bloomberg Barclays Global Aggregate Index (AUD Hedged) by having a diverse portfolio of predominantly international fixed interest investments.	Medium (4)	3-7 years
Australian Equities	Generally, to earn returns that are at least in line with the S&P/ASX 300 Accumulation Index by having a diverse portfolio predominantly invested in Australian equities.	High (6) Very High (7)	5-7 years
International Equities	Generally, to earn returns that are at least in line with a global equity index such as the MSCI World ex Australia Index (or similar ESG equivalent) by having a diverse portfolio predominantly invested in global equities.	High (6)	5-7 years
Emerging Markets Equities	Generally, to earn returns that are at least in line with an emerging markets index such as the MSCI Emerging Markets Index by having a portfolio predominantly invested in emerging market equities.	High (6)	5-7 years
Property	Generally, to earn returns that track the S&P/ASX 300 A-REIT Index by having a diverse portfolio predominantly invested in Australian property equities.	High (6)	7 years

¹ Refer to PDS Part B for a detailed description of the investment objectives, risks and investment timeframes for each Investment Option.

² The risk levels and investment objective of each Investment Option are disclosed in PDS Part B. These risk levels correspond to the Standard Risk Measure (SRM) developed by the Association of Superannuation Funds of Australia. The available Investment Options cover all SRM risk levels. Risk and return objectives for each Investment Option may vary from their associated investment category objectives.

³ The Standard Risk Measure is a 1-7 scale based on the estimated number of negative annual returns over any 20-year period.

⁴ The minimum suggested timeframe is an estimate of how long an investor should expect to hold their investment in an Investment Option within this category in order to achieve its expected investment outcome.

Distribution conditions

Futurity Education Bonds are only offered and issued in accordance with the relevant terms and conditions as outlined in the most current version of the Futurity Education Bond PDS, available on futurityinvest.com.au or by calling us on 1300 345 456.

Futurity Education Bonds may be distributed indirectly by licensed Financial Advisers authorised by Futurity, upon providing personal financial product advice to an investor who is a client of that Financial Adviser. They must take reasonable steps to ensure that the distribution of the product to their clients is consistent with the TMD and the personal financial product advice provided. For the purposes of this TMD, 'reasonable steps' by a Financial Adviser includes, at a minimum:

- assessing the client's objectives, financial situation, needs and risk profile, and confirming that the client falls within the target market described in this TMD, prior to providing a recommendation to acquire the product;
- confirming that the client's chosen Investment Option(s) are consistent with the client's risk profile as described in the investment categories table in this TMD;
- maintaining records of the basis on which the client was assessed as being within the target market, including the suitability assessment referred to in (a) above, for a minimum of seven years; and
- notifying Futurity promptly if the Financial Adviser becomes aware that any distribution has been made, or may have been made, to an investor who is outside the target market.

The Financial Adviser must report quarterly to Futurity if the Futurity Education Bond is acquired by Bond Owners outside the target market (or within 10 business days if the dealing outside the target market is deemed to be significant). For the purposes of this TMD, a 'significant dealing' outside the target market means any dealing where:

- a pattern of dealings outside the target market is identified across multiple clients;
- a single dealing results in a material financial detriment to the client; or
- a dealing involves a client in a vulnerable circumstance who is outside the target market. Advisers should err on the side of reporting where there is doubt as to whether a dealing is significant.

The product is also distributed directly by Futurity via futurityinvest.com.au.

Applicants are required to read and accept the terms and conditions of the PDS as part of the application process and provide required information and responses to questions on the Application Form to assist in the determination of the applicants' profile. Where an applicant's responses to these screening questions indicate that they may be outside the target market, the application process will prompt the applicant to seek financial advice before proceeding. Futurity reserves the right to decline an application where it forms the view that the applicant is outside the target market.

Futurity has assessed the distribution conditions and has formed the view that it is likely that a Bond Owner acquiring the Futurity Education Bond product would likely fall within the target market as described above on the basis of our experience with the direct distribution of our products and our distribution arrangements that facilitates the use of licensed Financial Advisers.

Futurity will continue to monitor Financial Adviser reports, as well as continue to monitor the frequency of, and reasons for, unexpected or premature product terminations to ascertain the appropriateness of the distribution conditions.

Distributor reporting requirements

Futurity is the issuer of the Futurity Education Bond for the purposes of Part 7.8A of the Corporations Act. As the issuer, Futurity's obligations under Part 7.8A include:

- making and publishing this TMD (section 994B);
- keeping this TMD up to date (section 994C); and
- not distributing the product without a compliant TMD (section 994D).

Financial Advisers who distribute the Futurity Education Bond are distributors for the purposes of Part 7.8A. Distributors' reporting obligations to Futurity (as issuer) are set out below.

Financial Advisers, to the extent they are aware, must report to Futurity within 10 business days of the end of each calendar quarter:

- details and outcomes of any complaints (as defined below) received related to the product's design, features and distribution;
- general feedback relating to the product and its performance; and
- any dealings outside the TMD and whether such dealings were a consequence of personal advice provided by the Adviser.

Significant dealings in the product that are not consistent with the TMD must be reported by Financial Advisers to Futurity as soon as practicable and, in any case, within 10 business days of becoming aware of the significant dealings.

For the purposes of this TMD, 'complaint' has the meaning given to that term in ASIC Regulatory Guide 271 - Internal Dispute Resolution (RG 271) being an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

TMD review

TMD review triggers

A review of the TMD as to its ongoing appropriateness will be undertaken on the occurrence of any of these trigger events:

- material changes to the Futurity Education Bond offering or its product description;
- material changes to the relevant Taxation Law or any other applicable legislation that impacts the Bond Owner;
- three or more complaints about the Futurity Education Bond's appropriateness or its distribution within a single reporting period (or such lesser number as, in Futurity's reasonable assessment, indicates a systemic concern with the product's design or distribution);
- a significant dealing in the product that is not consistent with the TMD;
- a significant increase in unexpected or premature product termination for Futurity Education Bonds within a single reporting period;
- any inquiry, surveillance, direction, notice, investigation or enforceable instrument by or from ASIC about or relating to the features, target market or distribution strategy for the Futurity Education Bond, any of which would reasonably suggest that the TMD is no longer appropriate;
- Futurity becomes aware that a distributor has systematically distributed the product to investors who are outside the target market, including where the Australian Financial Complaints Authority (AFCA) upholds complaints about the suitability of the product for a class of investors or where Futurity receives reports of a pattern of dealings outside the target market from one or more distributors.

Futurity records and reviews information it collects from its direct distribution of its products and from data provided by Financial Advisers primarily through its Governance, Risk and Compliance system as part of its internal governance process to assist it in undertaking a review of the TMD and the various trigger events.

TMD review period

- The TMD will be reviewed at least once every two years from the determination date. Each review must be completed within three months of the second anniversary of the determination date (or of the date of the most recent prior review).

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