Education Bond

FUTURITY

Futurity Investment Group Limited
Product Disclosure Statement | Part A

Futurity
Education Bond

25 August 2026

About using this Product Disclosure Statement

Futurity Education Bonds are issued and managed by Futurity Investment Group Limited (`Futurity', `we', `our' or `us') ACN 087 648 879 and AFSL 236665, a mutually structured, friendly society-based life insurance company.

This document serves as a combined Product Disclosure Statement (PDS) for Futurity Education Bond. PDS Part A, including the Financial Services Guide (FSG), should be read in conjunction with PDS Part B: Investment Menu Booklet. Any reference to the PDS includes a reference to both PDS Part A and PDS Part B. Neither part alone constitutes a complete PDS. If any part of the PDS is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

A Target Market Determination (TMD) has been issued by us which considers the design of this product, including its key attributes, and describes the target market for this product. A copy of the TMD for this product is available on our website, futurityinvest.com.au.

We recommend that you read the entire PDS and TMD carefully and, if necessary, seek independent professional advice for your specific personal circumstances.

Some words or expressions in this PDS that commence with capital letters have defined meanings in the Glossary.

Information in this PDS is of a general nature and does not take into account your objectives, financial situation or needs. This PDS does not (and is not intended to) contain any recommendations, statements of opinion or advice.

Applications to invest in Futurity Education Bonds can be made using the Application Form that accompanies this PDS. Where you have appointed a Financial Adviser in relation to your Education Bond, your Financial Adviser will be provided online investor portal access to assist you in completing the Application Form and to view information about your Education Bond on an ongoing basis, as set out in the PDS. Your Financial Adviser may provide information and declarations on your behalf where you have authorised them to do so. You remain responsible for the accuracy and completeness of all information provided, whether provided by you directly or by your Financial Adviser on your behalf.

Distribution of this PDS (including by Electronic Means) in countries outside of Australia may be subject to legal restrictions. Persons and entities residing outside Australia, or those who are currently (or become) tax residents of a country other than Australia, who receive or access this PDS should seek independent professional advice for their specific personal circumstances before using or relying on it.

This PDS does not constitute an offer or invitation to invest in Futurity Education Bonds in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

None of Futurity or the investment managers of the Underlying Managed Funds (UMFs), guarantee (whether expressly or impliedly) the return of your invested capital or that the Investment Options will achieve any particular rate or level of returns or meet their investment objectives or performance benchmark targets. Past performance is not indicative of future performance.

Copies of the PDS are available free of charge on our website, futurityinvest.com.au, by contacting us on 1300 345 456, or from your Financial Adviser. If you received the PDS by Electronic Means and would like a copy of the printed PDS, you can have one sent free of charge on request.

Contents

PDS Part A

PDS Part B: Investment Menu Booklet

(See separate accompanying PDS Part B: Investment Menu Booklet)

Introducing Futurity and our Education Bond

The Futurity difference

At Futurity, an investment is never just an investment. It's a way to unlock life's potential – helping you to plan and fund the moments that matter most to you and your family.

Whether it's building for your future, supporting the next generation or protecting what you've worked for, our Education Bonds can help you manage wealth with long-term clarity and confidence. As experts in tax-effective investing outside of superannuation, we offer solutions designed to help you create simple tax-effective ways to achieve your investing ambitions and life plans.

As at June 2026, Futurity had total funds under management of $1.3 billion and almost 45,000 Members. Since 1974, Futurity has helped more than 567,000 Members and paid more than $3.97 billion in benefits to support their goals. As a mutual organisation, we are owned by our Members, not shareholders. That means every decision we make is guided by the people we serve.

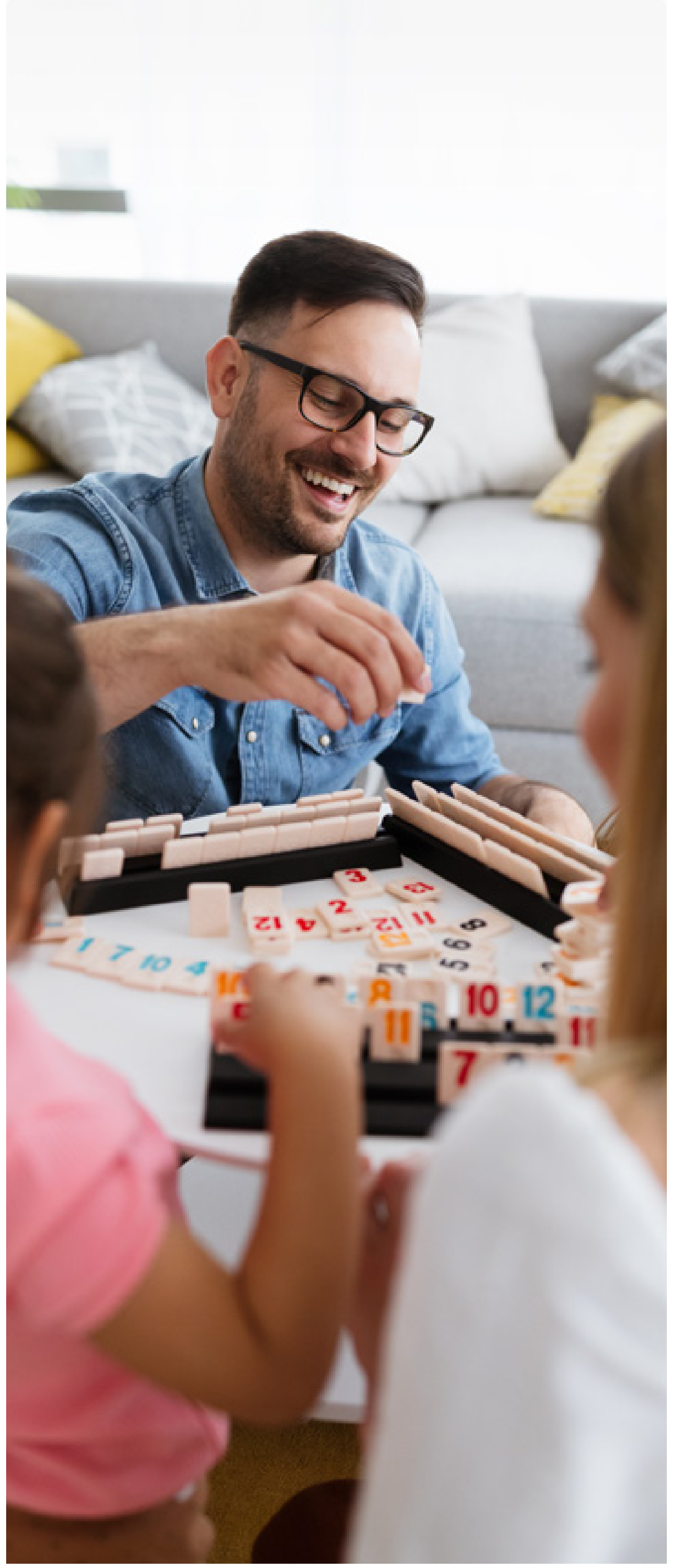
But our commitment goes far beyond Member outcomes. Through our philanthropy and the Futurity Education Foundation, we've helped fund initiatives that create a more equitable education system. We also founded the National Excellence in Teaching Awards in 1994, which has recognised more than 1,120 teachers and school leaders for their outstanding contribution to education.

This is where ambition meets assurance.

Where education meets opportunity.

Where you can unlock life's potential.

Futurity is a prudentially supervised financial institution regulated by the Australian Prudential Regulation Authority (APRA).



About Futurity Education Bond

Futurity Education Bond is designed to tax-effectively save and invest to accumulate funding for your lifelong education-purposed objectives.

The Futurity Education Bond product has the flexibility and features to meet your savings and investment needs for a full spectrum of education courses to serve you, your children, your grandchildren or anyone of your choosing. A Futurity Education Bond can be established to serve a family across multiple generations or can be tailored for just one Education Beneficiary.

Two types of Education Bonds

Family Education Bond

Futurity is the pioneer of Australia's first flexible Family Education Bond that works similarly to a tailored, education-purposed family trust structure to support multiple Education Beneficiaries, but with the inbuilt tax-effectiveness of a conventional education bond.

Under the one Futurity Education Bond, you have flexibility to appoint (and change) up to 10 Education Beneficiaries and make Education Benefit Claims for some or all of them.

OR

Individual Education Bond

With an Individual Education Bond, you nominate only one Education Beneficiary for each Futurity Education Bond.

This one-to-one product structure is designed so all of the benefits are invested in respect of your one nominated Education Beneficiary.

You can use multiple Individual Education Bonds if you wish to set up separate Futurity Education Bonds, for example, to support the children within blended family units.

Key features – Family Education Bond

		Page
Feature description	A Family Education Bond works similarly to a tailored, education-purposed family trust structure to support multiple Education Beneficiaries – but with the inbuilt tax-effectiveness of a conventional education bond.	15-17
Education Beneficiaries	At any one time, you can have up to 10 nominated Education Beneficiaries across two classes under the one Family Education Bond. Appointments and replacements of Education Beneficiaries can be made by you or by Bond Representatives or Bond Guardians (if appointed and authorised by you).	15-17
Education Beneficiary classes	**Family Class** includes you, your spouse (or partner), your children, grandchildren, brothers, sisters, nephews, nieces or any family relative; and/or **Friends Class** includes persons who are unrelated to you such as children of friends or employees, carers, objects of your charitable giving, and for supported or sponsored children.	15
Maximum investment contribution limits	A $1,000,000 maximum contribution limit applies to each Education Beneficiary over the duration of your Family Education Bond.	24
Education Benefit Claims	Flexibly make Education Benefit Claims against your Family Education Bond for one or multiple nominated Education Beneficiaries at the same time.	25-26

Key features – Individual Education Bond

Feature description	A conventional, one-to-one Education Bond structured so as all of its benefits are invested for only one nominated Education Beneficiary.	18-19
Education Beneficiary	Nominate any person (related or unrelated) as the Individual Education Bond's sole Education Beneficiary.	18-19
Multiple Education Bonds	Use separately managed Individual Education Bonds for multiple Education Beneficiaries.	18
Maximum investment contribution limit	A $1,000,000 maximum contribution limit applies over the duration of your Individual Education Bond.	24
Replacing an Education Beneficiary	A replacement Education Beneficiary can be nominated at any time by you or by Bond Representatives or Bond Guardians (if appointed and authorised by you).	18
Education Benefit Claims	Flexibly make Education Benefit Claims against your Individual Education Bond for your nominated Education Beneficiary.	25-26

Additional key features – Family and Individual Education Bonds

		Page
Education courses	Expansive range of Australian and international education courses – pre-school, primary, secondary and higher education; vocational education and training; career-enhancing adult education; and special needs courses.	12
Education expenses	Full spectrum of educational expenses for school, tuition and course fees. Also for books, devices, uniforms, excursions, travel, living expenses and student loan repayments.	12-13
Ownership options	Individual or joint owners (up to three joint owners), companies or trusts (including deceased estates).	27
Bond Representatives	Appoint individual or joint representatives to act for you while you are alive and have legal capacity to act for you (with your chosen level of authority) to exercise Authorised Functions in respect of your Futurity Education Bond.	61
Savings Plan	**Initial Contribution** – min. $1,000 per Education Bond ($100 min. per Investment Option). **Savings Plan contributions** – min. $200 per month ($50 min. per Investment Option). **Savings Plan escalator feature** – automated regular increases (up to 25%) of the previous year's Savings Plan contribution level. **Additional contributions** – min. $500 ($100 min. per Investment Option).	23
Lump Sum Plan	**Initial Contribution** – min. $5,000 per Education Bond ($500 min. per Investment Option). **Additional Contributions** – min. $500 ($100 min. per Investment Option).	23
Dollar cost averaging	A dollar cost averaging facility is accessible for contributions of $25,000 or more. Under this arrangement, the contribution amount is systematically switched into your Default Investment Allocation over a set number of switches on a monthly basis, reducing the impact of market volatility during the entry phase.	23
Investment menu	An expansive menu of 35 Investment Options invested into UMFs of leading Australian and international fund managers. Switch between the menu's Investment Options at any time without personal tax or capital gains tax (CGT) consequences.	PDS Part B
Auto-reweight	Auto-reweight serves as a form of automatic switching designed to keep the Education Bond's investment portfolio aligned to the specified Default Investment Allocation. This facility maintains the investment strategy through the auto-reweight process at a frequency of your choosing – quarterly, half yearly or annually. During the auto-reweight process, units are switched between Investment Options to restore the Education Bond's investment portfolio to its intended weightings according to the Default Investment Allocation at that time.	24
Access to your Education Bond	**Education Benefit Claims and Other Withdrawals (Any Purpose)** – allowed at any time. Both are processed using daily Unit Prices – we aim to do this within seven Business Days. Minimum amounts – Education Benefit Claims: $200 per claim and Other Withdrawals (Any Purpose): $500 per withdrawal.	25-26
Estate planning features	**Future Activated Transfer** – set a Future Activated Transfer for a particular future date or event (such as your death) to transfer your Education Bond to someone else with full preservation of your Education Bond's tax-advantaged status. **Bond Guardian(s)** – appoint individual or joint Bond Guardians to act for you (with your chosen level of authority) to exercise Authorised Functions in respect of your Education Bond if you die or become legally, physically or mentally incapacitated. **Bond Estate Nomination** – 'will-like' nomination feature – appoint multiple Bond Estate Nominees to receive your Bond Balance (in your set proportions) upon a Bond Death Maturity.	29-32
Competitive fee structure	**No entry or exit fees apply.** Depending on your selected Investment Options, ongoing management fees comprising Futurity Management Fees and UMF Investment Fees of between 0.48% p.a. and 1.88% p.a. apply. If you invest more than $50,000, or if your Bond Balance exceeds $50,000, you may be entitled to Reduced Management Fee Scale arrangements which reduces Futurity Management Fees and is applied progressively to your Bond Balance.	34-40

Education Bonds and their purposes

What are Education Bonds?

Futurity Education Bonds are investment-linked life insurance contracts between you and Futurity. Only friendly society-based life companies can issue education bonds – and they carry strong legal protections and security measures under the *Life Insurance Act 1995* (Cth) (Life Act) and stringent APRA prudential supervision.

What are their special tax benefits?

The Futurity Education Bond offers after-tax returns which are taxed at a maximum 30%, a key differentiator from Managed Funds and term deposits where returns are generally subject to your marginal tax rate (MTR) and Medicare levy.

Tax-Paid investing – Futurity Education Bond's Tax-Paid environment offers the advantage of a lower maximum internal tax rate of 30% compared to the higher personal tax rates an individual might typically incur.

Futurity Education Bonds do not distribute. All investment growth is automatically reinvested within this structure, amplifying the long-term benefits of compounding within the Tax-Paid environment.

A valuable Education Tax Benefit – an additional cash amount is automatically included with each Education Benefit Claim due to Futurity fully passing on tax deduction benefits received when we pay Education Benefits.

Tax-Free components – you, your Education Beneficiaries and your estate can access your investment Tax-Free through various avenues (p.48).

Other Withdrawals (Any Purpose) – importantly, if you make withdrawals for any non-education or personal use, advantageous Investment Bond Tax Rules apply.

Futurity Education Bond features

Control
Bond Owner(s) have full control of their investment, whether used for education purposes or for their own changed personal use.

Access
Access at any time for Education Benefit Claims and Other Withdrawals (Any Purpose).

Planning features
Estate and intergenerational wealth transfer planning tools including the appointment of Bond Guardians.

A master fund-like investment menu
35 Investment Options with leading Australian and international managers.

Ease and flexibility of operation
Minimise burdensome annual tax reporting for Bond Owners.

Peace of mind
Secure peace of mind knowing your education funding plans are in place.

Introducing Futurity and our Education Bond

Who can invest?*	Example of education-purposed opportunities
You	**For your own (or a spouse or partner's) lifelong self-education and learning** • Career-related and re-skilling education costs. • Your self-learning – language, arts, cultural, religious courses – perhaps courses for your health and wellbeing.
Parents	**A dedicated, tax-effective way to save and fund children's education** • Establish and keep your education savings separate from other accounts and investments. • Prospective parents and couples planning a family – start your Futurity Education Bond for 'yet-to-be born' Education Beneficiaries.
Grandparents	**Increasingly bear the financial burden for grandchildren's education** • Use a Futurity Education Bond for discretionary distributions for your grandchildren's school fees and higher education costs. • Set up a dedicated education funding vehicle to pre-fund your grandchildren's education costs.
Parents and grandparents	**Secure and confidential estate planning arrangements** • Use Futurity Education Bond's 'will-like' estate planning features to distribute to Bond Estate Nominees without the cost and complication (and potential legal challenges) of wills and estates. • Use the Future Activated Transfer feature to make intergenerational wealth transfers and education provisioning.
Friends, uncles, aunties and godparents	**Set up a low or no maintenance dedicated education investment** • Use a Futurity Education Bond and a Lump Sum Plan for a 'set-and-go' education-purposed investment for a niece, nephew, godchild or children of friends.
Those with charitable objectives	**Charitable sponsorships and individual philanthropy** • Education funding sponsorship for a charity. • Engage in individual philanthropy by providing education funding to support Education Beneficiaries of your choosing.
Trustees	**Simplify arrangements for trustees of family trusts and deceased estates** • A tax-effective, low maintenance alternative to family trusts or testamentary trusts (created under your will) to provide education funding for children and grandchildren. • Futurity Education Bonds are non-distributing and do not generate annual taxable assessable income when funds stay invested in the Education Bond, which may provide efficiency when held as investment assets inside family or testamentary trusts. • Where an Education Bond is owned by a testamentary trust, which is a trust established by a deceased person's will, and an Education Beneficiary who is a minor is a beneficiary of that testamentary trust, special tax concessions under section 102AG of the *Income Tax Assessment Act 1936* (Cth) may apply so that Education Benefits received by that minor beneficiary are not subject to the penalty tax rates that would otherwise apply to minors' unearned income under Division 6AA of that Act.[#]

* We also recommend that you read and consider Futurity's Target Market Determination that is current at the time you complete your Application (available on our website).

\# We strongly recommend that you seek independent professional advice for your specific personal circumstances before establishing a testamentary trust-owned Education Bond in reliance on these concessions.

Eligible education courses and expenses

When funding your education requirements, you can make Education Benefit Claims from your Education Bond's investment earnings to cover a broad spectrum of lifelong eligible education courses and expenses.

Eligible courses and expenses include, but are not limited to, those listed on the following pages.

Lifelong education courses

An Eligible Education Course is a process or program that facilitates gaining knowledge, skills, attitudes, values, beliefs and habits, and excludes a single event program of short duration, such as a standalone seminar or webinar.

Eligible Education Courses include:

- **Pre-school and early learning courses** – whether undertaken in childcare, kindergarten, pre-school or pre-primary school facilities.
- **Primary and secondary school courses.**
- **Higher education courses** – university degrees.
- **Vocational education and training** – including apprenticeships or training offered by registered training organisations.
- **Special education** – education or training programs or remedial courses for those with physical, intellectual or learning disabilities.
- **Career-enhancing courses** – training to gain further qualifications or enhance skills and knowledge to improve career prospects (where costs are not met by an employer).
- **Adult education courses** – courses for those over 18 which need not be career enhancing, such as the arts or a language.
- **Ongoing accreditation** – courses taken for ongoing professional development, professional accreditation or membership to a professional association.

These courses can be Australian and international courses, full-time, part-time, short-form, micro-credential courses, open learning, online courses, college of management, enabling and foundation courses, language courses, remote and home-schooling courses, self-directed learning or casual courses.

Lifelong education expenses

The Education Bond's Eligible Education Expenses are aligned to the range of Eligible Education Courses including:

- course and tuition fees;
- ancillary education expenses;
- living away from home expenses;
- travel expenses to attend Eligible Education Courses;
- student loan repayment; and
- student union fees.

As long as these expenses are incurred while undertaking Eligible Education Courses, they can be compulsory, non-compulsory, voluntary or optional expenses.

Ancillary education expenses

Apart from course fees, there are often ancillary education expenses, which can easily add up to thousands of dollars and demand a greater share of the family budget. Eligible Education Expenses also cover a range of ancillary education expenses including:

- school uniforms;
- books;
- computers, devices and calculators;
- musical instruments;
- performing arts materials;
- excursions and camps; and
- sports and other education-related equipment, fees and/or materials.

Living away from home education expenses

Education living expenses can be claimed for Education Beneficiaries living away from home – perhaps undertaking university studies in shared rental or on-campus accommodation. These include day-to-day general living expenses for accommodation, utility expenses and other reasonable outgoings related to undertaking Eligible Education Courses.

These costs might otherwise need to be met by you as parents or even by students working part-time, which may be a distraction from their studies.

Education Benefit Declaration

You do not have to support every Education Benefit Claim by giving us receipts and invoices.

You, as Bond Owner, or your authorised Bond Representative, Bond Guardian (in certain circumstances) or Education Beneficiary over 16 years of age, simply makes an Education Benefit Declaration in the claim form, that an Education Benefit Claim relates to an Eligible Education Course and/or an Eligible Education Expense that has been paid or is due and payable.

Generally, Futurity will rely on your Education Benefit Declaration. However, we can request proof from you to validate any Education Benefit Claim, such as by giving us receipts or invoices, by you making a further declaration. It is recommended that Bond Owners keep appropriate records and documentation supporting their Education Benefit Claims.

Futurity Education Bond

Family Education Bond

What are Family Education Bonds

These are Education Bonds with discretion for you to appoint and remove multiple Education Beneficiaries under the one flexible Futurity Education Bond.

A Family Education Bond operates similarly to an education-purposed discretionary trust to tax-effectively invest and make discretionary lifelong education funding distributions (Education Benefit Claims) for your family and friends.

Who can be nominated?

Education Beneficiaries can be any age. At any one time, you can have up to 10 nominated Education Beneficiaries across two classes under the one Family Education Bond.

Family Class includes you, your spouse (or partner), your children, adopted children, stepchildren, grandchildren, step grandchildren, a parent, sister, brother, uncle or aunt, descendant or remoter issue.

Friends Class covers your friends, carers, employees, persons who are objects of your charitable or philanthropic giving, bequests and benevolent causes.

You can commence your Education Bond without initially having any Education Beneficiaries in place, choosing to make your nominations from the Family or Friends Class at a future date.

You may appoint and remove Education Beneficiaries at any time. Bond Representatives and Bond Guardians can also do this, if authorised by you.

Education Benefit Claims

When you need access to funds, Education Benefit Claims can be easily made at any time for your nominated Education Beneficiary(s). Separate claims must be made for each nominated Education Beneficiary.

You can appoint Bond Representative(s) (such as a child's parent) to have access to your Education Bond for making these claims and other Authorised Functions that you allow.

John
Mary

FAMILY
EDUCATION BOND

Family Education Bonds can cater to multiple beneficiaries in the one Education Bond

David
Margaret

FAMILY
EDUCATION BOND

Establish an education funding legacy for your grandchildren

Ideas For Family Education Bonds

- Create multiple Family Education Bonds for each limb of a large family group to support their education needs.
- Use Family Education Bonds as investment assets inside family trusts, education trusts or deceased estates to manage the education needs of beneficiaries.
- For simplifying complex wills and legal estates, use a Family Education Bond as a tax-effective, low-cost and low-maintenance alternative to creating testamentary trusts to support the education needs of children under your will.
- Use multiple Family Education Bonds to fund education for different family groups, particularly in the event of a divorce or family separation.

Who's involved with your Family Education Bond

BOND OWNER(S)

This is you, the investor(s) who owns and controls the Futurity Education Bond.

Optional roles
Available at Application or after establishment.

Bond Representative(s) (optional)

Someone who can act for you while you are alive.

Bond Guardian(s) (optional)

Someone who acts for you if you die or are incapacitated.

Bond Estate Nominees (optional)

You can set how your Education Bond's proceeds will be distributed upon a Bond Death Maturity.

FAMILY
EDUCATION BOND

We manage and administer your Family Education Bond, including establishment, Savings Plan and additional contributions, investment switching, Education Benefit Claims and Other Withdrawals (Any Purpose).

Investment menu
We manage the menu of 35 Investment Options, which we invest into the UMFs of leading Australian and international investment managers.

- FUTURITY MANAGED – 3 Investment Options
- DIVERSIFIED – 16 Investment Options
- SECTOR-SPECIFIC – 16 Investment Options

LIFE/LIVES INSURED

The person or multiple persons upon whose death(s) a Bond Death Maturity will be triggered. This can be you, your Education Beneficiary(s) or someone else.

MULTIPLE EDUCATION BENEFICIARIES

Your discretion to add or remove up to 10 nominated Education Beneficiaries from the Family Class and/or Friends Class under one Family Education Bond.

Individual Education Bond

What are Individual Education Bonds

An Individual Education Bond is established and operated for one sole Education Beneficiary.

There can be a variety of family and other circumstances giving rise to a preference for using Individual Education Bonds, including:

- for single child families or for sponsors setting up an Individual Education Bond for a particular child, such as a favourite niece or nephew;
- in family situations to align separate Individual Education Bonds to the different ages, education goals and timeframes of individual children; or
- to maintain the confidentiality and privacy of different arrangements between the Education Beneficiaries. This might be desirable in 'blended' family situations with children from current and previous relationships.

Who can be nominated?

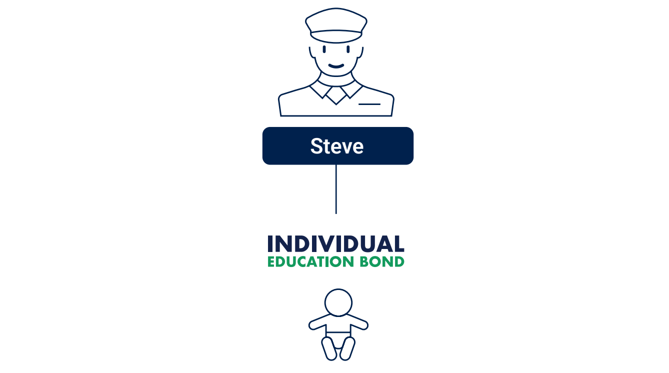
Any natural person (related or unrelated) of any age can be nominated, including yourself, as the sole Education Beneficiary.

You can also establish an Individual Education Bond without nominating an Education Beneficiary at commencement.

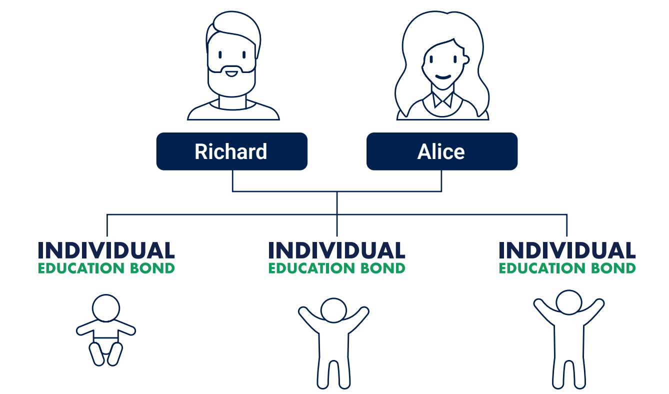
The Individual Education Bond simply accumulates and remains in place without an active Education Beneficiary until you are ready to nominate one. The only requirement is that your Individual Education Bond is created with the purpose and intention of making an Education Beneficiary appointment.

Changing an Education Beneficiary

Should you want to change the Education Beneficiary, you can nominate a replacement at any time. Bond Representatives and Bond Guardians can also do this, if authorised by you.



Set up an Individual Education Bond for one beneficiary

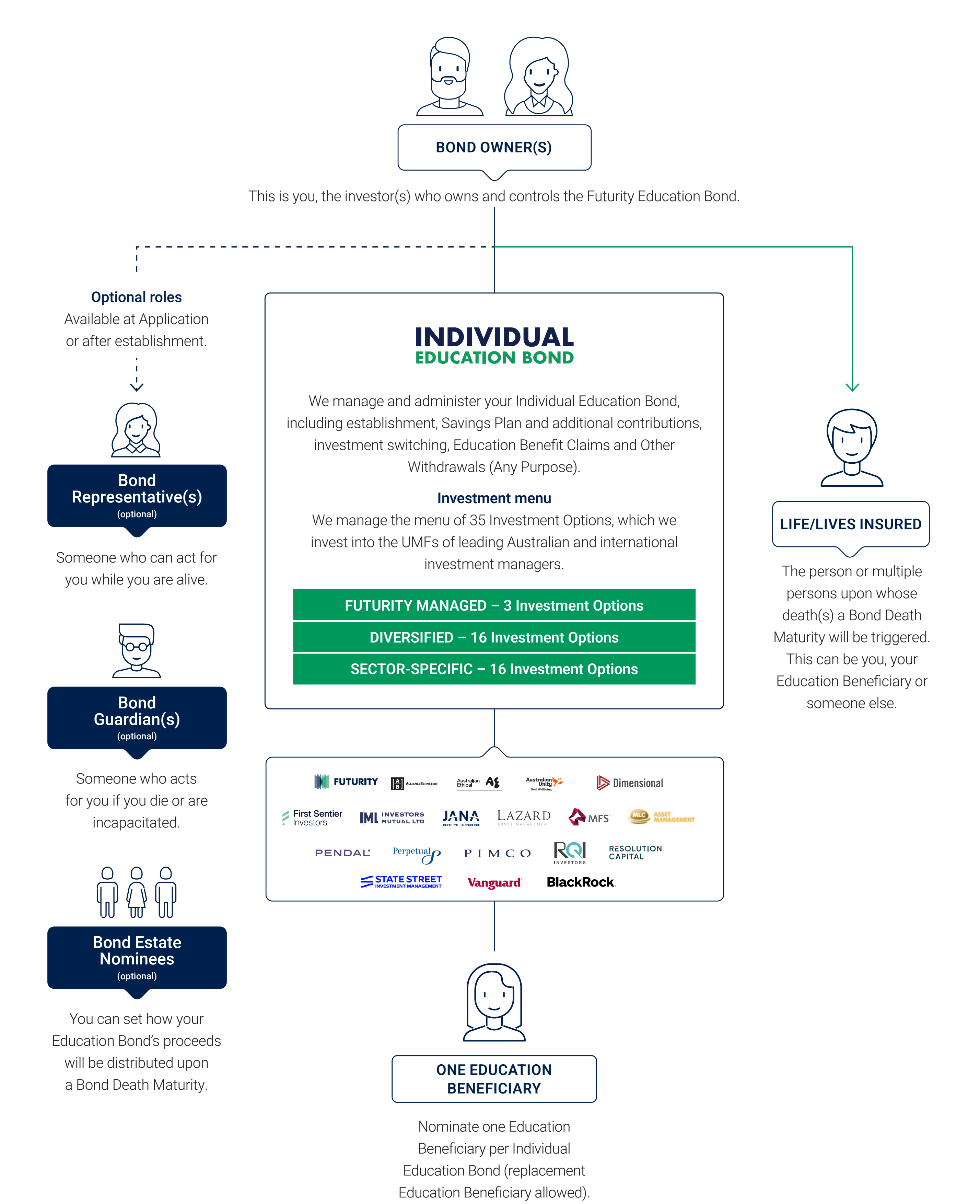


Establish Individual Education Bonds within a blended family for equality and certainty

Ideas For Individual Education Bonds

- Create education-purposed endowments for a child or grandchild.
- Single child families.
- Blended family situations.
- Split family circumstances.
- Special arrangements for estranged family members or a special needs child within a single family or large family group.

Who's involved with your Individual Education Bond



How your Education Bond works

Stages of your Education Bond

Stage 1

Establish your Education Bond

Establish your Education Bond

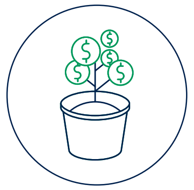
Choose your Education Bond type and ownership type

- Choose a Family Education Bond or an Individual Education Bond.
- Specify your ownership type – Bond Owners can be individual or joint owners, a company or a trust.
- Nominate yourself and/or some other person(s) as your Education Bond's Life Insured (p.27) (eg. Education Beneficiaries).
- Optionally, you can appoint Bond Representatives (p.61) and/or Bond Guardians (p.60).
- Estate planning – you can also make a Future Activated Transfer arrangement (transfers generally occur without personal tax or CGT implications) (p.30 and p.49) or Bond Estate Nomination for estate planning (p.31).

Select your plan type and investment mix

- Decide on a Savings Plan or a Lump Sum Plan (p.23).
- Allocate your contribution across the Education Bond's menu of 35 Investment Options. (See PDS Part B).

Stage 2



Manage and grow, control and access

Manage and grow your Education Bond

- Growth occurs within a tax-effective Education Bond environment (p.46) and is reflected in the performance of your selected Investment Options, plus any additional contributions that you make.
- You can switch between your Education Bond's Investment Options at any time without incurring personal tax or CGT liabilities (p.24 and p.48).

You have full control and full access

- At all times, you have full control and discretion to manage your Education Bond.
- You can also make Education Benefit Claims or Other Withdrawals (Any Purpose) (p.25).
- You can transfer your Education Bond to another person with immediate effect (transfers generally occur without personal tax or CGT implications) (p.28 and p.49).

Stage 3

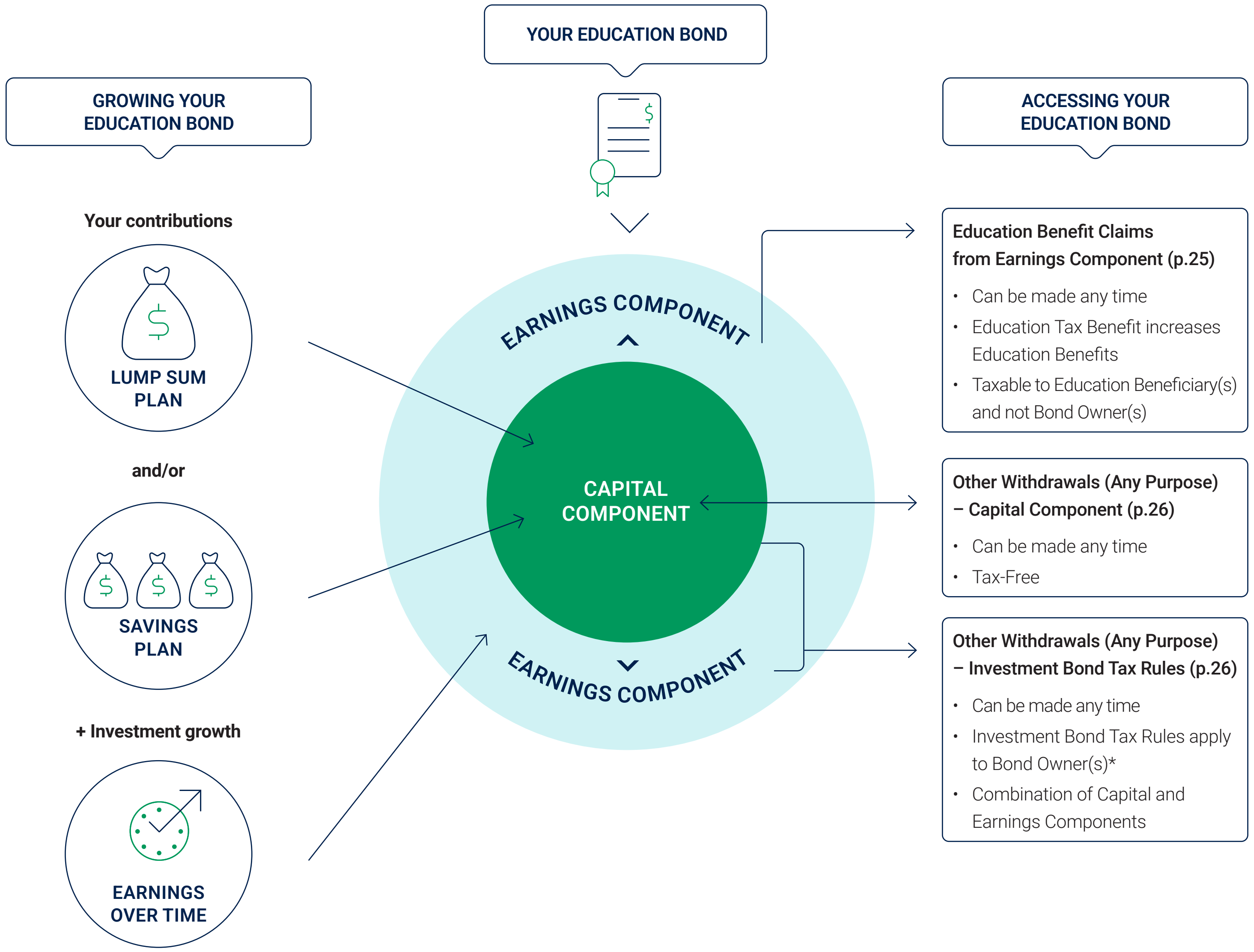
Estate planning and bond maturity

Estate planning and bond maturity

- If you do not fully draw down your Education Bond, the estate planning arrangement you have selected would occur (as applicable):
  - your Future Activated Transfer arrangement will occur where the ownership of your Education Bond is automatically transferred to your nominated transferee (p.30); or
  - a Bond Death Maturity occurs where the Bond Balance is paid to your Bond Estate Nominee(s) and/or your Legal Personal Representative (LPR) (p.31).

Components of your Education Bond

It is important to understand that your Education Bond works with a Bond Capital Component and a Bond Earnings Component. The sum of these two components at any time equals your Bond Balance.



* Other Withdrawals (Any Purpose) Investment Bond Tax Rules (p.50)

- Investment Bond 10-Year Advantage – Withdrawals are Tax-Free receipts after 10 years where the Investment Bond 10-Year Advantage applies.
- Withdrawals within 10 years – the Earnings Component is assessable to Bond Owner(s) with a 30% tax offset benefit.
- Withdrawals due to death, financial hardship, accident, other disability or serious illness are at all times Tax-Free (p.48).

Making contributions and managing your Education Bond

There are two ways to make initial contributions to a Futurity Education Bond.

Lump Sum Plan

You can establish your Education Bond by making a single 'once-off' Lump Sum Plan Initial Contribution.

Lump Sum Plans may suit those wanting to establish their Education Bond with a larger Capital Component aligned to say, a Family Education Bond's long-term education funding objectives.

Minimum Initial Contribution is $5,000 per Education Bond with a minimum investment amount of $500 for each selected Investment Option.

Savings Plan

Savings Plans can be started with a low $1,000 Initial Contribution and you can flexibly adjust the level and frequency of your regular savings amount.

- Minimum Initial Contribution is $1,000 per Education Bond with a minimum of $100 per Investment Option.
- Ongoing minimum regular Savings Plan contributions of $200 per calendar month with a minimum of $50 per Investment Option.
- Frequency of your regular Savings Plan contributions – fortnightly, monthly, quarterly, half yearly or annually.

Savings Plans are ideal for building dedicated education funding for primary and secondary school fees. You can save and grow your investment to the Paid-Up Status, from which you can start drawing down to finance the education costs.

Savings Plan escalator feature – for Savings Plans, you can set a percentage (up to 25%) by which your regular Savings Plan contributions will automatically increase each year. The escalation in your regular Savings Plan amount will occur each year on the anniversary of your Education Bond's Commencement Date. You can increase or decrease your rate of escalation at any time by contacting us. By escalating within these limits, you preserve the Investment Bond 10-Year Advantage (p.51).

Paid-Up Status – a Savings Plan will be classified as reaching 'Paid-Up Status' once the total net contributions received has reached $5,000.[1] Once this level is reached, you can make Education Benefit Claims and Other Withdrawals (Any Purpose).

Default Investment Allocation

Futurity Education Bonds provide the versatility to invest across a wide range of Investment Options through a chosen Default Investment Allocation. This allocation strategy, established during the initial setup of the Education Bond, serves as the primary instruction for initial and future additional contributions, whether they are made via a Savings Plan or ad-hoc additional contributions. Furthermore, the Default Investment Allocation will be used for the auto-reweight and dollar cost averaging features.

The Default Investment Allocation can be updated at any time. However, new instructions will only apply to future contributions.

Additional contribution

Additional contributions can be made at any time to your Education Bond. The minimum additional contribution is $500 per Education Bond with a minimum of $100 per Investment Option.

Additional contributions will be processed according to your Default Investment Allocation.

Dollar cost averaging

You can choose to implement dollar cost averaging to your Initial Contribution or additional contributions to be progressively switched on a monthly basis (up to a maximum of 12 switches). As these investments will be applied for at varying prices, the cost of gaining exposure to your chosen Investment Option(s) is 'averaged' over time.

[1] This also allows you to convert from a Savings Plan to a Lump Sum Plan if you choose.

The minimum contribution required for dollar cost averaging is $25,000 per Initial Contribution or additional contribution. Your contribution will be initially invested in the Futurity Sectoral Active – Cash Investment Option (or another cash Investment Option as we determine from time to time) and progressively switched into your chosen Investment Options according to your Default Investment Allocation.

Maximum contribution limits

For an Individual Education Bond, a maximum $1,000,000 contribution limit applies for each Education Bond. (This is the total of your initial, additional and Savings Plan contributions made over the life of your Education Bond.)

For Family Education Bonds, the $1,000,000 maximum contribution limit applies to each nominated Education Beneficiary over the duration of your Family Education Bond. (This is the total of your initial, additional and Savings Plan contributions made for each nominated Education Beneficiary.)

The total amount of contributions for Family Education Bonds is much higher because the limit applies to up to 10 nominated Education Beneficiaries.

This maximum limit is set to maintain the integrity of the Education Bond, as being funded to a limit that is commensurate with its design and purpose and also to operate as an investment to meet the future expected education expenses of Education Beneficiaries.

Switching

You are able to switch between Investment Options on the menu at any time by completing a switch instruction. Minimum switching amounts of $100 per switch transaction apply, with the minimum balance remaining in an Investment Option after a switch has been completed to be $500.

The PDS may be updated or replaced from time to time. Before making any switches, you should obtain a current PDS from our website, futurityinvest.com.au, and consider obtaining advice from a Financial Adviser.

Futurity has discretion under the Product Rules to restrict or limit switching rights, by limiting the number of switches in certain periods and by imposing minimum/maximum switching amounts and balances.

Auto-reweight

Market movements over time will affect the value of your investment and may cause your portfolio investment allocation to deviate from your Default Investment Allocation.

Auto-reweight serves as a form of automatic switching designed to keep your Education Bond's investment portfolio aligned to its Default Investment Allocation. This feature maintains your investment strategy through the auto-reweight process at a frequency of your choosing – quarterly, half yearly or annually.

During the auto-reweight process, units are switched between Investment Options to restore the Education Bond's portfolio investment allocation to its intended weightings according to the Default Investment Allocation at that time.

While there is an active dollar cost averaging amount outstanding, auto-reweight cannot be activated in your Education Bond. If a dollar cost averaging instruction is received while auto-reweight is active in your Education Bond, the auto-reweight will be cancelled. Auto-reweight can be activated once the dollar cost averaging has been completed.

Auto-reweight may be subject to the minimum contribution or switching requirements that apply. Although there are no fees associated with using the auto-reweight feature, it will create switch transactions, so buy/sell costs will apply. Please refer to the 'Buy/Sell costs' section for further details.

How your Education Bond works

Accessing your Education Bond

You can access your Education Bond at any time in three ways.

Access type	Purpose of access	Who is treated as receiving the amounts for tax purposes?	Tax status of amount received#
Education Benefit Claims*	Eligible Education Courses and Expenses	Education Beneficiary who is a minor under age 18 (other than excepted, see below)	Taxed at MTRs applicable to minors with a $416 Tax-Free threshold (for Australian tax residents)
		Education Beneficiary who is an excepted minor under age 18 or receiving excepted income for minors^	Taxed at MTRs applicable to adults with a $18,200 Tax-Free threshold (for Australian tax residents)^
		Education Beneficiary aged 18 or over	Taxed at MTRs applicable to adults with a $18,200 Tax-Free threshold (for Australian tax residents)
Other Withdrawals (Any Purpose) – Capital Component	Any purpose	Bond Owner – any time	Tax-Free at all times
Other Withdrawals (Any Purpose) – Investment Bond Tax Rules	Any purpose	Bond Owner – access before 10 years	Earnings Component of the withdrawal is generally assessable to you as Bond Owner at your MTR within 10 years of the Commencement Date with a 30% tax offset
		Bond Owner – access where the Investment Bond 10-Year Advantage applies	Tax-Free at all times

Please refer to the 'How the tax framework operates' section for more information.

* Education Tax Benefits will be included.

^ We strongly recommend that you seek independent professional advice for your specific personal circumstances before establishing an Education Bond in reliance on these concessions.

Accessing your Education Bond for education purposes – Education Benefit Claims

Education Benefit Claims can only be made for Eligible Education Courses and/or to meet Eligible Education Expenses. These claims will be automatically processed by us from your Education Bond's Earnings Component.

Importantly, an Education Tax Benefit will be included. This benefit represents a refund of the tax already paid by Futurity on the investment earnings and is equal to $30 for every $70 withdrawn from the Earnings Component of your Education Bond (at current tax rates).

Who can make Education Benefit Claims?

Education Benefit Claims are generally intended to be made by you as the Bond Owner.

You can authorise Bond Representatives or Bond Guardians (in certain circumstances) to make Education Benefit Claims from your Education Bond. If the Education Beneficiary is over 16 years of age, you can authorise them to make Education Benefit Claims directly.

Who will we pay Education Benefit Claims to?

Education Benefit Claims will normally be paid to you as Bond Owner to be applied in meeting the education expenses of the Education Beneficiary to whom the claim relates.

If authorised by you in writing, claims can be paid to your Education Beneficiaries that are over 16 years of age, Bond Representatives or Bond Guardians.

Important Note – You should consider the taxation consequences of the various ways of accessing your Education Bond before submitting your request. Education Benefit Claims create an annual tax statement to the nominated Education Beneficiary. We recommend that you seek independent professional advice for your specific personal circumstances.

Education Benefit Declaration

Supporting receipts and invoices are generally not required when making an Education Benefit Claim. You as Bond Owner, or your authorised Bond Representative, Bond Guardian (in certain circumstances) or Education Beneficiary over 16 years of age, simply makes an Education Benefit Declaration in the claim form that an Education Benefit Claim relates to an Eligible Education Course and/or Expense that has been paid or is due and payable for an Education Beneficiary.

Futurity will usually rely on your Education Benefit Declaration, however under the Product Rules, we can request proof from you, such as by giving us receipts or invoices, or by you making a further declaration to validate any Education Benefit Claim. It is recommended that Bond Owners keep appropriate records and documentation supporting their Education Benefit Claims.

Making multiple Education Benefit Claims

With a Family Education Bond, you can make a claim for multiple nominated Education Beneficiaries at the same time. Your claim form must stipulate each nominated Education Beneficiary, as each of these are treated as separate Education Benefit Claims allocated to each specific Education Beneficiary.

Accessing your Education Bond for non-education purposes – Other Withdrawals (Any Purpose)

Although the tax rules require a product such as the Futurity Education Bond to be issued for the sole purpose of providing Education Benefits to meet education expenses of the nominated Education Beneficiary, they also allow for a Tax-Free return of the Capital Component to the Bond Owner, and withdrawals under Investment Bond Tax Rules where the personal tax liability, if any, is borne by the Bond Owner (and not the Education Beneficiary).

Accordingly, you have flexibility to access your investment by making Other Withdrawals (Any Purpose) at any time. These withdrawals can be for any personal use.

When making Other Withdrawals (Any Purpose), you can choose whether they are sourced from your Capital Component or whether Investment Bond Tax Rules should apply. You simply need to complete the relevant sections of the claim form and select your preferred withdrawal type.

As these types of withdrawals can be used for non-education related expenses, it will not be increased by the Education Tax Benefit in the same way as for Education Benefit Claims.

Other Withdrawals (Any Purpose) – Capital Component

You can access your Education Bond's Capital Component at any time Tax-Free. This component comprises your contributions made from monies that you have already personally paid tax on or are capital sums (p.49).

Other Withdrawals (Any Purpose) – Investment Bond Tax Rules

Where Investment Bond Tax Rules apply, we automatically process the Other Withdrawal (Any Purpose) partially from each of the Capital and Earnings Components based on an established formula determined by the Australian Taxation Office (ATO) (p.50).

Education Benefit Claims and Other Withdrawals (Any Purpose) – information

The minimum Education Benefit Claim is $200 and the minimum Other Withdrawal (Any Purpose) amount is $500 per claim.

Education Benefit Claims and Other Withdrawals (Any Purpose) are unable to be made from a Savings Plan that has not reached its Paid-Up Status (p.23) of $5,000.

For Education Benefit Claims and Other Withdrawals (Any Purpose), the minimum Bond Balance of $500 (and $500 per Investment Option) must be maintained.

Unless instructed otherwise by you at the time of the Education Benefit Claim or request for an Other Withdrawal (Any Purpose), we will process these proportionately across all Investment Options currently held as part of your Education Bond.

Education Benefit Claims and Other Withdrawals (Any Purpose) will usually be processed by us within seven Business Days.

Other important information about your Education Bond

Bond participants

Bond ownership

You can establish your Education Bond with a variety of ownership options.

Individual and joint individuals

An Education Bond can be owned by up to three individual persons – no upper age limit applies to bond ownership.

When multiple individuals own an Education Bond, they hold the Education Bond as joint Bond Owners. This gives rise to a basic estate planning outcome. In the event of a joint Bond Owner's passing, its full ownership will automatically pass to its surviving joint Bond Owner(s). Importantly, this occurs without having to go through will and legal estate procedures.

When your Education Bond is jointly owned, you can instruct us as to who or which combination of joint Bond Owners have authority to give binding instructions (and sign) in respect of Bond Transactions. It is important to note that in certain circumstances, such as due to litigation between Bond Owners, divorce, separation or family disputes, Futurity has discretion to override these instructions.

Children

A child aged 10[2] or older can own an Education Bond. For children from 10 years of age to under 16 years of age, the consent of a parent or legal guardian is required. Until the child reaches 16 years of age, they are only able to transact on the Education Bond with their parent or legal guardian's consent.

When the child reaches 16 years of age, they will become the Bond Owner in their own capacity and will have full control and rights over the Education Bond.

Companies, trusts and trustees

An Education Bond can be owned by companies and trusts (including deceased estates). It is not possible to appoint Bond Estate Nominees for these ownership types.

Education Bonds can be held as investment assets inside trusts, such as discretionary or family trusts established by deeds, or testamentary trusts which are created in your will.

While Futurity will establish an Education Bond in the name of a trustee, and we might be in receipt of documentation about the trust and its beneficiaries[3], this does not constitute us as having actual or constructive notice of the trust's terms, nor impose obligations on us in respect of the trust. These are your separate and private trust matters outside of your Education Bond's terms.

An Education Bond can also be owned by an individual or a company acting in the capacity of a trustee for other persons. This can be simply done by them applying for a Education Bond as a 'trustee for some other named person(s)' and us registering them in this fashion. Such simple trusteeship declarations might be used by parents to hold Education Bonds as trustees for their children, especially for children under age 10.

Life Insured

This is the person or multiple persons whose death will prompt a Bond Death Maturity.

The Life Insured must be a natural person who can be the owner (but does not have to be). The Life Insured does not need to be related to the owner or be a dependant.

Where a company or trust owns an Education Bond, individual Life/Lives Insured still need to be specified.

Life/Lives Insured can be added to an Education Bond at any time. However, a Life Insured cannot be removed once appointed because traceability must be maintained to the Education Bond's original Life Insured so as to not jeopardise its Investment Bond tax treatment status by creating a new Education Bond.

[2] Under the Life Act, an Education Bond cannot be owned by a child under age 10.
[3] For instance, we might be given such information and documentation for the purpose of Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Laws.

Bond term

Your Futurity Education Bond has a maximum bond term of 99 years by default. However, you can make Education Benefit Claims and Other Withdrawals (Any Purpose) at any time. The bond term applied does not impact your ability to access your Education Bond when you need it. The bond term can be changed at any time by completing the form available on our website.

Your Bond Balance

What is your Bond Balance?

This is the total value of your Unit Holding (as measured by the current Unit Price) of each of your selected Investment Options and is also equal to the addition of your Education Bond's Capital and Earnings Components.

Minimum Bond Balance – your Education Bond is subject to an ongoing minimum balance of $500 (and $500 per Investment Option).

If you are unable to maintain this minimum or your Bond Balance falls below it, we may contact you about ways to rectify the situation, which might include discussing taking steps to close your Education Bond.

Futurity will generally not process an Education Benefit Claim or other Bond Transaction that might cause the minimum Bond Balance to be breached, but has discretion to do so.

Education Bond transfer

You can transfer your Education Bond at any time.[4]

A transfer can be made with immediate effect. This means that upon the date that Futurity registers a transferee specified by you as the transfer recipient, they will become the new owner of the Education Bond.

From a legal standpoint, your transferee simply replaces you as Bond Owner. The transferee has full access and control, and you cease all rights and interests in the Education Bond.

From a tax standpoint, the transfer occurs with full preservation of its tax-advantaged status, such as maintaining its advantages under Investment Bond Tax Rules (including its Commencement Date) and retaining the pre-transfer apportionment between the Education Bond's Capital and Earnings Components (p.49).

Education Bond transfers enable you to tax-effectively achieve intergenerational wealth transfers.

An Education Bond transfer will automatically cause any Future Activated Transfer and Bond Estate Nomination to be cancelled. The appointment of any Appointed Associates will also be cancelled unless otherwise instructed by the nominated transferee. Existing Savings Plan, dollar cost averaging and auto-reweight arrangements will also be removed upon transfer.

Asset protection

Situations can arise where a Bond Owner might have personal financial problems, such as caused by serious debt, litigation liability actions or even bankruptcy proceedings.

As a form of life insurance investment contract, Education Bonds enjoy special protections from creditors under Australian bankruptcy laws.

Similar type of protections apply to your superannuation benefits, which have an unlimited level of protection. Generally, an Education Bond held by a Bond Owner is protected from creditors, where the Bond Owner (or the Bond Owner's spouse, including de facto spouse) is also the Life Insured.

[4] A Bond Owner must be at least 16 years of age to transfer an Education Bond to another person.

Estate planning

Estate planning

Estate planning features

Futurity Education Bonds have valuable estate planning tools to help you meet your future education funding plans, as well as your estate planning objectives.

Establish 'peace-of-mind' arrangements for your estate's affairs by planning ahead with certainty over who, how and when your wealth will be distributed to your next generation. You can do this with the Future Activated Transfer feature, where your Education Bond's ownership can be automatically programmed to shift from the Bond Owner(s), to other persons, including your Education Beneficiaries either as part of a succession plan arrangement or on the death of the Bond Owner(s).

Alternatively, you can use the Bond Estate Nomination feature to achieve tax-effective inheritances. Your Education Bond's proceeds will be distributed to your Bond Estate Nominees (on a Tax-Free basis) in line with beneficiary allocations determined by you.

You can also support your Education Bond investment in meeting your future education funding and estate planning arrangements by appointing a Bond Guardian to act for you (with your chosen level of authority) if you die or become legally, physically or mentally incapacitated.

Importantly, before your arrangements take effect, you have full ownership and control of your Education Bond if you have a change of mind about the arrangements or a change in your own financial situation.

If you do not elect to use the Future Activated Transfer or Bond Estate Nomination features, and your Education Bond comes to an end due to a Bond Death Maturity event, then its full Bond Balance will be paid to you (where you are not the Life Insured) or your LPR.

Future Activated Transfer

With the Future Activated Transfer feature, your Education Bond's ownership can be automatically programmed to shift from you as its original Bond Owner(s) to your nominated transferee to receive the Future Activated Transfer, including your Education Beneficiaries.

It automatically shifts ownership of your Education Bond to your nominated transferee to occur:

- at a set future date; or
- upon the passing of the Bond Owner(s).[5]

[5] Future Activated Transfers upon the happening of certain events are not available to company or trust Bond Owners.

If the last surviving Bond Owner dies prior to the Future Activated Transfer becoming operative, their Bond Guardian(s) (and, if not appointed, the last surviving Bond Owner's LPR) will hold the Education Bond in trust until the Future Activated Transfer becomes operative.

Your nominated transferee will receive ownership of the Education Bond in its tax-advantaged state without the existing Bond Balance being impacted.

Until then, you have full control and access to your Education Bond, including using the Education Bond for your own purposes.

A Future Activated Transfer will not become operative at Law until both the Bond Owner and the transferee have signed the memorandum of transfer and it has been registered by Futurity. Where possible, Futurity will recognise and effect the transfer upon the Bond Owner having fully completed the memorandum of transfer initially, when adding the Future Activated Transfer arrangement to the Education Bond, subject to the nominated transferee subsequently accepting the terms of the transfer.

A Future Activated Transfer being operative will automatically cause any Bond Estate Nomination to be cancelled. The appointment of any Appointed Associates will also be cancelled unless otherwise instructed by the nominated transferee. Existing Savings Plan, dollar cost averaging and auto-reweight arrangements will also be removed upon transfer.

Bond Estate Nomination feature

Your Education Bond has a 'will-like' Bond Estate Nomination feature that operates with the basic functionality of a conventional will.

You simply nominate one or more Bond Estate Nominees[6] and set percentage entitlements for your Bond Balance to be distributed in the event of a Bond Death Maturity. Your Bond Balance will then be distributed to your selected Bond Estate Nominees (on a Tax-Free basis) in line with your beneficiary allocations.

With a Bond Estate Nomination, your Bond Balance passes directly to your Bond Estate Nominees. As this occurs outside of your will and legal estate, these arrangements also avoid any delays and costs of obtaining probate or administration of your estate. Importantly, as 'non-estate' distributions, a Bond Estate Nomination potentially avoids the risks of legal action often associated with contested estate and disputed wills.

Bond Estate Nominations can be cancelled or amended by you at any time. Before making a Bond Estate Nomination you should consider obtaining advice from a Financial Adviser or legal adviser.

Survivorship rules between your Bond Estate Nominees

Joint survivorship

Bond Estate Nominations are usually set to work under joint survivorship rules in the event of a Bond Death Maturity.

This means that if you have appointed multiple Bond Estate Nominees and one pre-deceases the others, then their share of the Bond Balance is automatically redistributed to the other surviving nominees. This redistribution is made on a pro-rata basis according to the surviving Bond Estate Nominees proportional entitlements as set by you in the Bond Estate Nomination Form.[7]

It also means that you do not need to remember to change your Bond Estate Nomination in the event of the death of one of your Bond Estate Nominees.

'Down-the-line' survivorship

You can also set your Bond Estate Nomination to operate with a different mode of survivorship by instructing a 'down-the-line' outcome.

This survivorship mode, instead of automatically re-distributing a deceased Bond Estate Nominee's share to the other surviving Bond Estate Nominees, will direct us to pass this share 'down-the-line' to their LPR to deal with in accordance with their will and legal estate arrangements.

We have a specially tailored Bond Estate Nomination Form for 'down-the-line' Bond Estate Nominations. Please contact us for this form, and we recommend that you seek independent professional advice for your specific personal circumstances for this type of nomination.

[6] Besides nominating individual persons, Bond Estate Nominees can also be legal entities such as companies and incorporated associations and therefore can be used for making charitable bequests.

[7] This redistribution only applies to Bond Estate Nominees who are individual natural persons, and if none survive you then your Bond Estate Nomination becomes of no effect.

Partial Bond Estate Nominations

You also have the option to make a partial Bond Estate Nomination by indicating that less than 100% of your Bond Balance will apply to your Bond Estate Nomination. For instance, if you nominate three Bond Estate Nominees to receive 30% each (or 90%) of your Bond Balance, the remaining 10% will be left to pass under your will and legal estate arrangements.

Appointing Bond Guardian(s)

You can appoint one or more (up to three) Bond Guardians to act in your capacity as Bond Owner in the event of the death or legal, physical or mental incapacity of the last surviving Bond Owner.[8]

Bond Guardians must act in the best interests of, firstly, your Education Beneficiaries and, secondly, any Bond Estate Nominees or Future Activated Transfer recipients (if appointed). So, it is important to appoint someone who can be trusted and is a competent person.

Bond Guardians have basic authorised functions covering things such as receiving reports and statements and having access to your Education Bond and personal details.

In the Application Form (or by later written instructions to Futurity), you can also expand the Bond Guardian's level of authority to do certain additional functions on your behalf including:

- giving us Investment Option switching instructions;
- making contributions and Education Benefit Claims or Other Withdrawals (Any Purpose); and
- appointing, removing and replacing Education Beneficiaries.

A Bond Guardian is strictly limited to Authorised Functions and they cannot change the Education Bond's Life Insured, Bond Estate Nominees, Future Activated Transfer arrangements or the Bond Owner's personal details.

Terms and conditions apply to using the Bond Guardian facility (p.60).

What if I die without appointing Bond Guardian(s)?

If you, as the last surviving Bond Owner, die while there is a surviving Life Insured on your Education Bond without appointing a Bond Guardian(s), your Education Bond will be held in trust by your LPR. It will continue to be administered by your LPR for the benefit of your Education Beneficiaries, and ultimately when this purpose ends, be distributed to your Bond Estate Recipients or transferred to your Future Activated Transfer recipient.

[8] There are no personal tax or CGT implications for a Bond Guardian fulfilling this role.

Fees and other costs

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better investor services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs, where applicable, if you are a wholesale or professional investor. Ask us or your Financial Adviser.

To find out more

If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website, moneysmart.gov.au, has a Managed Funds fee calculator to help you check out different fee options.

The fees and other costs that you may be charged are outlined in the following section. These fees and costs may be deducted from your investment, from the returns on your investment or from the assets of the Investment Options as a whole. Refer to the 'How the tax framework operates' section for information about the impact of taxes on your investment.

You should read all of the information about fees and costs because it's important to understand their impact on your investment.

Type of fee or cost	Amount	How and when fees are charged
Fees when your money moves in or out of the Education Bond		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable

Type of fee or cost	Amount	How and when fees are charged
Management fees		
The fees for managing your investment have two components. A detailed breakdown of management fees for all Investment Options on the menu is in the table on pages 36-37.	**1) Futurity Management Fees** 0.70% p.a. for all Investment Options, other than 0.40% p.a. for the Futurity Sectoral Active – Cash Option.	Calculated daily on the net asset value of each Investment Option. This is reflected in the Unit Price of each Investment Option and is charged to the Investment Option monthly in arrears. The Futurity Management Fees component has Reduced Management Fee Scale arrangements applying progressively to Bond Balances (p.40).
	2) UMF Investment Fees* Range between 0.08% p.a. and 1.175% p.a.	Investment management fees charged by UMFs are deducted at the UMF level and incorporated into the respective unit prices. The UMF may charge or incur performance fees.
Other fees and costs		
Switching fees The fee for changing Investment Options	Nil	Not applicable#
Buy/Sell costs	Range between 0.00% and 0.35%	These costs are reflected in the buy Unit Price and the sell Unit Price that Futurity strikes on a daily basis for each Investment Option. Depending on the Investment Option and whether you are buying or selling Units, a small percentage cost is borne by you (p.41).
Transactional and operational costs	Capped at a maximum per Investment Option of 0.10% p.a.	These are costs that Futurity charges directly (or is reimbursed for) against the Investment Options. These costs vary between Investment Options and include asset acquisition, disposal, valuation and transaction costs, and auditor's, actuary's and legal fees. They are not fees charged to you separately, but are reflected in each Investment Option's Unit Price. These costs are capped and any costs above the cap will be absorbed and met by Futurity from our Management Fund (p.41).

*For two of the Futurity Managed & Blended Investment Options, Futurity charges a standard 0.245% p.a. UMF portfolio management expense which, for consistency, is disclosed as an inclusive part of each Investment Option's UMF Investment Fee.

#You may incur buy/sell costs when switching between Investment Options.

The table on the following page provides the investment menu together with management fees for all Investment Options as at the date of this PDS. The UMF Investment Fees are set by the respective UMF investment managers. These fees may be increased, decreased or waived by UMF investment managers from time to time without prior notice to Futurity or to you. Futurity maintains a current Total Management Fees schedule on our website at futurityinvest.com.au. You should review the current Total Management Fees schedule in conjunction with this PDS to confirm that you have the latest available information. A paper copy is available free of charge on request.

Total management fees – Investment Options

Futurity Code	Investment Option	Underlying Managed Fund (UMF)	Management Fees (Annual): Futurity Management Fees p.a. +	UMF Investment Fees p.a.* =	Total Management Fees p.a.	Performance Fees p.a.^	Buy/Sell Costs
Category 1 – Futurity Managed & Blended							
Futurity Managed & Blended Options							
FM1	Futurity Managed & Blended – Balanced Portfolio		0.70%	0.68%†	1.38%	Not applicable	0.12% / 0.12%
FM2	Futurity Managed & Blended – Growth Portfolio		0.70%	0.59%†	1.29%	Not applicable	0.12% / 0.12%
FM3	Futurity Managed & Blended – Responsible Investment Portfolio		0.70%	0.71%	1.41%	Not applicable	0.12% / 0.12%
Category 2 – Diversified							
Diversified Indexed Options							
DP1	Diversified Indexed – Conservative	Vanguard Conservative Index Fund	0.70%	0.29%	0.99%	Not applicable	0.09% / 0.09%
DP2	Diversified Indexed – Balanced	Vanguard Balanced Index Fund	0.70%	0.29%	0.99%	Not applicable	0.09% / 0.09%
DP3	Diversified Indexed – Growth	Vanguard Growth Index Fund	0.70%	0.29%	0.99%	Not applicable	0.08% / 0.08%
DP4	Diversified Indexed – High Growth	Vanguard High Growth Index Fund	0.70%	0.29%	0.99%	Not applicable	0.07% / 0.07%
DP5	Diversified Indexed – All Growth	Vanguard Diversified All Growth Index ETF	0.70%	0.27%	0.97%	Not applicable	0.00% / 0.00%
Diversified Actively Managed Options							
DA1	Diversified Active – Conservative	MLC Wholesale Horizon 2 – Income Portfolio	0.70%	0.78%	1.48%	0.04%	0.10% / 0.10%
DA2	Diversified Active – Balanced	MLC Wholesale Horizon 3 – Conservative Growth Portfolio	0.70%	0.84%	1.54%	0.04%	0.10% / 0.10%
DA3	Diversified Active – Growth	MLC Wholesale Horizon 4 – Balanced Portfolio	0.70%	0.90%	1.60%	0.05%	0.15% / 0.15%
DA4	Diversified Active – High Growth	MLC Wholesale Horizon 5 – Growth Portfolio	0.70%	0.95%	1.65%	0.05%	0.15% / 0.15%
DA5	Diversified Active – Balanced – 2	Dimensional World Allocation 50/50 Trust	0.70%	0.391%	1.091%	Not applicable	0.08% / 0.08%
DA6	Diversified Active – Growth – 2	Dimensional World Allocation 70/30 Trust	0.70%	0.402%	1.102%	Not applicable	0.09% / 0.09%
DA7	Diversified Active – Growth – 3	Perpetual Diversified Growth Fund	0.70%	0.96%	1.66%	Not applicable	0.24% / 0.00%
DA8	Diversified Active – High Growth – 2	Pendal Active High Growth Fund	0.70%	0.98%	1.68%	Not applicable	0.19% / 0.19%
DA9	Diversified Active – Responsible Investment	Dimensional Sustainability World Allocation 70/30 Trust	0.70%	0.401%	1.101%	Not applicable	0.09% / 0.09%
DA10	Diversified Active – Responsible Investment – 2	Pendal Sustainable Balanced Fund	0.70%	0.80%	1.50%	Not applicable	0.14% / 0.14%
DA11	Diversified Active – All Growth	Dimensional World Equity Trust	0.70%	0.412%	1.112%	Not applicable	0.10% / 0.10%
Category 3 – Sector-Specific							
Sector-specific Indexed Options							
SP1	Sectoral Indexed – Australian Fixed Income	Vanguard Australian Fixed Interest Index Fund	0.70%	0.19%	0.89%	Not applicable	0.06% / 0.06%
SP2	Sectoral Indexed – Australian Equities	Vanguard Australian Shares Index Fund	0.70%	0.16%	0.86%	Not applicable	0.04% / 0.04%
SP3	Sectoral Indexed – International Equities	Vanguard International Shares Index Fund – Hedged	0.70%	0.22%	0.92%	Not applicable	0.06% / 0.06%
SP4	Sectoral Indexed – Emerging Market Equities	Vanguard Emerging Markets Shares Index Fund	0.70%	0.56%	1.26%	Not applicable	0.18% / 0.18%
SP5	Sectoral Indexed – Property	Vanguard Australian Property Securities Index Fund	0.70%	0.23%	0.93%	Not applicable	0.05% / 0.05%
SP6	Sectoral Indexed – Responsible Investment	Vanguard Ethically Conscious International Shares Index Fund – Global Equities	0.70%	0.20%	0.90%	Not applicable	0.06% / 0.06%
SP7	Sectoral Indexed – International Fixed Income	Vanguard Global Aggregate Bond Index Fund (Hedged)	0.70%	0.24%	0.94%	Not applicable	0.09% / 0.09%
SP8	Sectoral Indexed – International Equities – 2	iShares S&P 500 ETF	0.70%	0.04%	0.74%	Not applicable	0.00% / 0.00%
Sector-specific Actively Managed Options							
SA1	Sectoral Active – Cash	First Sentier Institutional Cash Fund	0.40%	0.08%	0.48%	Not applicable	0.00% / 0.00%
SA2	Sectoral Active – Australian Fixed Income	PIMCO Australian Bond Fund	0.70%	0.55%	1.25%	Not applicable	0.10% / 0.10%
SA3	Sectoral Active – Australian Equities	AllianceBernstein Managed Volatility Equities Fund – MVE Class – Active ETF	0.70%	0.35%	1.05%	Not applicable	0.25% / 0.25%
SA4	Sectoral Active – International Equities	MFS Hedged Global Equity Trust	0.70%	0.80%	1.50%	Not applicable	0.15% / 0.15%
SA5	Sectoral Active – Emerging Market Equities	MFS Emerging Markets Equity Trust	0.70%	0.90%	1.60%	Not applicable	0.35% / 0.35%
SA6	Sectoral Active – International Fixed Income	PIMCO Global Bond Fund	0.70%	0.57%	1.27%	Not applicable	0.10% / 0.10%
SA7	Sectoral Active – Responsible Investment	Perpetual ESG Australian Share Fund	0.70%	1.175%	1.875%	Not applicable	0.12% / 0.12%
SA8	Sectoral Active – Responsible Investment – 2	Australian Ethical Australian Shares Fund (Wholesale)	0.70%	1.00%	1.70%	Not applicable	0.15% / 0.15%

* This is the UMF Investment Fee including estimated UMF indirect costs charged by the investment manager, but excluding performance fees.

† These are multiple UMF investments managed by Futurity as blended options. Each stated rate is inclusive of a 0.245% UMF portfolio management expense charged by Futurity (p.38).

^ Performance fees are generally based on the average of actual performance fees of the UMF for the respective investment option incurred over the previous five financial years and based on the latest information available. Please refer to the 'UMF performance fees and gearing effects' section of this PDS for more information (p.39).

Additional explanation of fees and costs

Management fees

The fees for managing your investment have two components:

1) Futurity Management Fees; and

2) UMF Investment Fees.

Total management fees, being the addition of these two components for all the Investment Options on the Education Bond's menu are shown in the table on pages 36-37.

Futurity Management Fees

How and when calculated

These fees finance our ongoing operations and a standard management fee of 0.70% p.a. applies across all Investment Options, other than for the Futurity Sectoral Active – Cash Investment Option, which has a 0.40% p.a. fee.

Futurity Management Fees are deducted from income of the Investment Options before Unit Prices are declared and are not taken directly from your investment as a separate transaction. The fee is calculated daily on the net asset value of each Investment Option and is reflected in its Unit Price. It is charged to the Investment Options monthly in arrears.

These fees cover

Futurity Management Fees cover:

- administration of your Education Bond, including operating the Investment Options, their Unit Pricing and asset valuations, financing our corporate operations, risk management, governance and compliance, marketing, product development and distribution activities; and
- investment management that Futurity itself undertakes in the day-to-day management of the Education Bond's investment menu, including running our UMF research, selection, appointment and investment committee processes, and costs of engaging specialist asset consultants.

Futurity's three Managed and Blended Options

In contrast to all other Investment Options on the menu, these three Investment Options are each managed by Futurity as a blended mix to form diversified portfolios of multiple UMFs. Futurity constructs each of these Investment Option's portfolio from an extensive Approved Manager List with sector-specific UMFs spanning major asset classes (e.g. equities, property, fixed income) (see PDS Part B).

For two of the blended Investment Options, namely the Managed & Blended – Balanced Portfolio and the Managed & Blended – Growth Portfolio, Futurity charges a standard 0.245% p.a. UMF Portfolio Management expense which, for consistency, is disclosed as an inclusive part of the Investment Option's UMF Investment Fees (see the table on pages 36-37). Currently, no UMF Portfolio Management expense applies to the Managed & Blended – Responsible Investment Portfolio.

Tax effects on management fee disclosures

The payment of Futurity Management Fees are internal transactions undertaken within Futurity as a single taxpayer entity and are transacted between our Management Fund and each of our Investment Options. As such, they are not tax assessable or deductible – and all percentage rates listed as Futurity Management Fees in the table on pages 36-37 reflect their final fee rates as they impact your Education Bond investment.

UMF Investment Fees

How and when calculated

These are investment management fees charged by our UMF investment managers and currently range between 0.08% p.a. and 1.175% p.a. (see the table on pages 36-37).

UMF Investment Fees are deducted at their respective underlying fund level and are incorporated into each underlying fund's unit prices. Importantly, these fees are not directly met by you, but are reflected in the investment performance of the units held by us in the Education Bond's Investment Options. As such, ultimately these fees do impact to varying degrees your Education Bond's investment value.

UMF performance fees and gearing effects

Some UMFs may charge performance fees based on investment returns they achieve exceeding set objectives, such as bettering a performance benchmark, such as the S&P/ASX 300 Accumulation Index.

How performance fees are calculated and applied by the UMFs will vary between UMFs, as different calculation methods are adopted and different performance targets are set by each investment manager for the UMFs. Investment managers generally incorporate performance fees into the value of the investment. Performance fees applicable to each Investment Option are shown in the table on pages 36-37.

Also, some specialised Managed Funds may undertake a level of gearing by borrowing additional funds to invest. This can have the effect of increasing Managed Fund investment fees because of increased charges on the borrowed funds.

Future UMF Investment Fees

The UMFs that Futurity invests into are independent of us, and generally under their respective Managed Fund's constitutions, have rights to increase fees or can operate under a waived or reduced fee basis for certain periods.

As such, changes to UMF Investment Fees may occur without notice.

Tax effects on UMF Investment Fees disclosures

UMF Investment Fees are incurred by Futurity as indirect fees that are embedded in the Unit Prices of the UMFs held by our Investment Options. The transactions undertaken between Futurity as a separate taxpayer entity and the responsible entities (or trustees) of each UMF are external and at arm's length. As such, these fees are effectively tax-deductible because UMF earnings (net of such fees) are subject to tax.

The benefit of these tax deductions results in reduced income tax provided for and paid by Futurity at our tax rate, which is currently 30%. Futurity fully passes this tax benefit on to the Investment Options, and they are taken into account in calculating their Unit Prices.

For example, the UMF Investment Fee rate for the Sectoral Indexed – Australian Equities (UMF: Vanguard Australian Shares Index Fund) is 0.16% p.a. before this tax deduction. However, the true final after tax deduction rate is 0.112% p.a. which is 70% of the before tax deduction rate. It is this lower UMF Investment Fee rate that actually impacts your Education Bond investment and this applies to each Investment Option's UMF Investment Fee.

Example of annual total management fees

This table illustrates how management fees and costs for the Sectoral Indexed – Australian Equities (UMF: Vanguard Australian Shares Index Fund) can affect your Education Bond investment over a one-year period. You can use it to compare this product with other investment products.

This example assumes your Education Bond's Initial Contribution is $50,000 and you make an additional contribution of $5,000 at the end of the year.

Sectoral Indexed – Australian Equities		Bond Balance of $50,000 with total contributions of $5,000 at the end of year
Contribution fees#	Nil	Nil on your $5,000 contribution made at the end of the year.
Plus Futurity Administration Fee + UMF Investment Fee = Total management fees	 0.70% p.a. + 0.16% p.a. = 0.86% p.a.	**And,** for every $50,000 you have invested in this Investment Option, you will be charged $430 each year.
Equals Cost of product*		If you had an investment of $50,000 at the beginning of the year and contributed an additional $5,000 at the end of that year, you will be charged fees and costs of $430.

A transaction buy/sell cost of 0.04% is incurred on the $5,000 additional contribution for the Sectoral Indexed – Australian Equities used in the example. This would amount to a once off $2.00.

* The example does not show the impact of any fees that you might have separately agreed with your Financial Adviser. The total estimated cost of product includes Futurity Administration Fee and UMF Investment Fee, but excludes any transactional and operational costs.

Reduced Management Fee Scale arrangements

If you invest amounts in excess of $50,000, or if your Bond Balance exceeds $50,000, you may be entitled to Reduced Management Fee Scale arrangements applying progressively to your Bond Balance.

These arrangements only apply to reduce standard Futurity Management Fees in accordance with our standard fee and Reduced Management Fee Scale arrangement disclosures made from time to time in the current PDSs. They do not extend to UMF Investment Fees, which are charged separately from us. Also, certain Investment Options can have different levels of fee reduction or can be excluded from our calculation of your Bond Balance.

The Reduced Management Fee Scale arrangements will be applied progressively on Bond Balance brackets as follows:

Bond Balance	Reduced Management Fee Scale*
First $50,000	0.70% p.a. (Standard fee)
Next $200,000	0.55% p.a. (Reduced fee)
Next $750,000	0.40% p.a. (Reduced fee)
Next $1,000,000	0.25% p.a. (Reduced fee)
Above $2,000,000	0.00% p.a. (Nil fee)

* Futurity Sectoral Active – Cash Option currently has a 0.40% p.a. Futurity Management Fees and is excluded from these Reduced Management Fee Scale arrangements.

How the Reduced Management Fee Scale arrangements work

The reduced Futurity Management Fees are calculated using your daily Bond Balance and then credited to your Education Bond on a monthly basis.

We will apply the fee reduction by sourcing a rebate amount from Futurity's Management Fund that will be credited to your Investment Option holdings as a fee rebate. The fee rebate amounts will be credited by way of additional Units to the Earnings Component of your Education Bond.

These additional Units will be allocated normally in the following month and will use the buy Unit Price applicable on the day the transaction is processed.

If your Education Bond has more than one Investment Option, the total rebate amount will be allocated in the form of additional Units applied proportionally across each Investment Option. If you have multiple Education Bond holdings, we may agree to aggregate their respective Bond Balances.

If you make a full Education Benefit Claim or Other Withdrawal (Any Purpose), your drawing will only include a rebate calculated to the end of the month prior to that drawing. No fee reduction applies if you make a full Education Benefit Claim or Other Withdrawal (Any Purpose) within the cooling-off period.

Futurity reserves the right to determine your entitlement to the reduced Futurity Management Fees, and their calculation and acceptance by us.

Example of the Reduced Management Fee Scale arrangements

An Education Bond has a Bond Balance of $600,000 invested into two Investment Options, namely $350,000 in Futurity Blended – Balanced Portfolio and $250,000 in Futurity Sectoral Indexed – Australian Equities.

Bond Balance	If the Reduced Management Fee Scale is applied	
$0.00 to $50,000 (Standard fee)	0.70% p.a.	$350 ($50,000 @ 0.70%)
$50,001 to $250,000	0.55% p.a.	$1,100 ($200,000 @ 0.55%)
$250,001 to $1,000,000	0.40% p.a.	$1,400 ($350,000 @ 0.40%)
Total Futurity Management Fees		**$2,850**

With the management fee reductions applied, Futurity's standard annual management fees would be lowered by $1,350 to $2,850.

Other fees and costs

Transactional and operational costs

A range of Futurity's costs can be charged directly to the Investment Options or reimbursed to us if our Management Fund has paid or incurred them on behalf of an Investment Option.

They are not charged to you separately, but are reflected in each Investment Option's Unit Price. Depending on the type and level of investment assets held, these costs will vary between the Investment Options.

These costs include acquisition, disposal, valuation and transaction costs, such as for brokerage, state duty, insurances, custody and valuation costs. They also can include auditor's fees, actuary's fees and legal fees incurred in respect of the operation of the Investment Options.

These costs are capped at a maximum per Investment Option of 0.10% p.a. Any costs above the cap will be absorbed and met by Futurity from our Management Fund.

If we seek to remove or decrease the above capping arrangement, we will give you at least three months' prior written notice.

Buy/Sell costs

For all Investment Options, their respective buy Unit Prices and sell Unit Prices incorporate a small percentage cost to cover transaction costs.

Given that all Investment Options on the menu are typically fully invested into UMFs (other than small cash holdings), these transaction costs are limited to the underlying buy/sell costs of the UMFs. Futurity incurs these transaction costs when we buy or sell units in the UMFs.

In order that each Bond Owner equitably bears transaction costs applicable to their own Education Bond – (when making contributions, switches, claims and withdrawals) – Futurity seeks to align our buy Unit Price or sell Unit Price with the corresponding buy/sell costs as set by the UMF investment managers from time to time.[9]

Buy/Sell costs applicable to each Investment Option are shown in the table on pages 36-37 and work by the:

- Buy Unit Price imposing a small percentage cost when you acquire Units in an Investment Option such that you are issued slightly fewer Units when you contribute or switch to an Investment Option; and
- Sell Unit Price imposing a small percentage cost when you redeem Units such that you receive a slightly less amount for Education Benefit Claims or Other Withdrawals (Any Purpose) or redeem slightly more Units when you switch from an Investment Option.

Dishonour fee

If we incur a fee because a direct debit, BPAY®, EFT or cheque for your Education Bond is dishonoured or cancelled by your financial institution, a corresponding amount may be charged against your Bond Balance.

Increases or alterations to Futurity fees or costs

In certain circumstances, we can vary our fees within limits prescribed in the Product Rules. If we seek to increase fees, we will give you at least three months' prior written notice. Under the Product Rules, these are the maximum level of fees allowed:

- Contribution fee of 5%;
- Management fee of 2% p.a.; and
- Switching fee of 5% of the value of the investment switched.

These maximums can only be changed by us with your approval as Bond Owner.

GST

Unless otherwise indicated, all fees and charges disclosed in this PDS and Financial Adviser remuneration (if agreed by you) are inclusive of GST (where applicable). Where reduced inputs tax credits are available, GST payable can be lessened.

Contributions, switches, Education Benefit Claims or Other Withdrawals (Any Purpose) do not create a GST liability for you.

[9] For Investment Options with multiple UMFs, a composite average of the respective underlying buy/sell costs is estimated by us.
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State duty

When establishing your Education Bond, some Australian States may levy a duty on your Initial Contribution. For example, New South Wales duty on a $50,000 Initial Contribution is $49.

For the currency of this PDS and in respect of all Education Bonds issued under it, Futurity will meet and pay any duty for you for Initial Contributions of up to $50,000.

For Initial Contributions above $50,000, duty is met by you and will be deducted from your Initial Contribution amount. Your confirmation certificate will detail any duty that has been deducted.

Regular Savings Plan amounts and additional contributions do not attract duty.

Your fee arrangements with your Financial Adviser

If you retain the services of a Financial Adviser, you can negotiate and reach an agreement as to their remuneration for the provision of advice and services to you. These advice fees are additional to the fees shown in the fees and costs summary, and are paid to your Financial Adviser, not to us.

For instance, you might agree a set amount or percentage as an Initial Advice Fee, and perhaps ongoing Adviser Service Fees in respect of your Education Bond.

Futurity's role in relation to adviser fees is limited to facilitating payment by deducting agreed amounts from your Bond Balance and remitting them to your Financial Adviser at your direction. Futurity does not recommend, endorse or monitor the advice or services provided by your Financial Adviser, and is not a party to any advice agreement between you and your Financial Adviser.

Initial Advice Fee

You can negotiate and agree to remunerate your Financial Adviser by an Initial Advice Fee for the advice and services for establishing your Education Bond.

Any Initial Advice Fee agreed between you and your Financial Adviser can be instructed to us in the Application Form and can be charged as:

- a percentage of your Initial Contribution amount; or
- a set dollar amount.

Initial Advice Fees are deducted from your Initial Contribution before investment and will usually be paid to your Financial Adviser around the 10th day in the month following your Education Bond's Commencement Date.

The Initial Advice Fee reduces the amount invested in your Education Bond on the Commencement Date. You should confirm with your Financial Adviser the amount of any Initial Advice Fee agreed and the impact of that fee on your Initial Contribution amount before submitting your Application Form.

One-Off Adviser Fee

You can agree to pay a One-Off Adviser Fee to your Financial Adviser. One-Off Adviser Fees are usually paid around the 10th of the next month. If you have more than one Investment Option, the fee will be deducted proportionately across the Investment Options based on the percentage of your Bond Balance held in each Investment Option on the day the fees are processed.

A new instruction must be completed and provided to us each time you wish this fee to be applied.

One-Off Adviser Fees are not subject to the ongoing fee arrangement provisions of the *Corporations Act 2001* (Corporations Act). However, you should ensure that any One-Off Adviser Fee is connected to a specific and identifiable service provided by your Financial Adviser.

Ongoing Adviser Service Fee

You can also agree with your Financial Adviser to remunerate them with an ongoing Adviser Service Fee arrangement. An ongoing Adviser Service Fee constitutes an "ongoing fee arrangement" for the purposes of the Corporations Act. Ongoing fee arrangements are subject to specific legal requirements which are referred to in the Application Form and Adviser Fee Instruction and Consent Form.

These fees may cover ongoing advice and services, such as monitoring your investment and reporting to you about it, advice about switching between Investment Options, and for other financial planning, estate planning and taxation advice as your circumstances change.

Your Financial Adviser is required by Law to provide you with a description of the services to be provided under any ongoing Adviser Service Fee arrangement before charging any ongoing Adviser Service Fee.

Ongoing Adviser Service Fees can be instructed to us by completing the Adviser Fee Instruction and Consent Form and can be charged against your Bond Balance as:

- a percentage of your Bond Balance; or
- a set dollar amount.

If you have instructed us to pay ongoing Adviser Service Fees to your Financial Adviser from your Education Bond, where required by Law, your consent to paying an ongoing Adviser Service Fee should be reviewed and obtained annually by your Financial Adviser. If we do not receive your consent by the expiry/end date as advised when the fee was established or last renewed, the ongoing Adviser Service Fee will cease.

Ongoing Adviser Service Fees are usually paid in arrears around the 10th of each month where applicable. If you have more than one Investment Option, the fee will be deducted proportionately across the Investment Options based on the percentage of your Bond Balance held in each Investment Option on the day the fees are processed.

Monitoring and checking your Financial Adviser arrangements

Futurity does not monitor the type or level of services provided to you by your Financial Adviser, nor does Futurity verify whether your Financial Adviser has complied with their obligations under the Corporations Act in relation to ongoing Adviser Service Fee arrangements, fee disclosure statements or annual renewal consent. We recommend that you:

- check that you are receiving the agreed services, especially if you are paying ongoing Adviser Service Fees; and
- regularly review the services provided and consider if the fees are appropriate.

Your ongoing Adviser Service Fee instructions

If ongoing Adviser Service Fees have been agreed between you and your Financial Adviser, these cannot be increased or changed by Futurity or by your Financial Adviser, unless you provide instructions to Futurity in writing.

If you are not happy with the level of service being provided, you should speak to your Financial Adviser. You can instruct Futurity in writing to terminate or vary the ongoing Adviser Service Fee at any time. Any written instruction from you to terminate the ongoing Adviser Service Fee will take effect from the next scheduled payment date following Futurity's receipt of your instruction. We may, at our discretion, refuse to deduct an ongoing Adviser Service Fee where we have reasonable grounds to suspect that the deduction would not be authorised by you or would otherwise not comply with the applicable Law.

Differential fee arrangements

We may, at our discretion, individually negotiate and enter into other fee arrangements with certain investors, including:

- wholesale investors (within the meaning of the Corporations Act);
- with our employees; or
- with large investors or other investors as permitted by Law.

Where such other fee arrangements are agreed, then lesser fees can be charged by us or fees can be rebated or waived for these investors.

Tax framework and additional information

How the tax framework operates

The Australian taxation framework governing Education Bonds has various components to its tax-effectiveness and the availability of its valuable tax benefits.

Futurity Education Bonds, which are established for the sole purpose of providing Education Benefits to Education Beneficiaries, qualifies them for advantageous 'scholarship plan' taxation treatment.[10] This means that whenever you make an Education Benefit Claim, Futurity automatically includes an Education Tax Benefit. This is a substantial benefit of an additional $30 for every $70 withdrawn from your investment as Education Benefits (at current tax rates).

While the taxation framework governing Education Bonds requires that a qualifying Education Bond must be taken out solely for education purposes – the tax rules also recognise that situations can subsequently arise for making Other Withdrawals (Any Purpose) such as for a 'non-education' purpose. When made, these Other Withdrawals (Any Purpose) can still be tax-advantaged because Investment Bond Tax Rules apply.

Nine components of the Education Bond tax framework

1. Tax-Paid investing benefits.
2. The Education Tax Benefit.
3. Tax-Free elements.
4. No personal taxable income or CGT applies on growth.
5. Switch Investment Options without personal tax or CGT.
6. Transfer your Education Bond without personal tax or CGT.
7. 'Set-and-go' investing.
8. Other Withdrawals (Any Purpose) – Capital Component.
9. Other Withdrawals (Any Purpose) – Investment Bond Tax Rules.

Important Note – It is impossible to foresee Taxation Law and ruling changes that may impact taxation arrangements applying to Education Bonds. We recommend that you seek independent professional advice for your specific personal circumstances before making any decisions with respect to your Education Bond that may have taxation implications.

[10] Under sections 15-60 and 320-112 of the Income Tax Assessment Act 1997.

1. Tax-Paid investing benefits

Education Bonds are Tax-Paid investments. This means that Futurity (rather than you) pays the tax (Fund Tax) on your Education Bond's ongoing investment earnings.

Main advantages

The main advantages of Tax-Paid investments includes the following:

- While your Education Bond grows in its Tax-Paid environment, you as Bond Owner generally do not have to be concerned with tax reporting and paying tax (or CGT) on ongoing fund earnings;
- For Bond Owners with middle to high MTRs[11], Tax-Paid investments can have valuable tax rate 'arbitrage' benefits. This is because effective Fund Tax rates (that we pay) on the Education Bond's Investment Options are generally lower than their higher ongoing personal MTRs (that you pay); and
- Education Bonds are non-distributing investments and, while accumulating, do not add to the Bond Owner's personal taxable income from year to year. The impact of investment earnings automatically being reinvested and compounding in a Tax-Paid investment structure can add up to significant additional performance benefits.

Benefits from tax credits and offsets

Under the Product Rules, each Investment Option will be credited with the benefit of tax credits (or tax offsets) realised by Futurity.

Tax credits are amounts that can reduce income tax paid and provided for and, accordingly, can favourably impact the Investment Options and their Unit Prices. So, tax credits (when available) help reduce the effective Fund Tax rate below their current nominal rate of 30%.

Tax credits include claimable tax offsets such as franking tax offsets and foreign tax offsets that relate to franked dividend income and certain classes of foreign income.

Benefits of effective Fund Tax rates

Each Investment Option on the Education Bond's investment menu has its own effective Fund Tax rate that we assess and use when we calculate the daily Unit Price.

Currently, this rate is nominally prescribed as 30%, however, depending on the types of asset classes held in each Investment Option and the level of franking and foreign tax offsets passed from its UMF(s) and our tax provisioning, the actual effective Fund Tax rate can be significantly less than 30%.

This table illustrates our estimated, long-term effective Fund Tax rate ranges applicable to the asset classes of the Education Bond's different Investment Options.

Investment asset class	Estimated effective Fund Tax rate ranges
Australian equity	18%-28%
International equity	19%-28%
International emerging markets	19%-28%
Australian fixed interest	28%-30%
International fixed interest	28%-30%
Property and infrastructure	22%-28%
Cash	30%
Diversified and blended options	18%-30%

The benefit of lower effective Fund Tax rates can translate to higher Unit Prices and improved performance of your Education Bond.

[11] Middle to high personal MTRs referenced here are 32%, 39% and 47% (including the Medicare levy). This is also the case with minors (under age 18) whose investment income is otherwise subject to the highest MTR of 66% (when their non-excepted Division 6AA taxable income exceeds $416), and a flat MTR of 45% on their entire income (when their non-excepted Division 6AA taxable income exceeds $1,307).

Tax framework and additional information

2. The Education Tax Benefit

When making Education Benefit Claims, Futurity automatically includes Education Tax Benefits, which amounts to an additional $30 for every $70 withdrawn from your investment earnings as Education Benefits (at current tax rates).

Education Benefit Claims are processed by us from your Education Bond's Earnings Component. In effect, the benefit represents a refund of the Fund Tax already paid by Futurity on the Education Bond's investment earnings. The Education Tax Benefit arises because Futurity claims a tax deduction for Education Benefit Claims paid and we fully pass the full dollar benefit of this to the receiving Education Beneficiaries.

Education Benefit Claim amounts are tax assessable in the Education Beneficiary's hands at their MTR, rather than taxable to the Bond Owner. Depending on the age of the Education Beneficiary, the Education Benefit will be a Tax-Free receipt or some personal tax may be assessable in the year of receipt at their MTR.

Financial Year 2026-2027 MTRs for minor Education Beneficiaries[12]

Taxable income	Marginal tax rate brackets
0-$416	Nil – Minor's $416 Tax-Free threshold
$417-$1,307	66c for each $1 over $416
Over $1,307	45% of total income

Table Note – With low-income minors (under age 18), Division 6AA (ITAA36) reduces a child's Tax-Free threshold from $18,200 to $416, with income between $417 and $1,307 taxed at MTR of 66%. When above $1,307, the whole income is charged at a flat rate of 45%.

Financial Year 2026-2027 MTRs for adult Bond Owners or Education Beneficiaries (including excepted minors)

Taxable income	Marginal tax rate brackets
0-$18,200	Nil – Adult's $18,200 Tax-Free threshold
$18,201-$45,000	15c for each $1 over $18,200
$45,001-$135,000	$4,020 plus 30c for each $1 over $45,000
$135,001-$190,000	$31,020 plus 37c for each $1 over $135,000
$190,001 and over	$51,370 plus 45c for each $1 over $190,000

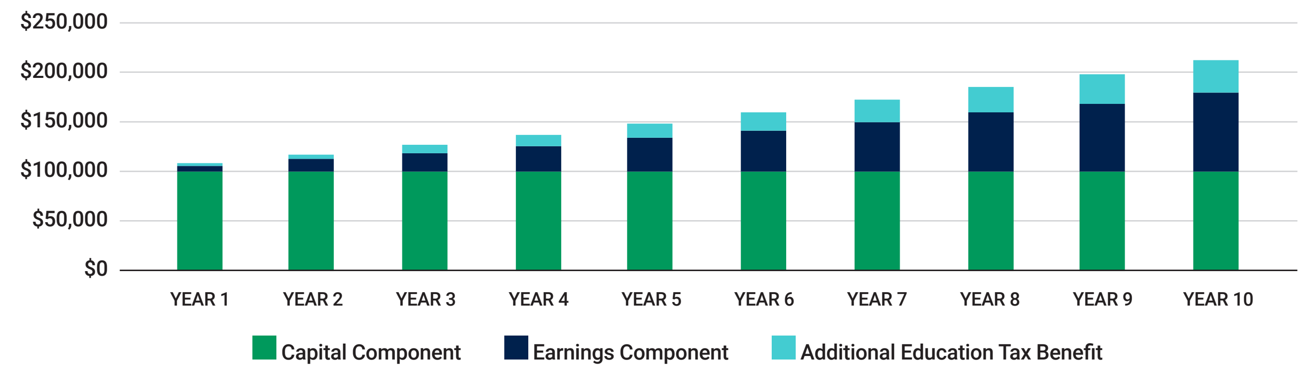
Table Note – These MTRs apply to Australian residents (for tax purposes) and do not include impacts of the Medicare levy (added 2%) or the Medicare Levy Surcharge (added 1%-1.5% for high income earners without private health cover).

Financial Year 2026-2027 MTRs on excepted income of minors who are Education Beneficiaries[13]

Taxable income	Marginal tax rate brackets
0-$18,200	Nil – Excepted income minor's $18,200 Tax-Free threshold

Table Note – When monies used to invest in an Education Bond are sourced from (for example) a death benefit of a life insurance policy (including another Education Bond), or from a superannuation account, or from an estate of a deceased person (including a will estate or testamentary trust), the income of a minor may be treated as 'excepted income of a minor' and subject to tax under adult tax rates (with its higher Tax-Free threshold of $18,200) (p.48). We recommend that you seek independent professional advice for your specific personal circumstances.

Impact of Education Tax Benefits added to Education Benefit Claims over 10 years



The example uses an illustrative 6% p.a. rate of return after fees and tax and is not an indication of expected returns, nor is it a financial forecast or prospective financial information. Performance of the Education Bonds will vary from year to year.

[12] Applicable to resident minors (other than excepted minors) on their non-excepted taxable income under Division 6AA of the *Income Tax Assessment Act 1936*.

[13] Applicable to resident minors (other than excepted minors) on their excepted taxable income under sections 102AE and 102AG of the *Income Tax Assessment Act 1936*.

3. Tax-free elements

There are various avenues to access your Education Bond and receive distributions from it that give rise to Tax-Free treatment for you, your Education Beneficiaries and those who are your Bond Estate Recipients.

Ways to access with Tax-Free treatment

- **Education Benefit Claims –** made from your Education Bond's Earnings Component are Tax-Free for Education Beneficiaries:
  - **18 years or over** with total taxable income that falls within the 'Adult's $18,200 Tax-Free threshold' (p.47); or
  - **under 18 years** by the end of the tax year with total taxable income that falls within the 'Minor's $416 Tax-Free threshold'[14] or falls within the 'Excepted income minor's $18,200 Tax-Free threshold'[15] (p.47).
- **Other Withdrawals (Any Purpose) – Capital Component –** withdrawals made at any time and in all situations from this component of your Education Bond (p.49) are always Tax-Free receipts.
- **Other Withdrawals (Any Purpose) – Investment Bond Tax Rules –** withdrawals made at any time and in any amount, generally after 10 years, from your Education Bond are Tax-Free receipts where the Investment Bond 10-Year Advantage applies (p.51).
- **Financial difficulties, accident, other disability or serious illness –** if you as Bond Owner[16] have to access your Education Bond at any time by Other Withdrawals (Any Purpose) due to unforeseen serious financial difficulties or due to accident, other disability or serious illness, then Tax-Free distribution treatment can also apply under Investment Bond Tax Rules. Futurity does not make an assessment on the level of severity of an accident, serious illness or other disability, or whether serious financial hardship has been experienced. It is recommended that Bond Owners keep appropriate records and documentation to substantiate their position.

Ways your Education Bond makes Tax-Free distributions

- **Bond Death Maturity –** if your Education Bond comes to an end and matures due to the death of its Life Insured(s), then its full Bond Balance are Tax-Free distributions to your Bond Estate Recipients.

4. No personal taxable income or CGT applies on growth

Annual Education Bond investment growth is not distributed for tax purposes. This is an advantage against other investment types that:

- annually distribute taxable returns, such as interest on bank accounts, Managed Fund distributions and dividends paid on shares; or
- may generate assessable capital gains on redemptions,

both of which generally add to an investor's personal tax or CGT liabilities.

5. Switch investment options without personal tax or CGT

You can switch between Investment Options on the Education Bond's extensive investment menu without upsetting its advantageous tax status. Importantly, when you switch between Investment Options this does not cause any personal tax or CGT liabilities for you.

This freedom to make changes to your Education Bond's investment strategy without the CGT implications is an advantage over other investments such as Managed Funds and unit trusts that might attract potential tax liabilities and tax reporting obligations when changing their investment mix.

[14] This must be non-excepted Division 6AA taxable income of the *Income Tax Assessment Act 1936*.
[15] This must be excepted income under sections 102AE and 102AG of the *Income Tax Assessment Act 1936*
[16] Bond Owners also must be the Life Insured under their Education Bond for this Tax-Free treatment to apply.

6. Transfer your Education Bond without personal tax or CGT

You can transfer your Education Bond to another person(s) or an entity at any time. Transfers can be requested to have immediate effect or set up as a Future Activated Transfer where your Education Bond's transferee(s) simply replaces you as the Bond Owner with full access and control, and you cease all rights and interests in the Education Bond. This happens with full preservation of the Education Bond's tax-advantaged status, such as maintaining its existing Capital and Earnings Components and the Investment Bond 10-Year Advantage Commencement Date.

Education Bond transfers generally entail no personal tax or CGT liabilities where no dollar consideration is involved. For example, to a spouse, a child or by simply changing your Education Bond's ownership from single to joint names. If a transfer involves dollar consideration, such as 'by way of sale', it may involve taxation consequences. We recommend that you seek independent professional advice for your specific personal circumstances.

If you are in receipt of a government income support payment (such as the age pension), you may also wish to seek timely financial advice, including on the implications of the amount treated as a gift.

7. 'Set-and-go' investing

As a Bond Owner, an Education Bond can be a 'set-and-go' investment for tax purposes. This is because, during your Education Bond's accumulation phase, it attracts no personal taxation or CGT liabilities, or any personal tax reporting obligations.

Also, there are no taxation implications for the Bond Owner when making Education Benefit Claims. This translates to you as Bond Owner:

- not needing to keep personal taxation and CGT records; and
- not having to make annual tax declarations in your personal income tax returns of any of the Education Bond's investment growth.

This can assist your qualification for income-tested benefits such as the Commonwealth Seniors Health Card.

No Tax File Number required

Both the Bond Owner(s) and Education Beneficiary(s) are not required to provide Futurity with Tax File Numbers (under current tax and privacy rules) when establishing an Education Bond or accessing it for Education Benefit Claims or Other Withdrawals (Any Purpose).

8. Other Withdrawals (Any Purpose) – Capital Component

These type of withdrawals are at all times Tax-Free as they are sourced from your Education Bond's Capital Component. It comprises your contributions made from monies that you have already personally paid tax on or are capital sums.

Futurity maintains records of your Education Bond's Capital Component, which comprises all of your net contributions, less that portion taken from it due to making Other Withdrawals (Any Purpose) as instructed by you.

9. Other Withdrawals (Any Purpose) – Investment Bond Tax Rules

The taxation framework governing Education Bonds recognises that you may need to access your Education Bond for 'non-education' purposes due to unforeseen changes to circumstances. Hence, Other Withdrawals (Any Purpose) – Investment Bond Tax Rules are allowable and, importantly, attract the tax advantages of Investment Bond Tax Rules.

The extent of these tax benefits depends on whether the withdrawal is made before or after 10 years of your Education Bond's Commencement Date.

Other Withdrawals (Any Purpose) – Investment Bond Tax Rules (before 10 years)

If these withdrawals (in full or part) are made at any time in your Education Bond's first 10 years from the Commencement Date, you might potentially pay some personal tax at your MTR, but only on any Earnings Component of your withdrawal. The rules work as follows:

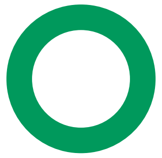
- if you make an Other Withdrawal (Any Purpose) – Investment Bond Tax Rules within your Education Bond's first eight years from the Commencement Date, you may only attract personal tax on the 'proportionate value'[17] of the Earnings Component; and
- that proportionate value is one-third exempt when a withdrawal is made in the Education Bond's ninth year from the Commencement Date and is two-thirds exempt when a withdrawal is made in the tenth year from the Commencement Date.

If an Education Bond is owned jointly, any assessable component, under Investment Bond Tax Rules, is treated as belonging to each joint owner in equal shares.

Investment Bond Tax Rules

How withdrawals are normally treated

WITHIN 8 YEARS



You will pay tax on the Earnings Component at your MTR less 30% tax offset

IN YEAR 9

You will pay tax on two-thirds of the Earnings Component at your MTR less 30% tax offset

IN YEAR 10

You will pay tax on one-third of the Earnings Component at your MTR less 30% tax offset

AFTER 10 YEARS

The full Earnings Component can be accessed Tax-Free

A 30% tax offset benefit

Access to your Education Bond's Earnings Component within its first 10 years from the Commencement Date attracts a 30% tax offset.

This special 30% tax offset[18] reduces any personal tax you might incur on the Earnings Component when making Other Withdrawals (Any Purpose) – Investment Bond Tax Rules. The offset only applies in the financial year in which you make the withdrawal, and you do not have to calculate the tax offset, as this will be done for you by the ATO.

This tax offset is provided to compensate you for the Fund Tax previously paid annually by Futurity.

[17] Other Withdrawals (Any Purpose) – Investment Bond Tax Rules are subject to a long-standing Taxation Ruling (IT 2346) which determines the relevant assessable proportionate value in the total withdrawal.

[18] Under section 160AAB of the *Income Tax Assessment Act 1936*.

Other Withdrawals (Any Purpose) – Investment Bond Tax Rules (after 10 years)

The Investment Bond 10-Year Advantage

If you make these withdrawals after 10 years from the Commencement Date, whatever amount you receive as Bond Owner is a Tax-Free receipt. This is known as the Investment Bond 10-Year Advantage.

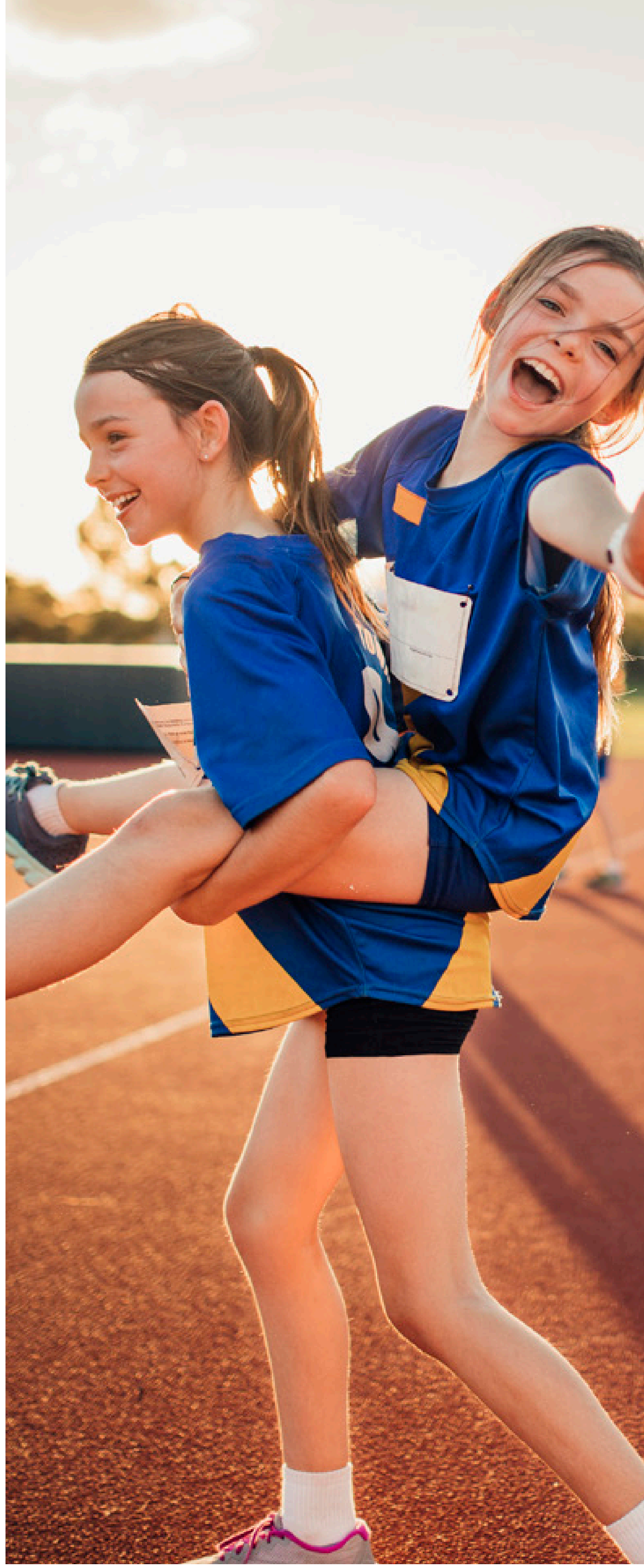
The Investment Bond 125% Rule

This tax rule requires you to keep your Education Bond's ongoing level of contributions, from Savings Plan and additional contributions, to no more than 125% of the previous Bond year's total contributions. Adherence will preserve its qualification for the Investment Bond 10-Year Advantage.

For example, if your Initial Contribution in Bond year 1 is $10,000, you can invest up to $12,500 ($10,000 x 125%) in Bond year 2 and so on. By contributing within the limits of 125% of the previous year's total contributions, you will not breach the 125% Rule.

Under the Investment Bond Tax Rules, if the total contributions in any Bond year exceeds 125% of your previous Bond year's total contributions, the Commencement Date of the Investment Bond 10-Year Advantage will be reset to the start of the Bond year in which any excess contribution is made.

It is up to you (or your Financial Adviser) to monitor how much you have contributed, from Savings Plan and additional contributions, under the 125% Rule. To assist you, our investor portal provides the remaining allowable contribution amount for the current year to maintain the Investment Bond 10-Year Advantage.



Additional Tax Information

Taxation Law

Education Bonds operate under Australian Taxation Laws and a long-established taxation framework designed for life insurance-based investments.

The tax-effectiveness and availability of tax benefits for Education Bonds depend on a variety of factors, including prevailing tax rates and the individual circumstances of Bond Owners and their Education Beneficiaries. Different treatment arises depending on whether the Education Bonds are accessed for education or non-education purposes and the timing of such access.

The taxation information in this PDS and in this section is current as at the date of this PDS. It is based on our general understanding of relevant Taxation Law (which is subject to change over time) and is only a summary of it.

We recommend that you seek independent professional advice for your specific personal circumstances.

Taxation of the Investment Options

Futurity pays Fund Tax on each of the Investment Options at their respective effective Tax-Paid rates.

Investment earnings of the Investment Options are predominantly derived from unit trust distributions from the UMFs and realised capital gains (or losses) from holding and disposing of units in those UMFs. Unless cash liquidity is needed, Futurity receives these distributions as additional units in the relevant UMF.

Any realised gains on units in the UMFs are taxable to Futurity and realised losses are immediately deductible as ordinary income and outgoings. Net increases in unrealised capital value of UMF units are treated as earnings of the Investment Option.

The Investment Options can also receive UMF distributions with attached franking credits and foreign tax credits.

Futurity's policy on the treatment of any benefits from tax credits and offsets is explained on page 46.

Taxation of Futurity

Futurity is a single tax paying entity and is currently taxed at 30%.

While each Investment Option has its own effective Fund Tax rate, for income tax purposes, each Investment Option's taxable income is pooled as part of Futurity's income returned as a single tax paying entity.

This pooling gives rise to single taxpayer reporting efficiencies and enables more immediate tax loss recovery (if applicable) and optimises tax credit and offset claims.

Social security and pension impacts

Education Bond ownership can impact qualification to government means-tested pensions or other Centrelink or the Department of Veterans Affairs benefits.

Education Bond investments are treated as 'financial assets' under the assets test and deemed to earn income under the income test.

Rules governing social security and pensions are subject to change and are impacted by proposals and government announcements. Anyone on a government pension or other benefit intending to hold an Education Bond is recommended to consult with Centrelink or Department of Veterans Affairs or their Financial Adviser.

Frequently asked questions

Education Beneficiaries

Is there an age limit for an Education Beneficiary?

No, the wide classes of Education Beneficiaries, including yourself, can be any age.

Can I change my Education Beneficiary?

Yes, with a Family Education Bond you have wide discretion to appoint and remove Education Beneficiaries.

For an Individual Education Bond, a replacement Education Beneficiary can be nominated at any time by you. Bond Representatives and Bond Guardians may also change Education Beneficiaries (if authorised by you).

Can my Education Bond continue without having an Education Beneficiary?

You might decide to continue your Education Bond without having any Education Beneficiaries in place and access it by only making Other Withdrawals (Any Purpose) with the benefits of Investment Bond Tax Rules applying.

Can you establish an Education Bond for 'yet-to-be-born' children?

Yes, it is possible to establish an Education Bond without knowing the Education Beneficiary's identity, including them not being born. The only requirement is that your Education Bond is created with the purpose and intention of making Education Beneficiary appointments.

Education Benefit Claims

Who as Bond Owner can I authorise to make Education Benefit Claims?

These can be made by your Appointed Associates. Also, Education Beneficiaries can be authorised by you to make Education Benefit Claims.

They have no rights or capacity to deal with the Education Bond unless you have put in place with us authorised arrangements for them to access and undertake Bond Transactions.

Effects of death

Who controls your Education Bond if you (as Bond Owner) die before the last surviving Life Insured?

If Life/Lives Insured remain and you have appointed a Bond Guardian(s), the Bond Guardian(s) will take control of your Education Bond, but subject to the specific level of authorised powers that you give.

If you have not appointed a Bond Guardian(s), your LPR will hold the Education Bond in trust for your Education Beneficiary(s) until Bond Death Maturity.

What if the last remaining Education Beneficiary dies?

If the last remaining Education Beneficiary dies and they are also the last surviving Life Insured under the Education Bond, this death will prompt a Bond Death Maturity.

The full Bond Balance will be a Tax-Free distribution to the Bond Estate Recipients.

If the deceased Education Beneficiary is not the last surviving Life Insured, the Education Bond will continue until such time that Bond Death Maturity occurs or is surrendered by the Bond Owner (or the Bond Guardian(s) where authorised to do so).

How can an Education Bond be closed following death of a Bond Owner?

If the Education Bond is held by a Bond Guardian(s) who has not been authorised to perform additional Authorised Functions, following the death of the last surviving Bond Owner and where no Education Beneficiary is left nominated or appointed, the Education Bond may be surrendered. If, in the opinion of your Bond Guardian(s), there is unlikely to be any future appointments, your Bond Guardian can make an application to Futurity to surrender the Education Bond.

If the Education Bond is held by your LPR or the Bond Guardian(s) and they have been authorised to perform additional Authorised Functions, they can surrender the Education Bond by making a full withdrawal at any time.

Your Bond Guardian(s) or LPR must act in the best interests of any Education Beneficiaries, Bond Estate Nominees and Future Activated Transfer recipients.

Bond Representatives and Bond Guardians

What is the difference between them?

They both undertake essentially the same functions with the main difference being a Bond Representative(s) acts for you while alive with capacity and a Bond Guardian(s) acts for you if you are deceased or become incapable.

What are your LPR's powers and obligations?

These are governed by estate and succession laws and generally empower your LPR to undertake Bond Transactions subject to such dealings only being for the maintenance or benefit of Education Beneficiaries, Bond Estate Nominees and Future Activated Transfer recipients.

Interests and rights in Education Bonds

What are my interests and rights as Bond Owner?

Your Education Bond is your absolute property and you are free to deal fully with it, including completely accessing its full Bond Balance for your own purposes by making Education Benefit Claims or making Other Withdrawals (Any Purpose).

What rights and interests do my nominated Education Beneficiaries have in the Education Bond?

Your nominated Education Beneficiary(s) has a contingent interest in your Education Bond, which is dependent upon you (or the Bond Representative(s) or Bond Guardian(s), if authorised) making Education Benefit Claims in their favour.

They have no rights or capacity to deal with the Education Bond unless you have put in place with us special arrangements for them to access and undertake Bond Transactions.

What rights and interests do my Bond Estate Nominees have in the Education Bond?

They only have a future contingent interest in your Education Bond which is dependent upon them and your Bond Estate Nomination being in place in the event of a future Bond Death Maturity occurring.

Transferring Education Bonds

Are there any tax, fee or state duty implications when transferring Education Bonds?

No, if the transfer is made for nil consideration. There are no personal tax or CGT implications for you as Bond Owner or the transfer recipient.

If a transfer is made for monetary consideration, we recommend you seek independent professional advice for your specific personal circumstances.

No additional fees apply and the Education Bond's transfer occurs without state duty implications, except in South Australia, where duty may be payable at ad valorem rates on the value of the Education Bond at the time of transfer.

Borrowing against an Education Bond

Can an Education Bond be used as loan security?

No, under current Taxation Laws, an Education Bond cannot be used as security for raising money such as for a loan or borrowing. The Education Bond's qualification for advantageous taxation treatment prohibits its use for these purposes.

Important additional information

Communicating with you

Investor portal

To keep you informed about your Education Bond, Futurity will provide online investor portal access to you and your Appointed Associates (as applicable) and other persons authorised by you.

The investor portal allows you to view information, such as your Bond Balance, selected Investment Options and Bond Transactions. You can also access other resources, including forms to undertake various Bond Transactions and to manage your investment.

We can ask for proof of identity for anyone authorised to use the investor portal and may, in our sole discretion, cancel or suspend your access or that of any person authorised by you to use it. Futurity might do this without prior notice.

Reporting to Bond Owners

Confirmation Certificate

Following acceptance by us of your Application to invest, Futurity will send you a Confirmation Certificate.

This will confirm your Education Bond type, its ownership and Life/Lives Insured details, bond term and initial investment instructions.

Your Confirmation Certificate will also provide information, where nominated, on your Education Beneficiary, Bond Estate Nomination, Bond Representative and Bond Guardian.

Whenever you make changes that alter the important information provided on your Bond Confirmation Certificate, we will issue you with an updated or replacement certificate.

Annual statement

Futurity will provide you and your Appointed Associates (as applicable) with an annual statement.

This statement will show your Bond Balance and Unit Holding, the details of your contributions, Education Benefit Claims and Other Withdrawals (Any Purpose) and other transactions.

Annual tax statement

Futurity will also provide you, your Appointed Associates (as applicable) and your Education Beneficiary(s) (if requested) with a tax statement for the financial year in which assessable claims and/or withdrawals are made.

Transaction confirmations

After processing Bond Transactions, we will send a confirmation to you and your Appointed Associates (as applicable). It will confirm transactions, such as contributions, Education Benefit Claims and Other Withdrawals (Any Purpose), and Investment Option switches.

Irrespective of the instruction authority provided for joint Bond Guardians or joint Bond Representatives, correspondence sent to the first named Bond Guardian or Bond Representative will be deemed delivered to all joint Bond Guardians or Bond Representatives.

The following table shows the documents available via the investor portal.

	Confirmation Certificate	Annual statement	Annual tax statement	Transaction confirmations
Bond Owner	✓	✓	✓	✓
Education Beneficiary	✓*	✓*	✓*	✓*
Bond Representative(s)	✓	✓	✓	✓
Financial Adviser	✓	✓	✓	✓
Bond Guardian(s) (if activated)	✓	✓	✓	✓

* Investor portal access is available for Education Beneficiaries aged 16 and above, and authorised by the Bond Owner to make Education Benefit Claims.

Product information

Bond Transactions

General processing timeframes

All Bond Transactions are processed using daily Unit Prices. We aim to do this generally within seven Business Days upon receipt of and Futurity confirming your request.

Your confirmed instruction for Bond Transactions received prior to 1.00pm on a Business Day will generally be processed using the Unit Prices for that business that day.

Requests received after this time will normally be processed using the Unit Prices for the next Business Day.

Contributions – units and allocation

When we process your contributions, we divide your net contribution amount by the buy Unit Price(s) of your chosen Investment Option(s) to determine the number of Units allocated to you in each Investment Option.

The number of Units issued depends on the amount you invest and the Investment Option's then current buy Unit Price.

Contributions received from you (by whatever means) will not be treated as received by Futurity until these are cleared funds.

Unless notified otherwise by you, your contributions will be allocated across your chosen Investment Options, based on the Default Investment Allocation you advised us in your Application. At any time, you can instruct us in writing to update your Default Investment Allocation.

Contribution method

	Lump Sum Plan		Savings Plan	
	Initial Contribution	Additional contributions	Initial Contribution	Savings Plan contributions
Direct debit	✓	✓	✓	✓
BPAY®	✓	✓	✓	×

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Processing your Application

We hold your Application monies in a trust clearing account. Once cleared, we can process your completed Application and our aim is do this generally within seven Business Days of its receipt by us.

Your Education Bond's Commencement Date is the day that we accept your Application by disbursing your initial net contributions as cleared funds to the Investment Option selections that you make.

If we are unable to accept an Application for whatever reason, you will receive a refund from this clearing account within 30 days in which the monies were received, or such other period as reasonable in the circumstances.

For administrative and taxation simplicity, we retain any interest on the clearing account to meet operational expenses and other related processing costs.

Pending your Application being accepted and processed, and your funds being allocated to your selected Investment Options, Futurity is not accountable to you, nor responsible, for movements in Unit Prices in those Investment Options. It is very important that you fully and correctly complete the Application Form and that we receive all documentation needed to verify the identity of the Education Bond participants in order to avoid delays in processing your Application.

Under the Product Rules, we can decline to accept (or defer accepting for a period) an Application without having to give reasons.

Processing investment switches

You are able to switch between Investment Options on the menu at any time by completing a switch instruction, which can be obtained from us from futurityinvest.com.au.

Minimum switching amounts of $100 per switch transaction apply, with the minimum balance remaining in an Investment Option after a switch has been completed to be $500.

For the Investment Option that you are switching from, we apply the sell Unit Price and for the Investment Option being switched into, we apply the buy Unit Price calculated at the same time.

The number of Units issued in the Investment Option that you are switching into will be determined by dividing its buy Unit Price into the amount received from the Investment Option that you are switching from.

Before making any switches, Bond Owners should obtain a current PDS on request or by downloading one from futurityinvest.com.au and consider obtaining advice from your Financial Adviser.

Futurity has discretion to restrict or limit switching as well as impose additional conditions where we believe it is in the best interest of Bond Owners.

Bond Transactions – delay or deferral by us

Circumstances and events beyond Futurity's control can arise and may cause us to delay or defer processing Bond Transactions. These situations may impact Futurity's operations and also those of UMFs into which our Investment Options invest.

The circumstances and events include:

- emergencies (such as technology failures) or government moratoriums rendering it not practicable for us to process Bond Transactions;
- unscheduled or unexpected closures, restrictions or suspensions applying to equity markets, exchanges and trading platforms;
- the investments made by our Investment Options in UMFs (or in other assets) become subject to suspension, delays or deferrals of their repayment obligations; and
- conditions or restrictions impacting Futurity in dealing with a UMF that cause changed repayment, access or information provision.

In these situations, we have an additional buffer period not exceeding 14 Business Days longer than the period it actually takes Futurity to effect the repayment or to obtain relevant financial information from the UMF so as we can process Bond Transactions.

We may during any period of suspension, delay or deferral still process Bond Transactions.

Also, if the Bond Transaction would be prejudicial to the financial interests of other Bond Owners, we can delay the processing of the transaction for up to three months from the last Business Day that the transaction would otherwise have been effected.

The Unit Price applicable to such transactions will be that prevailing immediately after close of business on a Business Day determined by Futurity after taking into account factors considered to achieve fairness between all affected Bond Owners.

Neither Futurity, nor the managers of the UMFs on our investment menu, to the extent permitted by Law, have any liability to you or others involved with your Education Bond for any reduction in the value of your Bond Balance during the period of any such delay or deferral in processing Bond Transactions.

Futurity's discretions

Futurity has discretion to determine the person(s) whom we believe is entitled to payments and distributions from your Education Bond and who can give us valid receipts.

If we pay someone whom we believe in good faith is a person reasonably entitled to the payment, we are discharged from our obligations and liabilities in respect of such payments.

Units and your Unit Holding

Each Investment Option on the Education Bond's investment menu is divided into Units.

Your Bond Balance is simply the addition of the value of all Units that you hold in your selected Investment Options as measured by Unit Prices that we strike on a daily basis.

Bond Owners have an interest in the assets of the relevant Investment Option in which they have invested. This interest is to the extent of their Unit Holding, however, this holding does not confer any specific interest in any part of the assets or any authorised investment of the relevant Investment Option.

At any given time, all Units in an Investment Option are of equal value.

Unit Price procedures

The procedures for establishing Unit Prices are set out in the Product Rules.

In summary, a current Unit Price for each Investment Option is determined by dividing the number of Units on issue into each Investment Option's net asset value.

Depending on the nature of the transaction that you are undertaking at the time, Unit Prices applied to your Investment Option transactions will either be a buy Unit Price (an issue or acquisition price) or a sell Unit Price (redemption or disposal price).

The difference between these Unit Prices arises due to transaction costs incurred by Futurity when we buy or sell units in the UMFs to give effect to your transaction. These buy/sell costs are explained on page 41.

For more information on how the Unit Prices applicable to Bond Transactions or other Education Bond dealings are determined, refer to the 'General processing timeframes' section on page 56.

Valuation and Unit Prices

The Investment Options typically invest into one UMF, but for some, multiple UMFs.

For valuation purposes, we input into the calculation of each Investment Option's Unit Price, the UMF's own Unit Price, after making allowances for expenses and Fund Tax (including tax provisions).

Futurity values the investment assets of each Investment Option in accordance with established accounting and actuarial valuation standards. A range of factors can impact Unit Prices, values and performance measurement including:

- the frequency and reliability of UMF unit price information provided to us, and timing of UMF distributions made to our Investment Options;
- actuarial and tax accounting treatment conventions for tax provisioning and accruals and the timing of us receiving and processing tax credits and us paying Fund Tax; and
- application of Futurity's taxation policy, together with relevant advice from our appointed actuary, so there is fair and consistent calculation of Unit Prices and valuation of Investment Options over time.

Daily Unit Prices and Unit Price history is available at futurityinvest.com.au.

Role of Futurity's appointed actuary

Under the Life Act, Futurity must have an appointed actuary who plays a key role in advising Futurity on Unit pricing.

The appointed actuary's advice may include assumptions and estimates that we use to establish Unit Prices, such as estimated long-term effective tax rates and the valuation of deferred tax assets and liabilities.

Our appointed actuary is:

Briallen Cummings
(Partner, Actuarial Advisory Services)
KPMG Financial Services Consulting Pty Ltd
International Towers 3 Sydney
300 Barangaroo Ave
Sydney NSW 2000

How Futurity is regulated

APRA and ASIC

Futurity is subject to both APRA and ASIC regulation and oversight.

Under the Life Act, APRA is Futurity's primary regulator and our prudential supervisor with responsibility to oversee our corporate governance, risk management framework, our capital adequacy and financial soundness. APRA also approves the Education Bond's Product Rules (p.59).

Futurity's other regulator is ASIC, which regulates us under the Corporations Act. This covers our disclosure practices, consumer protection measures and compliance with our AFSL.

Security and protections

Futurity Education Bonds are established and must be maintained under a secure framework with legal protections governed by the Life Act.

We must keep and invest each Investment Option on the Education Bond's investment menu as a 'distinct and separate' fund. Our contractual liabilities to meet your Bond Balance are supported by matched assets held in these legally separated (but contractually linked) Investment Options.

As legally separated funds, each Investment Option is protected from adverse financial events or circumstances that might impact other Investment Options or that Futurity as a company might experience.

Corporate governance, risk management and compliance

Futurity is an APRA-licensed entity required to meet ongoing risk and compliance requirements.

Board of Directors

The Futurity Board is comprised of independent non-executive directors who are appointed in accordance with the rules of the constitution. More information on our Board is available on our website.

The Board of Futurity has authorised the issue of this PDS.

More information on Futurity's corporate governance arrangements can be found in our annual reports. The Board maintains a corporate financial lines insurance program.

Legal nature and how your Education Bond is governed

Education Bonds are investment-linked life insurance contracts with Futurity. These contracts are issued and operated under, and subject to, the Life Act.

Your Education Bond's terms and conditions are principally governed by APRA-approved Product Rules, which constitute the primary basis of your contract with Futurity.

Your completed Application also forms part of your Education Bond's terms and conditions and these may include various disclosures, representations and certain acknowledgements, declarations and additional terms and conditions that you may accept as contained in this PDS (p.65-66) by submitting a completed and signed Application.

Also, there can be other terms and conditions accepted by you that will apply if you complete various forms used for Bond Transactions from time to time.

About the Product Rules

In summary, the Education Bond's APRA-approved Product Rules cover:

- the class of business and types of bonds that Futurity can issue;
- procedures and conditions for making Applications, contributions, how Savings Plans and Lump Sum Plans work;
- procedures and conditions for or making Education Benefit Claims and Other Withdrawals (Any Purpose);
- Education Bond specifics, such as Eligible Education Expenses and Eligible Education Courses and the functioning of Appointed Associates;
- how Investment Options are established, added or closed and how they are unitised and valued, the authorised investments and investment policies that we set for each Investment Option (see PDS Part B);
- how a Life Insured(s) is selected and their role and function;
- Futurity's procedures for processing Bond Transactions and making Bond Death Maturity payments, including the circumstances or events for any suspension, delay or deferral;
- issuing Confirmation Certificates and annual statements and our reporting obligations to you;
- how Education Bonds can be transferred and Bond Estate Nomination procedures;
- fees and other costs that can be charged, including their maximums, how and when they can be paid or varied;
- the taxation arrangements for the Investment Options; and
- various other matters, including unclaimed monies, your cooling-off rights, and our general discretions and determination powers under the Product Rules.

Once you become a Bond Owner, you can inspect a full version of the Product Rules upon request.

Product Rules changes

Product Rules changes must be approved by APRA.

Important additional PDS information

Updating the PDS and other important information

Futurity will update this PDS by issuing a replacement PDS or a supplementary PDS if there are materially adverse changes to information in it or materially adverse omissions.

Provided the information to be updated is not 'materially adverse information', we can update in various ways, including:

- by sending notices by post or by Electronic Means to impacted Bond Owners and updating information with Annual Statements or other Futurity communications; or
- Bond Owners obtaining the updated information by telephone.

You may request a paper copy of the updated information from us at any time without charge.

Interested parties

Apart from professional fees paid to experts associated with the preparation of this PDS, no Director of Futurity or expert has any interest in the assets of the Investment Options or benefits referred to in this PDS, other than entitlements available through Education Bond ownership on the same terms and conditions applicable to you and other Bond Owners.

Auditor

Deloitte Touche Tohmatsu is the auditor for Futurity Investment Group Limited.

Annual report

In accordance with the Corporations Act, Futurity provides its financial statements as part of its annual report free of charge to Members of Futurity if requested. You can elect to receive the annual report within the Application Form by Electronic Means or otherwise by contacting us by email, phone or by mail. You may update your preference at any time. A copy of the current annual report is also available on our website at futurityinvest.com.au.

Consents

Various consents from independent experts have been obtained in respect of the preparation of the PDS, and to being named in the form and context in which they have been presented in this PDS. None of these consents have been withdrawn prior to the date of this PDS. These consents are from:

Independent tax consultant
Expert consent has been obtained from an independent tax consultant regarding the tax information contained in this PDS. The consultant is:

Tony C Jacob
B Com (Melb), Registered Tax Practitioner.

Managers of UMFs

The UMF managers have consented to being named in the PDS Part B and have reviewed and approved the information about them and their respective Managed Funds invested into by Futurity's Investment Options.

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

Bond Guardian terms and conditions

You can appoint a person, or persons (up to three), to be your Bond Guardian(s) to exercise Authorised Functions.

This person, or persons, can act in your capacity as Bond Owner in the event of your death or legal, physical or mental incapacity. A Bond Guardian(s) must act in the best interests of, firstly, the one or more Education Beneficiaries of your Education Bond and, secondly, the one or more Bond Estate Nominees or Future Activated Transfer recipients (if appointed).

If you appoint a Bond Guardian(s), these terms and conditions will apply to you and to your Bond Guardian(s), subject to the Product Rules and applicable legal requirements and Law.

A Bond Guardian(s) must be at least 18 years of age. We recommend appointing someone who is trustworthy and competent to fulfill this role.

Basic Authorised Functions

Bond Guardians have basic Authorised Functions that Futurity will act upon as being authorised by you in respect of your Education Bond. By appointing someone as a Bond Guardian, you are granting that person:

- access to your investor portal, your Education Bond's details and your personal details and the right to receive reports and statements; and
- any other basic Authorised Functions that Futurity may from time to time approve,

from the date upon which Futurity is reasonably satisfied of the death of the last surviving owner or that the last surviving owner no longer has the capacity to act as Bond Owner.

Additional Bond Guardian Authorised Functions

In the Application Form, or by later written instructions to Futurity, you can authorise your Bond Guardian(s) to do certain additional Authorised Functions on your behalf including:

- switching Investment Options;
- making contributions and Education Benefit Claims or Other Withdrawals (Any Purpose) including making full withdrawals (with Futurity's approval); and
- appointing, removing and replacing Education Beneficiaries.

Unauthorised Bond Guardian functions

A Bond Guardian(s) is strictly limited to the above Authorised Functions and they cannot:

- change the bond term;
- change or add a Life Insured, Bond Estate Nominee or Future Activated Transfer arrangement;
- transfer your Education Bond; or
- appoint a replacement Bond Guardian.

General Bond Guardian matters

Futurity will treat a Bond Guardian(s) as having full legal capacity to carry out the Authorised Functions granted to them by the Bond Owner and we will not accept, or be on notice of, any restriction on such powers, except as required by Law.

A person that we reasonably believe is acting as a Bond Guardian exercising Authorised Functions will be treated by us as if you had personally exercised those powers.

AML/CTF verification of Bond Guardians is not necessary until their power to undertake Authorised Functions is effective. Investor portal access and provision of annual statements, Confirmation Certificates, annual tax statements and transaction confirmations will also be granted at this time.

A Bond Guardian appointment can only be terminated by your written notification to us and we are not responsible for subsequent claims that a Bond Guardian was not acting on your behalf.

We may cancel your Bond Guardian arrangement or vary these terms and conditions after giving you 14 Business Days' notice.

You agree to release, discharge and indemnify Futurity, to the extent permitted by Law, from and against all actions, proceedings, accounts, claims, demands, charges and expenses, losses and liabilities however arising out of the use of your Bond Guardian facility, including its cancellation or the variation of its terms and conditions.

Bond Representative terms and conditions

You can appoint a person, or persons (up to three), to be your Bond Representative(s) to exercise Authorised Functions and act for you while you are alive and to have capacity in respect of your Education Bond.

It is recommended that this person is a trusted and competent person.

Bond Representatives must be aged at least 18 years.

Generally, your Bond Representative(s) can do everything that you as a Bond Owner can do in relation to your Education Bond with some restrictions set out below. Bond Representative(s) must act in the best interests of, firstly, the one or more Education Beneficiaries of your Education Bond and, secondly, the one or more Bond Estate Nominees or Future Activated Transfer recipients (if appointed).

If you appoint a Bond Representative, these terms and conditions will apply to you and to your Bond Representative(s), subject to the Product Rules and applicable legal requirements and Law.

Basic Authorised Functions

Bond Representatives have basic Authorised Functions that Futurity will act upon as being authorised by you in respect of your Education Bond. By appointing someone as a Bond Representative, you are granting that person:

- access to your investor portal, your Education Bond's details and your personal details and the right to receive reports and statements; and
- any other basic Authorised Functions that Futurity may from time to time approve.

Additional Bond Representative Authorised Functions

In the Application Form, or by later written instructions to Futurity, you can authorise your Bond Representative(s) to do certain additional Authorised Functions on your behalf including:

- switching Investment Options;
- making contributions and Education Benefit Claims or Other Withdrawals (Any Purpose) including making full withdrawals (with Futurity's approval); and
- appointing, removing, and replacing Education Beneficiaries.

Unauthorised Bond Representative functions

Your Bond Representative(s) is strictly limited to the above Authorised Functions and they cannot:

- change the bond term;
- change or add a Life Insured, Bond Estate Nominee, or Future Activated Transfer arrangement;
- transfer your Education Bond; or
- appoint a replacement Bond Representative.

General Bond Representative matters

Futurity will treat your Bond Representative(s) as having full legal capacity to carry out the Authorised Functions and we will not accept, or be on notice of, any restriction on such powers except as required by Law.

A person that we reasonably believe is acting as a Bond Representative exercising Authorised Functions granted to them by the Bond Owner will be treated by us as if you had personally exercised those powers.

Your Bond Representative(s) will be granted access to the investor portal and will be copied on all correspondence you receive as Bond Owner. Bond Representatives are subject to AML/CTF verification at the time of Application or appointment.

A Bond Representative appointment can only be terminated by your written notification to us and we are not responsible for subsequent claims that a Bond Representative was not acting on your behalf.

We may cancel your Bond Representative arrangement or vary these terms and conditions after giving you 14 Business Days' notice.

You agree to release, discharge and indemnify Futurity to the extent permitted by Law, from and against all actions, proceedings, accounts, claims, demands, charges and expenses, losses and liabilities however arising out of the use of your Bond Representative facility including its cancellation or the variation of its terms and conditions.

Acknowledgments if you have a Financial Adviser

If you appoint a Financial Adviser to assist with managing your Education Bond, the Financial Adviser will be appointed as your Adviser Representative (unless you instruct us otherwise). You can appoint or remove your Financial Adviser as an Adviser Representative by providing us with written instructions at any time.

Your Adviser Representative has certain Authorised Functions that Futurity will act upon as being authorised by you in respect of your Education Bond. Officers or staff of your appointed Financial Adviser are also authorised to give instructions in relation to your investment where they are bound by the same terms and conditions as your Adviser Representative.

As your Adviser Representative can access your information and will have the authority to act on your behalf on certain Authorised Functions concerning your Education Bond, it is important that you are comfortable with your appointed Financial Adviser managing your investment. If you have any doubts regarding this, you should select the opt-out option in the Adviser Representative appointment section in the Application Form. Even if you select the opt-out option, your Financial Adviser will still have access to your Education Bond's details, your personal details, reports and statements via the investor portal.

You are responsible for Authorised Functions your Adviser Representative does on your behalf. If someone we reasonably believe to be either your Adviser Representative, or their officers or staff, acts on your behalf, we will treat the request as if you had personally acted.

We have the discretion to terminate the Adviser Representative facility or not act on an instruction or request received from an Adviser Representative where we suspect the Adviser Representative is acting illegally or without authorisation. We are not responsible for the actions of your Adviser Representative or for the actions of their officers or staff.

The registration of an appointed Financial Adviser to act as an Adviser Representative is not to be taken as an endorsement of them by us.

If you do not opt out from appointing your Financial Adviser as your Adviser Representative, you release us from any claims and indemnify us against all losses and liabilities arising from any action we make based on Authorised Function instructions that we receive from your Adviser Representative, or their officers or staff, that we reasonably believe are genuine. You also agree that neither you, nor anyone claiming through you, has any claim against Futurity in relation to these payments or actions.

If you hold more than one Futurity Education Bond, any instruction you provide regarding the appointment of an Adviser Representative applies only to the specific Futurity Education Bond held.

If you choose not to appoint a Financial Adviser, you will not be able appoint an Adviser Representative.

Adviser Representative Authorised Functions

By appointing your Financial Adviser as your Adviser Representative, you are granting that person:

- authority to switch Investment Options; and
- any other basic Authorised Functions that Futurity may from time to time approve.

Unauthorised Adviser Representative functions

Your Adviser Representative is strictly limited to the above Authorised Functions and they cannot:

- make Education Benefit Claims or Other Withdrawals (Any Purpose);
- change or add a Life Insured, Bond Estate Nominee or Future Activated Transfer arrangement;
- transfer your Education Bond;
- change your contact details; or
- appoint any Appointed Associates.

Your membership rights

Futurity is constituted as a friendly society-based life insurance company.

Being mutually structured means Futurity has Members, not shareholders.

You automatically become a Member of Futurity upon becoming a Bond Owner.

Members are the only persons entitled to vote at Futurity's annual general meeting on such matters as election of Futurity's Directors and approving changes to our constitution.

Additionally, each of your joint Bond Owner(s) are also considered a joint Member of Futurity.

The person whose name appears first in Futurity's Member register (generally the first mentioned person on the Application Form) is deemed under Futurity's constitution to be the primary joint Member.

The primary joint Member is entitled to receipt of notices and other documents and to vote on behalf of a joint Member.

Privacy Policy

This statement is a summary of Futurity's Privacy Policy which can be accessed in full at futurityinvest.com.au. More information and detail on Futurity's privacy processes can be found in the Privacy Policy.

Personal information is collected from you in your Application and any other forms that we use to process your Bond Transactions; to administer your investment; to establish and verify your identity; to manage our risks and to help identify and investigate illegal activity such as fraud; develop products and services and market products (subject to opt-out); and comply with relevant Laws.

If necessary, there are circumstances when we may disclose your personal information to Futurity's related entities or our service providers that perform a range of services, some of which may be located overseas, e.g. technology platforms or hosting services, or otherwise to third parties as required by Law.

You may access personal information that we hold about you and seek correction of such information. You should notify us immediately if any details are inaccurate or incomplete.

If personal information is provided about third parties, such as Bond Guardians, Bond Representatives or Education Beneficiaries (and/or their parents or guardians where applicable), it is your obligation to confirm that they consent to the disclosure and understand the terms of our Privacy Policy.

If you have a Financial Adviser acting for you, you acknowledge that he or she is acting as your agent and consent to disclosure of your personal information by us.

Information may also be shared with your joint Bond Owners, Education Beneficiaries (and/or their parents or guardians where applicable), Bond Guardian(s) and Bond Representative(s) as required for administration of your Education Bond.

We will collect, use and disclose your personal information in accordance with our Privacy Policy and applicable privacy laws. Our Privacy Policy may be updated from time to time. It is publicly available on our website or you can obtain a copy free of charge by contacting us.

If you don't want to receive direct marketing from us or wish to amend your details, please contact our privacy officer.

Privacy queries

Direct in first instance to our privacy officer:
Post: Privacy Officer, Futurity,
Level 15, 333 Collins Street
Melbourne VIC 3000.
Telephone: 1300 345 456
Email: privacyofficer@futurityinvest.com.au

Making complaints

We will endeavour to respond to and resolve Bond Owners' concerns and complaints as quickly and efficiently as possible. Please contact our Client Services Team on 1300 345 456. If you are not satisfied with the response you receive, you may write to us at:

Post: Investor Care, Futurity,
Level 15, 333 Collins Street
Melbourne VIC 3000.
Email: investorcare@futurityinvest.com.au

We will acknowledge receipt of your complaint and aim to resolve the matter within 30 calendar days. If the matter is not resolved to your satisfaction, you may contact the Australian Financial Complaints Authority (AFCA). It is a free and independent service.

Post: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001
Telephone: 1800 931 678 (free call)
Email: info@afca.org.au
Website: afca.org.au

Your cooling-off rights

You have 14 days in which to change your mind about investing in a Futurity Education Bond. You can cancel your Application within 14 days of the earlier of:

- you receiving your Confirmation Certificate from us; or
- five days after the Commencement Date.

Your written request to cancel must be received by Futurity within the 14-day period.

Your cooling-off rights will lapse if you undertake any Bond Transactions within the 14-day period. These rights are not available to wholesale investors (within the meaning of the Corporations Act).

The amount refunded will be adjusted, in accordance with the requirements of the Corporations Act, for Unit Price changes of your selected Investment Options and deductions for reasonable transaction costs or taxes or duties that are not recoverable by us.

As such, the amount refunded may be less than your Initial Contribution.

The refund will be calculated using the sell Unit Price calculated as at the close of business on the Business Day we receive and process your refund request.

Your liability

Bond Owners are not under any personal obligation to indemnify Futurity (or its creditors) in respect of our liabilities in relation to Education Bonds, the Investment Options or the UMFs.

Anti-Money Laundering and Counter-Terrorism Financing Laws

We are required to comply with AML/CTF Laws, including the need to establish your identity and, if relevant, the identity of various parties associated with your Education Bond including the other persons referred to in the paragraph below.

This requirement applies to all individual applicants, company directors, beneficial owners, trust beneficiaries, trustees (including directors/beneficial owners if a company trustee), beneficial owners of a trust and Appointed Associates (where required). Therefore, we may ask you to provide information that is reasonably required to verify your identity, the identity of any underlying Beneficial Owner. We may also require you to provide updated or additional information from time to time.

We utilise a third-party service provider to undertake identity verification on our behalf. Additional information may be required to assist with this process from time to time. While we will make every effort to complete the identification process as quickly as possible, in certain circumstances it may take longer to verify an identity.

We may not be able to transact with you or other persons should we be unable to establish your or their identity or if we have reasonable grounds to suspect that a transaction could breach any obligation of, or cause us to commit or participate in an offence under any AML/CTF Laws. This may result in delaying, blocking, freezing or refusing to process a transaction or ceasing to provide you with a product or service. This may impact on your investment and could result in a loss of investment earnings. Futurity is not liable for any loss you may suffer because of compliance with AML/CTF Laws.

We may require you to identify the source of your investable assets/wealth and source of funds for your Education Bond investment.

Politically Exposed Person

To comply with AML/CTF Laws, we require you to disclose whether you are or have an association with a Politically Exposed Person.

Where you identify as a Politically Exposed Person, or you have an association with a Politically Exposed Person, we may request additional information from you and this may cause a delay in processing your Application.

Tax framework and additional information

A Politically Exposed Person is an individual who:

- holds or has held within the last 12 months a prominent public position or function in a government body or an international organisation (such as a government minister or senior government official, a high ranking member of the armed forces, or a Chair, Chief Executive Officer or Chief Financial Officer of an international organisation); or
- is an immediate family member of a person referred to above or is a close associate of that person.

Your acknowledgments, declarations and additional terms and conditions

By completing and signing the Application Form, you give us various acknowledgments and confirmations. You also make certain declarations and agree to the following additional terms and conditions relating to your Education Bonds.

General matters

You acknowledge and agree:

- importantly, that you have read and understood this PDS and the Futurity Financial Services Guide (p.69);
- to be bound by the Product Rules which primarily govern the terms and conditions of your Education Bond and prevail over this PDS in the event of any inconsistency or conflict (p.59);
- to be bound by the PDS and agree that its terms and conditions are subject to changes in accordance with the Law;
- to our Privacy Policy (p.63);
- to release, discharge and agree to indemnify Futurity from and against all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities however arising that may be suffered by you or brought against us in respect of carrying out any of your instructions we receive from you or via your Appointed Associates;
- to confirm any transactions that Futurity may in good faith enter with any party on the instruction of any person they believe to be validly appointed as your Appointed Associate;
- to the terms and conditions of the Direct Debit Request Service Agreement (p.67-68) if you are investing using this facility; and
- to us recovering against your Unit Holding any dishonour or other fees that your financial institution may charge if there are insufficient cleared funds when we process a Bond Transaction for you.

Declarations and confirmations for specific types of investors and Bond Transactions

You also agree that if you have applied for a Futurity Education Bond and are undertaking Bond Transactions, in the capacity of:

Trust or deceased estate investors

- you confirm your relevant capacity and that you have the power and authority under the relevant trust or estate in respect of any Bond Transactions undertaken on its behalf;

Partnership investors

- you confirm that you are a partner in the partnership and have the power and authority in respect of any Bond Transactions undertaken on its behalf;

Companies and incorporated association investors

- you confirm that you are a director or officer of the company or other type of legal entity or body with the power and authority to bind the company, legal entity or body in respect of any Bond Transactions undertaken on its behalf; and
- If you are a sole signatory signing on behalf of the company, legal entity or body, you confirm that you are signing as a sole officer/director/secretary or other authorised person of the company, legal entity or body.

Attorneys

You, as the attorney, confirm and agree that:

- you, at the relevant time, will only act under the Power of Attorney provided it is then current and valid and that you will not act if you have received a notice of revocation;
- you will provide a certified copy of the Power of Attorney, if requested by us;
- instructions given to Futurity will not be inconsistent with the powers granted under the Power of Attorney;
- you will not use the Power of Attorney directly or indirectly to negate or be used in a manner contrary to the interests of the donor, or the Education Beneficiary(s) or any Bond Estate Nominees; and
- unless specifically authorised in the Power of Attorney, you will not seek to issue instructions to Futurity to revoke a Bond nomination.

Instructing us by Electronic Means

If you give us instructions to undertake Bond Transactions by Electronic Means, you acknowledge and agree that:

- we have discretion to accept instructions by Electronic Means and can request them in another form;
- Futurity may cancel its Electronic Means arrangements or vary these conditions after giving you 14 Business Days' notice;
- you bear the risk that someone who knows about your Education Bond and your personal details may send us an instruction by Electronic Means. Any action by that person will be deemed to be taken by you;
- you release, discharge and agree to indemnify Futurity from and against all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities however arising that may be suffered by you or brought against us in respect of carrying out any of your instructions (including deemed instructions) we receive via Electronic Means; and
- you agree that your telephone conversations with us can be recorded and listened to for training and quality control purposes.

Bond Representative and Bond Guardian confirmations

Upon appointment of Bond Representatives or Bond Guardians, you will confirm that they understand, agree and accept:

- our AML/CTF requirements, including that identification verification may apply to them;
- their role as a Bond Representative or Bond Guardian and particularly their responsibility to act in the best interests of, firstly, Education Beneficiaries and, secondly, any Bond Estate Nominees and Future Activated Transfer recipients (where relevant); and
- that they are bound by the Product Rules, the PDS and any related instructions provided by you as Bond Owner.

Instruction authorities – Bond Owners, Bond Representatives and Bond Guardians

In the Application Form (or subsequently in writing), you can instruct us as to who has authority to give binding instructions (and sign) when your Education Bond is jointly owned and/or joint Bond Representatives or joint Bond Guardians have been appointed.

The options are:

- all joint incumbents must instruct us and sign (default position), which is the default requirement; or
- a specific incumbent, or combination of joint incumbents, can instruct us and sign; or
- any one joint incumbent can instruct us and sign.

Given that future circumstances between joint incumbents can unpredictably and unexpectedly change, such as involving litigation between them, divorce, separation or family disputes, you acknowledge and agree that Futurity in its sole discretion can determine which of the joint incumbents instructions it will rely upon, including requiring the default position to apply with or without us giving prior notice to all affected appointed incumbents.

Education Benefit Claims and Declarations

When you or your authorised Bond Representative, Bond Guardian (in certain circumstances) or Education Beneficiary over 16 years of age make Education Benefit Claims, you give us an Education Benefit declaration that:

- to the best of your knowledge and belief at the time of making the declaration it will be true and correct;
- you acknowledge that while Futurity will generally rely on your Education Benefit Declaration, you are aware and accept that under the Product Rules, Futurity can request proof from you, such as by giving us receipts or invoices, or by you making a further declaration to validate Education Benefit Claims; and
- you further agree that you will comply with such requests as are reasonably practicable.

It is recommended that Bond Owners keep appropriate records and documentation supporting their Education Benefit Claims.

Tax framework and additional information

Direct Debit Request Service Agreement

This is your Direct Debit Request Service Agreement with Futurity Investment Group Limited, user ID 609767 and ABN 21 087 648 879 (the Debit User). It explains what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit provider.

Please keep this agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request.

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, Sunday or Public Holiday) when banks are open for business in Melbourne.

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 means the written, verbal or online request between you and us to debit funds from your account, including any regular increases agreed between you and us.

us or **we** means Futurity Investment Group Limited, (the Debit User) you have authorised by requesting a Direct Debit Request.

you means the customer 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.

Debiting your account

By submitting a Direct Debit Request, you have authorised us to arrange for funds to be debited from your account. The Direct Debit Request and this agreement set out the arrangement between us and you.

We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request.

If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited, you should ask your financial institution.

Amendments by us

We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least **14 days** written notice sent to the preferred email or address you have given us in the Direct Debit Request.

How to cancel or change direct debits

You can:

a) cancel or suspend the Direct Debit Request; or

b) change, stop or defer an individual payment at any time, by giving us at least **five banking days**' notice.

To do so, contact us via the investor portal, email us at **investorcare@futurityinvest.com.au** or by telephoning us on **1300 345 456** during business hours; or

You can also contact your own financial institution, which is required to act promptly on your instructions.

Your obligations

It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.

If there are insufficient clear funds in your account to meet a debit payment:

a) you may be charged a fee and/or interest by your financial institution;

b) we may charge you reasonable costs incurred by us on account of there being insufficient funds; and

c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.

You should check your account statement to verify that the amounts debited from your account are correct.

Dispute

If you believe there has been an error in debiting your account, you should notify us directly on 1300 345 456 or at investorcare@futurityinvest.com.au and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can contact your financial institution for assistance.

If we conclude, as a result of our investigations, that your account has been incorrectly debited, we will respond to your query by arranging within a reasonable period for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

If we conclude, as a result of our investigations, that your account has not been incorrectly debited, we will respond to your query by providing you with reasons and any evidence for this finding in writing.

Accounts

You should check:

a) with your financial institution whether direct debiting is available from your account, as direct debiting is not available through the Bulk Electronic Clearing System (BECS) on all accounts offered by financial institutions;

b) your account details, which you have provided to us, are correct by checking them against a recent account statement;

c) with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request; and

d) if your account is held in both names, that the Direct Debit Request is signed by both account holders or otherwise as held by your financial institution for your account.

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 collect, retain and use your personal information in accordance with our Privacy Policy. We will only disclose information to the extent specifically required by Law or for the purposes of this agreement (including disclosing information in connection with any query or claim).

Contacting each other

If you wish to notify us in writing about anything relating to this agreement, you should write to:

Futurity Investment Group Limited
Level 15,
333 Collins Street
Melbourne VIC 3000

Email: investorcare@futurityinvest.com.au

We will notify you by sending a notice to the preferred email or address you have given us in the Direct Debit Request. Any notice will be deemed to have been received on the second banking day after sending.

Tax framework and additional information

Financial Services Guide

This Financial Services Guide (FSG) dated 25 August 2026 is issued by Futurity Investment Group Limited (Futurity), the provider of the financial services referred to in this FSG. This FSG is combined with and forms part of the PDS.

What is the purpose of this Financial Services Guide?

This FSG is to assist you in making an informed decision about whether to acquire financial services from us. This FSG is an important document that provides you with information about financial services offered by Futurity Investment Group to assist you in deciding whether to use these services. If you are considering acquiring one of Futurity's investment products, you will be provided with a PDS for the relevant product(s). This PDS will provide you with details of the financial product issued by Futurity, including features, benefits and risks – and is intended to assist you in making an informed decision about the product.

Who we are and what are the financial services we offer?

Futurity is licensed by ASIC to deal in and provide general financial product advice on the following:

- Investment Life Insurance Products; and
- Life Risk Insurance Products.

As Futurity is only licensed to provide general financial product advice, any information provided by us cannot and will not take into account your personal objectives, financial situation or needs. Because of this, you should consider your own relevant circumstances (personal objectives, financial circumstances and particular needs) when making a decision about our products or you should seek advice from a licensed Financial Adviser.

Communicating with us

You can communicate with us and give us instructions by various methods including in person or by Electronic Means. Depending on what you need, different methods are available to you. Details are provided in the PDS. Our main contact details are provided are provided in the 'Enquiries and contact' section.

Your privacy

Futurity's Privacy Policy is summarised on page 63 of the PDS.

The full version of the Futurity Privacy Policy is available to you at futurityinvest.com.au.

Complaints

Futurity's processes for responding to and resolving concerns and complaints are summarised on pages 63-64 of the PDS.

Associations and relationships

Our general financial product advice is provided only through our authorised employees and they operate under our AFSL.

Remuneration

Futurity receives fees as detailed in the 'Fees and other costs' section of the PDS.

Futurity employees do not receive specific payments or remuneration for the provision of general financial product advice. These employees receive salaries and may receive bonuses from us based on them satisfying, throughout the year, different performance-based criteria set from time to time by Futurity. All employee remuneration is borne by and paid from Futurity's Management Fund.

No benefits are paid to third parties for referrals or introductions in relation to products or services issued under Futurity's AFSL.

Enquiries and contact

You can contact us using the following contact details.

Futurity Investment Group Limited

Address:
Level 15, 333 Collins Street,
Melbourne VIC 3000.

Phone: 1300 345 456
Email: investorcare@futurityinvest.com.au
Website: futurityinvest.com.au

Business hours: 9am-5:00pm (AEST) Monday to Friday (National and Victorian public holidays excepted)

ACN 087 648 879

AFSL 236665

Glossary

The following words or expressions when used in this PDS have these defined meanings:

Adviser Representative means the Financial Adviser, including their officers or staff, authorised by the investor to give instructions and receive information in relation to the investment.

AFSL means an Australian Financial Services Licence issued by ASIC.

AML/CTF Laws means Australia's Anti-Money Laundering and Counter-Terrorism Financing Laws that Futurity must follow to establish your identity and, if relevant, the identity of various parties associated with your Education Bond, including Appointed Associates, your Education Beneficiaries and Bond Estate Nominees.

Application Form or **Application** means the application form booklet accompanying this PDS. 'Application' may also mean electronic application – refer to 'Electronic Means'.

Appointed Associate means your Bond Guardian(s), your Bond Representative(s), your Financial Adviser or your Attorney as applicable as the context requires when used.

Approved Manager List means the list of approved UMFs that the Futurity Managed & Blended Investment Options can select from (PDS Part B p.20).

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

ATO means the Australian Taxation Office.

Attorney means your legally appointed person acting under a valid and non-revoked Power of Attorney.

Authorised Functions means the functions that Futurity will act upon as being authorised by you and exercised by your Financial Adviser, Bond Representatives or Bond Guardians in respect of your Education Bond.

Authorised Investment means the investment categories that Investment Options can be invested into as authorised by the Product Rules (PDS Part B p.42).

Bond Balance means the total of your Education Bond's Capital Component, plus its Earnings Component. This is also equal to the total value of your Unit Holdings in each of your selected Investment Options.

Bond Capital Component or **Capital Component** means an account that Futurity maintains for your Education Bond that records all of your net contributions less that portion of all Other Withdrawals (Any Purpose).

Bond Death Maturity is when your Education Bond becomes due for distribution and payment to you and/or your Bond Estate Nominee(s) due to the death of the last surviving Life Insured or the nominated Life Insured that prompts a Bond Death Maturity.

Bond Earnings Component or **Earnings Component** means an account that Futurity maintains for your Education Bond that records all net earnings attributed to the investment performance of your selected Investment Options less Education Benefit Claims and Other Withdrawals (Any Purpose).

Bond Estate Completion means the completion by Futurity of applicable legal procedures and our internal processes to finalise a Bond Death Maturity claim to pay the Bond Balance.

Bond Estate Nominee is the one (or more) person(s) (including legal entities) nominated as a future beneficiary(s) entitled to your Bond Balance if it matures due to a Bond Death Maturity (p.31).

Bond Estate Recipient means upon the occurrence of a Bond Death Maturity:

(a) you – when your Education Bond has been set up with another person(s) as its Life/Lives Insured;

(b) your Bond Estate Nominees – when you have made a Bond Estate Nomination; and/or

(c) the persons entitled under your will and/or other legal estate arrangements – when no or a partial Bond Estate Nomination is made and in place.

Bond Guardian means the one (or more) person(s) that you appoint to act in your capacity as Bond Owner in the event of your death or legal, physical or mental incapacity.

Bond Owner means you and can also include other persons as joint owners. A company, a trust or deceased estate or other legal entity(s) can also be a Bond Owner.

Bond Representative means the one (or more) person(s) appointed to act for you while you are alive and have capacity in respect of your Education Bond and have access to and receive information about your Education Bond.

Bond Transaction means transactions undertaken by Futurity in respect of the receipt of contributions, us distributing or paying monies as Education Benefit Claims, Other Withdrawals (Any Purpose) or us making Bond Death Maturity payments and us implementing your Investment Option switching instructions.

Business Day means a day (other than a Saturday, Sunday or Public Holiday) when banks are open for business in Melbourne.

CGT means capital gains tax imposed in Australia.

Commencement Date means the date upon which Futurity accepts your Application by disbursing your Initial Contribution into an Investment Option(s) as selected by you.

Corporations Act means the *Corporations Act 2001*.

Education Beneficiary means the sole Education Beneficiary nominated in respect of an Individual Education Bond, or one or more Education Beneficiaries nominated in respect of a Family Education Bond.

Education Benefit means a benefit paid to or on behalf of Education Beneficiary(s) to meet Eligible Education Expenses.

Education Benefit Claim means a claim against your Education Bond to meet Education Benefits for Education Beneficiaries.

Education Benefit Declaration is a declaration in the claim form or other form given to Futurity by a Bond Owner or your Appointed Associates that an Education Benefit Claim relates to an Eligible Education Course and/or is for an Eligible Education Expense that has been paid or is due and payable.

Education Bond means an investment-linked life insurance contract (sometimes also called a policy or bond) between you and Futurity to provide Education Benefits.

Education Tax Benefit is an amount that Futurity adds to your Education Benefit Claim due to us passing on the full dollar benefit of a concessional tax deduction Futurity receives when paying Education Benefits.

Electronic Means means the various ways for you to communicate with us (including giving instructions) and us making information available to you and others associated with your Education Bond, including by online means over the internet, via digital, facsimile, text or email.

Eligible Education Course means those education courses covered by the Product Rules as explained on page 12.

Eligible Education Expense means those education expenses covered by the Product Rules as explained on pages 12-13.

Family Class means a class of related persons of the Bond Owner as defined in the Product Rules as detailed on page 15.

Family Education Bond means an Education Bond that provides Education Benefits to one or multiple nominated Education Beneficiary(s) with discretion to appoint and remove them from time to time from the Family Class and/or the Friends Class as specified to apply to your Education Bond.

Financial Adviser means your financial adviser, accountant and/or other professional adviser holding an AFSL or other authorisation to conduct a financial services business.

Friends Class means a class of unrelated persons to the Bond Owner as defined in the Product Rules as detailed on page 15.

Fund Tax is the tax paid by Futurity, rather than by you, on the investment income and realised investment earnings of each of the Education Bond's Investment Options.

Futurity Education Foundation means a registered charity established by Futurity to raise funds and make donations and bequests, and to convey benefits for charitable and philanthropic purposes aligned to advancing the access, affordability, choice and quality of education.

GST means Goods and Services Tax imposed in Australia.

Individual Education Bond means an Education Bond that provides Education Benefits to a sole Education Beneficiary.

Initial Contribution means the total amount that you invest to establish your Education Bond, which may be reduced by any fees, duties or Initial Advice Fees (if agreed by you with a Financial Adviser).

Investment Bond 10-Year Advantage means the benefits of Tax-Free access to your Education Bond after 10 years from its Commencement Date as explained on page 51.

Investment Bond Tax Rules means the tax benefit as explained on pages 50-51.

Investment Option means the Investment Options as outlined in the Education Bond's investment menu that are distinct and separate funds of investment assets maintained by Futurity that comprise and support your Bond Balance. (They are also called Benefit Funds under the Life Act.)

Law means any law governing the conduct and operations of Futurity, the Education Bonds and the Investment Options, including the Life Act, the Corporations Act and Taxation Law.

Life Act means the *Life Insurance Act 1995.*

Life Insured means the person(s), being you and/or some other persons(s) (including your Education Beneficiary(s)), whose death will prompt us paying your Bond Balance as a Bond Death Maturity.

LPR means your Legal Personal Representative being your executor, trustee or administrator of your estate or such other person duly acting for a deceased Bond Owner (other than a Bond Guardian). Typically, if your will becomes operative, your executor and sometimes your estate's trustee(s) will look after your estate's affairs – and when you do not have a valid will, someone is appointed as your estate's administrator.

Managed Fund means a common type of investment vehicle registered with ASIC that pools the assets of many investors, usually under a unit trust structure managed by a professional investment manager.

Management Fund means the fund that comprises all of Futurity's assets and liabilities, other than the Investment Options and other benefit funds relating to our other financial products.

MTR is the Bond Owner's or relevant Education Beneficiary's personal marginal tax rate as explained on page 47.

Other Withdrawals (Any Purpose) means withdrawals from your Education Bond which can be made at any time for unspecified personal use, including 'non-education' uses. These withdrawals can be sourced from your Capital Component or otherwise Investment Bond Tax Rules will apply as explained on page 26.

Product Rules means 'Master Product Rules – Futurity Multi-Bonds' approved by APRA on 16 December 2019 and such further approved amendments from time to time and which are the primary documentation governing the terms and conditions of the Education Bonds.

Responsible Investment Option means an Investment Option with a UMF that is managed in accordance with Environmental, Social and Governance factors and follow sustainable investment principles.

Tax-Free means your Education Bond's Tax-Free elements when making Education Benefit Claims or Other Withdrawals (Any Purpose) from its Capital Component or as applies under Investment Bond Tax Treatment as explained on page 48.

Tax-Paid means the Fund Tax on your Education Bond's ongoing investment earnings that is paid by Futurity (rather than you).

Taxation Law means the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and any other related income tax legislation in Australia.

UMF means the underlying Managed Fund(s) or Exchange Traded Fund(s) into which Futurity invests when implementing each Investment Option's investment strategy.

Unit means a notional undivided part or share of an Investment Option, each of which is of equal value at any given time, as explained on page 57.

Unit Holding means in respect of your Education Bond's selected Investment Option(s) from time to time, the total value of all Units that you hold in the Investment Option as measured by their respective current Unit Price.

Unit Price means the price that we strike (usually on a daily basis) in respect of each Investment Option, and as applied to your Education Bond, which will be either a buy Unit Price (an issue or acquisition price) or a sell Unit Price (a redemption or disposal price) current at close of business on the Business Day when we process your Bond Transactions or other dealings with your Education Bond.

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Futurity Investment Group Limited

Level 15, 333 Collins Street
Melbourne VIC 3000

Phone: 1300 345 456

Email: investorcare@futurityinvest.com.au

Website: futurityinvest.com.au

ACN 087 648 879 | AFSL 236665

PROD005 V3_20260220

Futurity Investment Group Limited
Product Disclosure Statement | Part B: Investment Menu Booklet

Futurity
Education Bond

25 August 2026

About using this Product Disclosure Statement

Futurity Education Bonds are issued and managed by Futurity Investment Group Limited (`Futurity', `we', `our' or `us') ACN 087 648 879 and AFSL 236665, a mutually structured, friendly society-based life insurance company.

This document serves as a combined Product Disclosure Statement (PDS) for Futurity Education Bond. PDS Part A, including the Financial Services Guide (FSG), should be read in conjunction with PDS Part B: Investment Menu Booklet. Any reference to the PDS includes a reference to both PDS Part A and PDS Part B. Neither part alone constitutes a complete PDS.

If any part of the PDS is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

A Target Market Determination (TMD) has been issued by us which considers the design of this product, including its key attributes, and describes the target market for this product. A copy of the TMD for this product is available on our website, futurityinvest.com.au.

For information regarding fees and costs, minimum contribution and withdrawal requirements, Investment Option switching and Unit pricing calculations, please refer to the relevant part of PDS Part A. Some words or expressions in this PDS that commence with capital letters have defined meanings in the 'Glossary' section of PDS Part A.

The information contained in this PDS is general information only and does not constitute personal financial product advice. It has been prepared without taking into account your personal objectives, financial situation or needs.

Before acting on any information in this document, you should consider the appropriateness of the information in light of your own objectives, financial situation and needs. We recommend that you seek independent professional advice for your specific personal circumstances before making any investment decision.

Information about the investment menu, the Investment Options, the Underlying Managed Funds (UMFs) and their managers is current as stated as at the date of this PDS. We update information at our website and managers of the UMFs usually update information on their own website as detailed in each Investment Option overview. None of Futurity or the investment managers of the UMFs, guarantee (whether expressly or impliedly) the return of your invested capital or that the Investment Options will achieve any particular rate or level of returns or meet their investment objectives or performance benchmark targets. Past performance is not indicative of future performance.

Logos and trademarks are used in this PDS with the consent of their owners.

Contents

PDS Part A

(See separate accompanying PDS Part A)

PDS Part B: Investment Menu Booklet

Introduction to the investment menu

Futurity Education Bonds' investment menu is structured with three categories and offers you access to 35 Investment Options. Within these categories, you have further choice of actively managed and indexed (or passively managed) investment styles. These categories are:

1) Futurity Managed & Blended

2) Diversified

3) Sector-specific

This investment menu provides you with wide choice and flexibility to tailor an investment strategy to suit the objectives and timeframe for your Family or Individual Education Bond.

Your Education Bond's investment mix can be flexibly managed and modified at any time to adapt to changing market conditions, your individual circumstances and attitude to risk.

With this investment menu you can:

- **tax-effectively select across 35 Investment Options** – we invest into UMFs of leading Australian and international investment managers;
- **take a 'set-and-go' approach by using ready-made and diversified Investment Options** – you can choose from the Futurity Managed & Blended range or diversified range;
- **construct your Education Bond's own investment composition across different asset classes** – you do this by selecting a mix of sector-specific Investment Options; and/or
- **access Responsible Investment Options** – you can choose from a range of Investment Options with UMFs that are managed in accordance with Environmental, Social and Governance (ESG) factors and follow sustainable investment principles.

Investment menu structure and composition

Three investment categories

1) Futurity Managed & Blended

Three Investment Options are constructed and managed by Futurity as a blended mix of multiple UMFs that we select from an Approved Manager List. This approved list comprises sector-specific UMFs spanning major asset classes such as Australian and international equities, property and fixed income.

We manage each of these Investment Options as a 'blend'. This is done to achieve balanced and growth-orientated diversification across multiple sectors to create long-term investment portfolios.

These are 'ready-made' diversified Investment Options for those who want the convenience of long-term 'set-and-go' investing and do not want to be overly involved with the ongoing management of their Education Bond's investment mix. They may also suit those who choose not to engage a Financial Adviser.

2) Diversified

This category has 16 Investment Options comprising multi-sector diversified Investment Options.

These are 'ready-made' options with each of the UMF's managers investing to create a diversified portfolio of assets.

The diversified options cover different investment management styles via indexed and active management styles.

3) Sector-specific

Under this category you can choose from 16 Investment Options that we invest into sector-specific asset class UMFs. You (or your Financial Adviser) might take a sector-specific approach if you want to construct and manage your own individual investment mix.

This category has UMFs with specialist investment managers who concentrate on a single asset class, such as Australian or international equities, emerging markets, Australian or international fixed income and Australian property investments.

Choosing investment manager styles

Actively managed style

There are 22 actively managed Investment Options in total. Specialist active style investment managers 'actively' try to outperform their fund's underlying performance benchmark by selecting assets and securities that:

- they believe will combine to produce excess returns over their benchmark; and
- through their research, analysis and judgement are expected to combine to provide a risk-adjusted return outcome above the performance benchmark.

For the sector-specific Investment Options, we use its most appropriate specific performance benchmark. For the Futurity Managed & Blended and diversified Investment Options, we use composite weighted performance benchmarks matched to the multi-sector asset class mix.

Indexed (passively managed) style

You can select from 13 Investment Options that invest into UMFs with a specialist index styled investment manager. These options:

- are simply managed to track (or to passively replicate) the performance of a specific market index, such as the S&P/ASX 300 Accumulation Index for Australian equities; and
- their passive investment management style means they tend to be more cost-effective in terms of lower ongoing investment management fees.

Performance benchmarks are widely adopted industry measurements or standards, such as a recognised market index such as the S&P/ASX 300 Accumulation Index or the Bloomberg AusBond Bank Bill Index.

How Futurity selects managers and UMFs

Futurity generally invests the 35 Investment Options into UMFs that are managed by leading Australian and international investment managers.

Futurity is independent from these UMFs, so we are objective in our evaluation when selecting or replacing UMFs and are not locked into a particular investment manager or fund.

The UMFs that we invest into are selected in accordance with Futurity's core investment principles, governance structure and ten Selection Factors (p.38-39 and p.42).

For the actively managed style, the UMF appointments rely on these Selection Factors with the aim of selecting UMFs that are expected to:

- outperform the performance benchmark that we set for each UMF; and
- outperform to a level that we assess is consistent with the risk, expected performance characteristics and fees charged by the UMF.

For the indexed (passively managed) style, the UMF appointments rely on these Selection Factors with the aim of selecting UMFs that are expected to:

- track the performance benchmark that we set for each UMF; and
- perform to a level that we assess is consistent with the risk, expected performance characteristics and fees charged by the UMF.

Each UMF will generally have a stated performance benchmark. The Investment Option overviews set out the current performance benchmarks of each Investment Option.

Investment menu at a glance

Guide to the Investment Options

The investment menu is organised into three Investment Option categories. This is designed to suit different investor types, risk profiles, timeframes and their preferred level of involvement in managing their Education Bond's investment mix.

Across the three categories, you have a choice of actively managed and indexed (passively managed) investment styles.

Responsible Investment Options

ESG factors and sustainable investing range

The investment menu includes a number of Responsible Investment (RI) Options to provide exposure to portfolios invested with an ESG/sustainability lens. There are RI Options across the diversified and sector-specific categories designed to track or outperform a performance benchmark.

These RI Options are invested into UMFs managed by RI specialist managers that focus upon ESG factors and follow sustainable investment principles. They aim to achieve ESG outcomes by:

- using a lens to assess companies, assets and securities against ESG factors;
- developing exclusion screens to remove certain stocks, such as those involved with fossil fuel reserves, alcohol, tobacco, gambling, weapons, nuclear power and adult entertainment; and
- actively determining to either invest or not invest in companies, assets or securities that do or do not support their ESG positioning, ethics and values.

Set-and-go investing

Category 1 – Futurity Managed & Blended

Actively managed style

Access multi-asset portfolios that seek to outperform a performance benchmark. These diversified portfolios are constructed to invest across different asset classes, industries and countries, as well as several investment managers with different styles and objectives.

Futurity Managed & Blended options

Futurity Code	Investment Option	Underlying Managed Fund (UMF)
FM1	Futurity Managed & Blended – Balanced Portfolio	
FM2	Futurity Managed & Blended – Growth Portfolio	
FM3	Futurity Managed & Blended – Responsible Investment Portfolio	

Category 2 – Diversified

Indexed style

Access a range of low-cost diversified (conservative, balanced, growth or high growth) index funds invested across multiple asset classes that aim to track a performance benchmark.

Diversified indexed options

Futurity Code	Investment Option	Underlying Managed Fund (UMF)
DP1	Diversified Indexed – Conservative	Vanguard Conservative Index Fund
DP2	Diversified Indexed – Balanced	Vanguard Balanced Index Fund
DP3	Diversified Indexed – Growth	Vanguard Growth Index Fund
DP4	Diversified Indexed – High Growth	Vanguard High Growth Index Fund
DP5	Diversified Indexed – All Growth	Vanguard Diversified All Growth Index ETF

Actively managed style

Access a range of diversified (conservative, balanced, growth or high growth) multi-asset portfolios that take a multi-manager approach that aim to outperform a performance benchmark.

Diversified actively managed options

Futurity Code	Investment Option	Underlying Managed Fund (UMF)
DA1	Diversified Active – Conservative	MLC Wholesale Horizon 2 – Income Portfolio
DA2	Diversified Active – Balanced	MLC Wholesale Horizon 3 – Conservative Growth Portfolio
DA3	Diversified Active – Growth	MLC Wholesale Horizon 4 – Balanced Portfolio
DA4	Diversified Active – High Growth	MLC Wholesale Horizon 5 – Growth Portfolio
DA5	Diversified Active – Balanced – 2	Dimensional World Allocation 50/50 Trust
DA6	Diversified Active – Growth – 2	Dimensional World Allocation 70/30 Trust
DA7	Diversified Active – Growth – 3	Perpetual Diversified Growth Fund
DA8	Diversified Active – High Growth – 2	Pendal Active High Growth Fund
DA9	Diversified Active – Responsible Investment	Dimensional Sustainability World Allocation 70/30 Trust
DA10	Diversified Active – Responsible Investment – 2	Pendal Sustainable Balanced Fund
DA11	Diversified Active – All Growth	Dimensional World Equity Trust

Investment menu at a glance

Sectoral menu – constructing your Education Bond's own investment mix

(using the sectoral menu of different asset classes)

Category 3 – Sector-specific

Indexed style

Access a range of low-cost sector-specific index funds (Australian fixed income, Australian equities, international equities, emerging market equities, property, and responsible investment) for long-term growth that aim to track the performance benchmark of specific asset classes such as Australian and international equities, property and fixed income.

Sector-specific indexed options

Futurity Code	Investment Option	Underlying Managed Fund (UMF)
SP1	Sectoral Indexed – Australian Fixed Income	Vanguard Australian Fixed Interest Index Fund
SP2	Sectoral Indexed – Australian Equities	Vanguard Australian Shares Index Fund
SP3	Sectoral Indexed – International Equities	Vanguard International Shares Index Fund – Hedged
SP4	Sectoral Indexed – Emerging Market Equities	Vanguard Emerging Markets Shares Index Fund
SP5	Sectoral Indexed – Property	Vanguard Australian Property Securities Index Fund
SP6	Sectoral Indexed – Responsible Investment	Vanguard Ethically Conscious International Shares Index Fund – Global Equities
SP7	Sectoral Indexed – International Fixed Income	Vanguard Global Aggregate Bond Index Fund (Hedged)
SP8	Sectoral Indexed – International Equities – 2	iShares S&P 500 ETF

Actively managed style

Access a range of actively managed sector-specific (cash, Australian fixed income, Australian equities, international equities and emerging market equities), high-quality portfolios that aim to outperform the performance benchmark of specific asset classes such as cash, equities and fixed income.

Sector-specific actively managed options

Futurity Code	Investment Option	Underlying Managed Fund (UMF)
SA1	Sectoral Active – Cash	First Sentier Institutional Cash Fund
SA2	Sectoral Active – Australian Fixed Income	PIMCO Australian Bond Fund
SA3	Sectoral Active – Australian Equities	AllianceBernstein Managed Volatility Equities Fund – MVE Class – Active ETF
SA4	Sectoral Active – International Equities	MFS Hedged Global Equity Trust
SA5	Sectoral Active – Emerging Market Equities	MFS Emerging Markets Equity Trust
SA6	Sectoral Active – International Fixed Income	PIMCO Global Bond Fund
SA7	Sectoral Active – Responsible Investment	Perpetual ESG Australian Share Fund
SA8	Sectoral Active – Responsible Investment – 2	Australian Ethical Australian Shares Fund (Wholesale)

Investment strategy factors

Setting your investment strategy

Futurity Education Bonds are designed for you to tax-effectively save and invest to accumulate the funding needed for your education-purposed objectives.

These objectives might be very broad covering your whole family (including you, your children and perhaps grandchildren) and anyone of your choosing, or more focused on a single individual's education.

Importantly, the investment strategies you choose to achieve your objectives will vary according to a myriad of circumstances and factors. These include your personal, family, life-stage and financial position and your tolerance to risk and ESG/ sustainability outcomes.

While your strategy should be sound in terms of your selected investments and your tolerance to risk, it should not be overlooked that by investing tax-effectively, you may improve overall investment returns. Tax-effective products, such as Education Bonds, can assist you on both counts.

What level of investment return is required to finance your objectives?

You should consider the level of investment returns you need to aim for to meet your education objectives.

The primary factors driving your Education Bond's investment returns are the type and mix of Investment Options that you select and how, over its set timeframe, these options are managed by you or your Financial Adviser (if you have one acting for you).

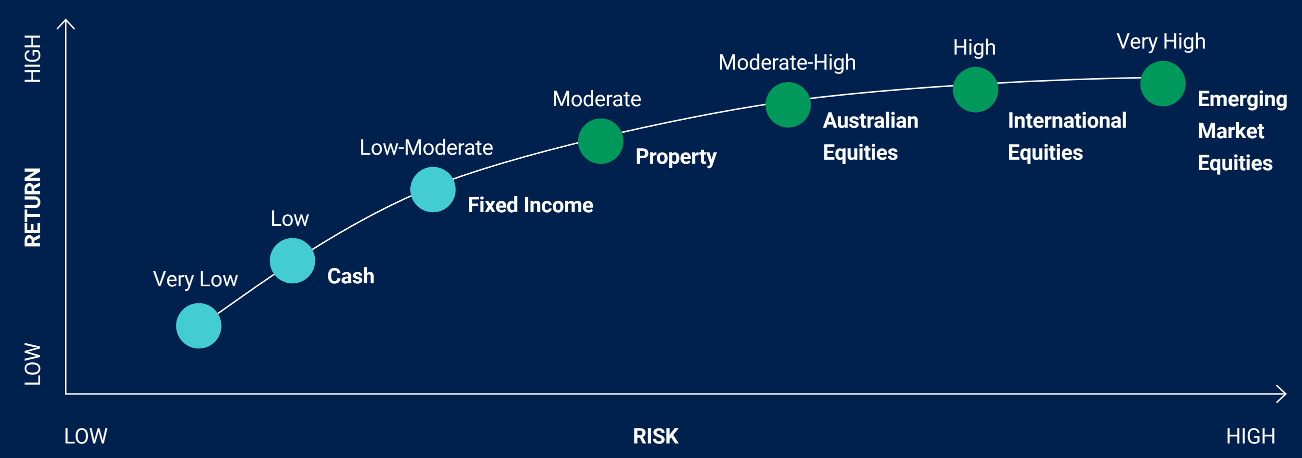
Generally, growth investments, such as Australian and international equities and property, have produced higher returns over the long-term than defensive investments, such as fixed income and cash.

What is your risk tolerance to achieve your return objectives?*

You need to consider your risk tolerance, or the level of risk you feel comfortable with, to achieve your investment goals (and education-funding objectives). If you underestimate risk you may end up with unexpected losses, or if you overestimate risk (and are too cautious) you may experience lower returns. In both cases, you may not attain your investment goals. Investing involves a trade-off between risk and return.

Risk vs Return – Diversified Investment Options

Risk vs Return – Sector-Specific Investment Options



* Any projections or forward-looking statements are predictive in nature and involve known and unknown risks and uncertainties. Actual results may differ materially from those expressed or implied in such statements.

While growth investments generally produce higher returns over the longer term, they require a greater tolerance to risk. Your tolerance to risk must also take into account an investment's volatility, which is a prime measure of risk. Growth investments have higher volatility as their value tends to fluctuate more in the short term and, in some years, may even be negative.

Returns from defensive assets have historically been lower than those from growth investments over the long term. Generally, they have lower risk and lower volatility.

Standard Risk Measure

Each Investment Option on the investment menu is allocated a risk level represented by its Standard Risk Measure (SRM). Its SRM enables you to compare investments that are expected to deliver a similar number of negative annual returns over any 20-year period.[1]

You should ensure you are comfortable with the risks and potential losses associated with your chosen Investment Option(s).

Risk band	SRM risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

Over what timeframe will you need to invest?

Your investment timeframe commences when you set up your Education Bond and extends over the period that you plan to access your Education Bond to finance your education objectives.

In setting your timeframe, Bond Owners whose education funding plans do not require accessing their Education Bond for a longer period (say for secondary schooling or tertiary courses) may be willing to ride market 'ups and downs'. In aiming to achieve higher investment growth, you might choose growth-orientated investment strategies.

As the timeframe becomes shorter, you may wish to adopt a more conservative strategy. For instance, you might use your Education Bond's growth style Investment Options over the medium term to accumulate, but then move to more defensive investments later to give more security during the Education Benefits drawdown phase.

For younger investors, buying a home, paying off the mortgage and starting a family are common goals and education funding may not be front of mind. Given the magnitude of paying school fees over timeframes of up to 13 years for each child, the earlier you start planning and saving, the better placed you may be to achieve your objectives and meet this major financial challenge.

What role does investment compounding play?

Investment compounding involves generating investment returns, not only on your initial and ongoing capital contributions, but also generating investment returns on the ongoing accumulation of investment earnings produced over time.

Longer investment timeframes may maximise the benefits of investment compounding under an Education Bond's Tax-Paid investment structure.

Education Bonds benefit from inherent investment compounding because earnings are not distributed while funds stay invested. Instead, all earnings generated within the Education Bond's Investment Options are automatically reinvested. This enhances the compounding effect within the Education Bond's Tax-Paid environment.

[1] The SRM is not a complete assessment of all types of investment risk and does not take into account the impact of fees on the likelihood of a negative return.

About the investment managers

Futurity Investment Group Limited

Futurity is an independent and mutually structured financial institution and Australia's leading issuer of tax-effective, life-event Education Bonds.

As at June 2026, Futurity had total funds under management of $1.3 billion and almost 45,000 Members. Since 1974, Futurity has helped more than 567,000 Members and paid more than $3.97 billion in benefits to support their goals. As a mutual organisation, we are owned by our Members, not shareholders. That means every decision we make is guided by the people we serve.

Our experience and expertise in managing our Members' funds has focused on multi-asset investment portfolios. Our aim is to ensure they are prudently managed to meet the investment outcomes of our Members, in a risk-adjusted manner, and to protect capital in a contracting market.

Futurity is an Australian Prudential Regulation Authority (APRA) regulated financial institution. We have considerable financial strength and capital reserves that underpin our resilience to meet product, administration and service commitments to our Members over the long term and across changing investment and economic cycles.

AllianceBernstein

AllianceBernstein (AB) is a leading global investment management firm that offers high-quality research and diversified investment services to leading institutions, retail investors and private wealth clients in major world markets.

As of 30 June 2026, AB managed US$905 billion in assets. AB maintain research, portfolio management, wealth management and client service offices around the world, reflecting its global capabilities and the needs of its clients.

Australian Ethical

Australian Ethical is one of Australia's leading ethical fund managers. By investing responsibly, Australian Ethical delivers competitive financial performance to their clients and influences positive change to society and the environment.

Since inception in 1986, the Ethical Charter has guided all investment decisions and underpinned their business practices. Every year, 10 per cent of Australian Ethical profits (after tax and before bonuses) are distributed to charitable organisations and social impact initiatives through The Australian Ethical Foundation.

Australian Unity

At Australian Unity, we focus on improving the financial wellbeing of our investors. Following this basic principle, we have created a number of successful funds including one of Australia's first and largest unlisted Healthcare property trusts.

BlackRock

BlackRock's purpose is to help more and more people experience financial wellbeing. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of over 1,700 exchange traded funds (ETFs) and approximately US $5.5 trillion in assets under management as of 31 March 2026, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock.

About the Investment managers

Dimensional

Dimensional Fund Advisors is a leading global investment firm that has been translating academic research into practical investment solutions since 1981. Guided by a strong belief in markets, we work to implement the great ideas of finance for the benefit of clients. Dimensional seeks to deliver investment solutions that add value through careful design, implementation and execution. An enduring philosophy, strong client commitment and a strong connection with the academic community underpin our approach. Dimensional has fourteen offices in ten countries and established its first Australian office in 1994.

First Sentier Investors

First Sentier Investors is an active, specialist manager investing in Australian equities, global-listed infrastructure, listed property securities, and regional fixed income and cash. It has been managing assets on behalf of clients for more than 30 years and is part of the First Sentier Group.

First Sentier Group is a global asset management organisation that brings together affiliate investment teams to deliver meaningful investment outcomes for clients. It is home to distinct affiliate investment teams including Albacore Capital Group, First Sentier Investors, FSSA Investment Managers, Igneo Infrastructure Partners and RQI Investors. First Sentier Group is ultimately owned by Mitsubishi UFJ Financial Group Inc.

Investors Mutual Limited

Investors Mutual Ltd (IML) is a specialist Australian equity manager based in Sydney. IML has a conservative investment style with a long-term focus and aims to deliver consistent returns. IML achieves this through the disciplined application of a conservative, fundamental and value-based approach to investing. IML was established in 1998 and has approximately A$4 billion in funds under management as of early 2026.

JANA Investment Advisors

JANA is one of Australia's largest investment consulting organisations, and a trusted and respected partner of many of the country's leading institutional investors. Since its inception in 1987, JANA has expanded its reach to over 80 institutional clients across superannuation, wealth, not-for-profits, insurance and more. JANA is fully management owned and, as of 31 December 2025, had A$1.7 trillion in funds under advice, including over A$18 billion on JANA's implemented consulting (IC) platform. IC clients benefit from JANA's scale and overall proposition.

By undertaking deep and intensive investment research, JANA believes successful, high-quality managers can be identified early and blended into a unique portfolio solution for investors. Its approach to identifying these managers requires a considered understanding of the investment manager process, capability of personnel, discipline employed and, most importantly, areas of outstanding qualities.

Lazard Asset Management

Lazard Asset Management Pacific Co. ("LAMP") is a subsidiary of Lazard Asset Management LLC ("LAM") which managed approximately A$311 billion in assets worldwide as at 31 March 2026. LAM has research analysts in the major regions across the world including North America, Europe, Middle East and Asia Pacific. LAMP is responsible for the management of assets for clients across domestic equities, global equities, fixed income, and alternative assets.

MFS

MFS International Australia Pty Ltd (MFSIA) is a member of the MFS Investment Management group of companies ('MFS'). Established in 1924, MFS is an active, global asset manager with investment offices in Boston, Hong Kong, London, São Paulo, Singapore, Sydney, Tokyo and Toronto. MFSIA has delegated the investment management of the Trust to another member of MFS, MFS Institutional Advisors, Inc., a US SEC-registered investment adviser. MFS is a member of the Sun Life Financial group of companies.

MLC

MLC has been looking after the investment needs for generations of Australians. MLC believes the best way to manage portfolios is to employ the skills of multiple specialist investment managers.

MLC's investment experts research hundreds of investment managers from around the world and select the managers they believe are the best for their portfolios.

MLC's investment experts have extensive knowledge and experience at designing and managing portfolios using a multi-manager investment approach.

MLC's investment experts do this by:

- Adjusting the allocations to the asset classes away from the benchmark asset allocation, while aiming to remain within the defined ranges.
- Researching and selecting a broad range of mainstream asset classes, and including some exposure to alternative assets and strategies.
- Researching hundreds of investment managers from around the world and selecting the managers they believe are the best for the Portfolio. These investment managers, who are mainly active managers, choose many companies and securities in Australia and overseas for investment.

MLC makes sophisticated investing straightforward.

Pendal Institutional Limited

Pendal Institutional Limited (Pendal) is an investment management firm focused on delivering superior investment returns for its clients through active management.

Pendal offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pendal also partners with other leading investment managers.

Pendal's experienced fund managers have the autonomy to offer a broad range of investment strategies with high conviction based on an investment philosophy that fosters success from a diversity of insights and investment approaches.

Pendal's investment teams are also supported by a strong operational platform across risk and compliance, sales, and marketing and operations, allowing fund managers to focus on generating returns for Pendal's clients.

In 2023, Pendal became part of the Perpetual Group (ASX:PPT).

Perpetual Investments

Perpetual Investment Management Limited (Perpetual Asset Management Australia) is a dynamic, active manager, offering an extensive range of specialist investment capabilities including Australian and global equities, credit, fixed income, multi-asset as well as environmental, social and governance (ESG), designed to help meet the needs of clients across Australia and New Zealand. Perpetual Asset Management Australia is part of the Perpetual Group, which has been in operation for over 140 years. As one of Australia's longest-serving and most trusted investment managers, our longstanding commitment is to deliver superior outcomes over the long term for our clients.

Perpetual has a long-standing commitment to responsible investment. In 2009, we became a signatory to the United Nations supported Principles for Responsible Investment. This commits us to incorporate environmental, social and governance factors into our core investment processes.

PIMCO

PIMCO is a member of the PIMCO Group, one of the largest investment managers in the world. As the Investment Manager, PIMCO will make investment decisions in relation to the Fund. PIMCO Group's history dates back to 1971 when it was established as a specialist fixed interest manager. The PIMCO Group has its head office in Newport Beach, California, USA with offices located in Hong Kong, New York, Austin, Toronto, Munich, Sydney, Singapore, Tokyo, London, Milan, Rio de Janeiro, Taipei and Zurich.

For Australian clients, the PIMCO Group has been managing fixed interest assets since 1997 and alternative assets since 2006. Through various holding company structures, the PIMCO Group is majority owned by Allianz SE. Allianz SE is a European-based multinational insurance and financial services holding company and a publicly traded German company. The PIMCO Group, as at March 2026, managed over US$2 trillion (including non-third party assets) for investors around the world and employs over 740 investment professionals across all its offices.

RQI Investors

RQI Investors (RQI) is an active quantitative equities investment manager within the First Sentier Group, and manages the Fund. Established in 2008, RQI offers innovative quantitative investment strategies that span a broad range of markets, including developed and emerging market equities, global small companies, and Australian large and small companies.

Backed by a unique blend of research, portfolio construction and risk management, the investment team is focused on uncovering original insights and translating them into investment signals aiming to generate returns for their strategies and outperform their benchmarks.

Resolution Capital

Established in 2004, Resolution Capital Limited is a specialist global real assets securities manager with a successful long-term investment track record dating back to 1995 and ardent culture of fiduciary responsibility. Resolution Capital is headquartered in Sydney, Australia and maintains an office in New York, U.S. Resolution Capital believes that listed real assets is an excellent means of gaining exposure to the underlying returns of some of the world's highest-quality real estate assets in a simple, transparent, liquid and tax efficient form.

Resolution Capital is a fundamental investment manager with the objective of delivering superior risk-adjusted long-term returns, compared with recognised industry benchmarks. The firm achieves this by investing in a concentrated portfolio of carefully selected listed real estate securities, with an emphasis on avoiding fundamental flaws that could reasonably result in permanent impairment of the underlying investments. This aligns the firm's investment process and security selection with clients' objectives of long-term real wealth creation and avoids a culture of index hugging.

State Street Investment Management

State Street Investment Management (State Street IM) is the asset management arm of State Street Corporation and one of the largest investment managers in the world. As of 31 March 2026, State Street IM had funds under management of A$8.2 trillion across a range of investment strategies and markets. State Street IM opened their Sydney office in 1991, and today partners with many of Australia's most sophisticated investors and financial intermediaries.

Vanguard

Vanguard Investments Australia Ltd ("Vanguard") is a wholly owned subsidiary of The Vanguard Group, Inc. With over AUD $19.30 trillion in assets under management globally as of 30 June 2026, including AUD $7.02 trillion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 30 years.

The menu of Investment Options

Template guide to Investment Option overviews

This is a guide to help you navigate the information contained in each of the Investment Option overviews.

Information about each Investment Option and the UMFs is current as at the date of this PDS. Please refer to our website for current information.

Example

Futurity Investment Option information

1 **Futurity Diversified Indexed – Growth**
Investment Option DP3

2 **Investment objective, strategy and benchmark**
To track (before fees and tax) the Investment Option's performance benchmark, a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an indexed growth portfolio.

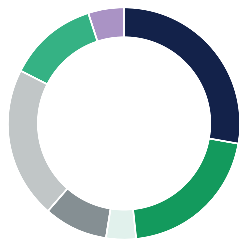
INVESTS INTO

Underlying Managed Fund (UMF) information

3 Vanguard **Underlying Managed Fund (UMF)**
Vanguard Growth Index Fund

4 **Investment strategy**
The Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Fund targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes, and is for investors seeking capital growth.

5 **Asset allocation**



Australian Shares	28.0%
International Shares	20.5%
Emerging Markets Shares	4.0%
Australian Fixed Interest	9.0%
International Fixed Interest (Hedged)	21.0%
International Shares (Hedged)	12.5%
International Small Companies	5.0%

6 **Performance objective**
This Fund seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the strategic asset allocation.

7 **Performance benchmark**
Growth composite index based upon the long-term strategic asset allocation of the Fund.

8 **Investment risk profile**
5 – Medium to High

9 **Suggested minimum investment time**
Seven years

10 **UMF PDS available at** vanguard.com.au

The menu of Investment Options

Legend

1 **Investment Option name and Futurity code**

Each Investment Option has its own name and specific code. The name is generally descriptive of the type of UMF (or investment) that is held in the Investment Option.

2 **Investment Option objective, strategy and benchmark**

This is the Investment Option level objective, strategy and performance benchmark. These have been determined to reflect the underlying characteristics of the Investment Option and its overall investment strategy and objectives.

3 **Underlying Managed Fund (UMF)**

The name of the UMF into which the Investment Option is invested. Normally we will only use one UMF per Investment Option, however, the Futurity Mangaged & Blended category is made up of multiple UMFs.

4 **Investment strategy**

This is the investment strategy of the appointed UMF. It describes the broad investment strategy of the UMF.

5 **Asset allocation**

This section sets out the types of investments (by asset class) comprising the UMF. It displays the targeted allocation of each asset class. At any given time, the actual asset allocation within a UMF may differ to the targeted allocation. All funds have an asset class range for which they must always operate within.

6 **Performance objective**

This sets the broad objectives for the UMF, which for actively managed is to outperform its performance benchmark, and for indexed is to track its performance benchmark.

7 **Performance benchmark**

This is the performance benchmark of the appointed UMF.

8 **Investment risk profile**

The investment risk profile of the UMF is based upon the Standard Risk Measure.

9 **Suggested minimum investment time**

This is the minimum suggested timeframe recommended by the manager of the UMF as being appropriately aligned to meeting the UMF's investment objectives.

10 **UMF PDS available at**

Website location of the UMF PDS.

Investment Option overviews

Futurity's Managed & Blended Investment Options

- Balanced Portfolio
- Growth Portfolio
- Responsible Investment Portfolio

Futurity constructs each portfolio by investing into multiple UMFs that we select from our Approved Manager List (below).

Our primary aim is to create a distinctive Futurity blend as a diversified portfolio of assets, with a particular focus on long-term strategic asset allocation.

It is important that the diversification created between asset classes, investment managers, risk types and individual securities assists to improve investment outcomes and protect capital in down markets.

We believe that this is the best way to deliver on long-term investment objectives in a prudent risk-adjusted manner, and to achieve consistent and reliable investment returns without taking excessive risk.

Futurity's Managed & Blended Investment Options may invest into unlisted property and unlisted infrastructure assets which could have limited liquidity. Investing in a limited liquidity investment option may limit or delay the ability to make a withdrawal, switch from the Investment Option or to make benefit payments. You should consider whether the Investment Options are appropriate for your liquidity requirements. Please refer to the 'Liquidity risk and redemption risk' section (p.40) for further information.

Futurity's Approved Manager List

The Futurity Managed & Blended Investment Options select UMFs from an Approved Manager List, which currently comprises:

- AllianceBernstein
- Australian Ethical
- Australian Unity
- BlackRock
- Dimensional
- First Sentier
- Investors Mutual Limited
- JANA Investment Advisers
- Lazard Asset Management
- MFS
- MLC
- Pendal
- Perpetual
- PIMCO
- Resolution Capital
- RQI Investors
- State Street Investment Management
- Vanguard

Our Investment Committee (a Futurity Board Committee) oversees this Approved Manager List.

Category 1 – Futurity Managed & Blended Options

Futurity Managed & Blended – Balanced Portfolio
Investment Option FM1

FUTURITY

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – an absolute return benchmark based on expected returns of a mix of market indices relevant to the Investment Option's long-term strategic asset allocation. It invests into multiple UMFs and/or directly in Authorised Investments to have a balanced portfolio.

INVESTS INTO

Selected UMFs from Futurity's Approved Manager List.

Investment strategy

To construct investment portfolios aimed for stable and reliable returns, without taking excessive risk, over the long-term. A key focus is the Fund's diversified long term strategic asset allocation among asset classes, investment managers, risk types and individual securities.

Blended asset allocation

Australian Equities	12.8%
International Equities	16.3%
Emerging Markets Equities	2.9%
Unlisted Property	6.5%
Unlisted Infrastructure	6.5%
Cash	15.0%
Australian Fixed Income	20.0%
International Fixed Income	10.0%
Australian Inflation Linked Bonds	10.0%

Performance objective

To outperform (before fees and tax) the balanced portfolio asset class mix based upon the long-term strategic asset allocation.

Performance benchmark

Balanced portfolio composite index based upon the long-term strategic asset allocation.

Investment risk profile

4 – Medium

Suggested minimum investment time

Five years

Category 1 – Futurity Managed & Blended Options

Futurity Managed & Blended – Growth Portfolio
Investment Option FM2

FUTURITY

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – an absolute return benchmark based on expected returns of a mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly in Authorised Investments to have a growth portfolio.

INVESTS INTO

Selected UMFs from Futurity's Approved Manager List.

Investment strategy

To construct investment portfolios with the aim of achieving stable and reliable returns, without taking excessive risk, over the long-term. A key focus is the Fund's diversified long term strategic asset allocation among asset classes, investment managers, risk types and individual securities.

Blended asset allocation

Australian Equities	20.0%
International Equities	26.5%
Emerging Markets Equities	3.5%
Unlisted Property	10.0%
Unlisted Infrastructure	10.0%
Cash	7.5%
Australian Fixed Income	12.5%
International Fixed Income	10.0%

Performance objective

To outperform (before fees and tax) the growth portfolio asset class mix based upon the long-term strategic asset allocation.

Performance benchmark

Growth portfolio composite index based upon the long-term strategic asset allocation.

Investment risk profile

5 – Medium to High

Suggested minimum investment time

Seven years

Futurity Managed & Blended – Responsible Investment Portfolio – Investment Option FM3

FUTURITY

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – S&P/ASX 300 Accumulation Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse portfolio of predominately Equity Investments selected based on social, environmental, ethical and responsible investing and financial credentials.

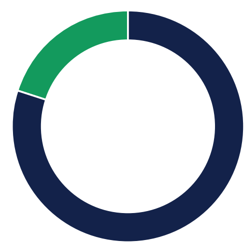
INVESTS INTO

Selected UMFs from Futurity's Approved Manager List.

Investment strategy

To construct a multi-manager blend of underlying managed funds that invest using RI principles. The Fund invests about 80% of its assets in Australian Equities and about 20% in International Equities.

Blended asset allocation



Australian Equities	80.0%
International Equities	20.0%

Performance objective

To outperform (before fees and tax) the S&P/ASX 300 Accumulation Index over the medium- to long-term.

Performance benchmark

S&P/ASX 300 Accumulation Index.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

Category 2 Diversified – Indexed Options

Futurity Diversified Indexed – Conservative
Investment Option DP1

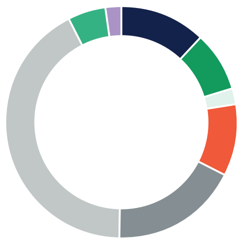
Investment objective, strategy and benchmark
To track (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an indexed conservative portfolio.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard Conservative Index Fund

Investment strategy
The Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Conservative Fund targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes, and is for investors with a low tolerance for risk.

Asset allocation


Australian Shares	12.0%
International Shares	8.5%
Emerging Markets Shares	2.0%
Cash	10.0%
Australian Fixed Interest	18.0%
International Fixed Interest (Hedged)	42.0%
International Shares (Hedged)	5.5%
International Small Companies	2.0%

Performance objective
This UMF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the strategic asset allocation.

Performance benchmark
Conservative composite index based upon the long-term strategic asset allocation of the Fund.

Investment risk profile
3 – Low to Medium

Suggested minimum investment time
Three years

UMF PDS available at vanguard.com.au

Futurity Diversified Indexed – Balanced
Investment Option DP2

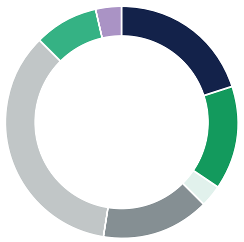
Investment objective, strategy and benchmark
To track (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an indexed balanced portfolio.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard Balanced Index Fund

Investment strategy
The Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Balanced Fund targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes, and is for investors with a balanced tolerance for risk.

Asset allocation


Australian Shares	20.0%
International Shares	14.5%
Emerging Markets Shares	3.0%
Australian Fixed Interest	15.0%
International Fixed Interest (Hedged)	35.0%
International Shares (Hedged)	9.0%
International Small Companies	3.5%

Performance objective
This UMF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the strategic asset allocation.

Performance benchmark
Balanced composite index based upon the long-term strategic asset allocation of the Fund.

Investment risk profile
4 – Medium

Suggested minimum investment time
Five years

UMF PDS available at vanguard.com.au

The menu of Investment Options

Category 2 Diversified – Indexed Options

Futurity Diversified Indexed – Growth
Investment Option DP3

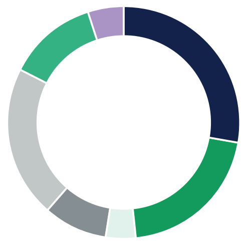
Investment objective, strategy and benchmark
To track (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an indexed growth portfolio.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard Growth Index Fund

Investment strategy
The Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Growth Fund targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes, and is for investors seeking capital growth.

Asset allocation


Australian Shares	28.0%
International Shares	20.5%
Emerging Markets Shares	4.0%
Australian Fixed Interest	9.0%
International Fixed Interest (Hedged)	21.0%
International Shares (Hedged)	12.5%
International Small Companies	5.0%

Performance objective
This UMF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the strategic asset allocation.

Performance benchmark
Growth composite index based upon the long-term strategic asset allocation of the Fund.

Investment risk profile
5 – Medium to High

Suggested minimum investment time
Seven years

UMF PDS available at vanguard.com.au

Futurity Diversified Indexed – High Growth
Investment Option DP4

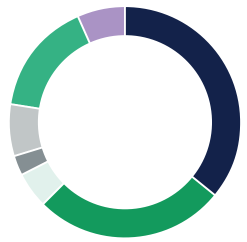
Investment objective, strategy and benchmark
To track (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an indexed high-growth portfolio.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard High Growth Index Fund

Investment strategy
The Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The High Growth Fund targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes, and is for investors with a high tolerance for risk.

Asset allocation


Australian Shares	36.0%
International Shares	26.5%
Emerging Markets Shares	5.0%
Australian Fixed Interest	3.0%
International Fixed Interest (Hedged)	7.0%
International Shares (Hedged)	16.0%
International Small Companies	6.5%

Performance objective
This UMF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the strategic asset allocation.

Performance benchmark
High Growth composite index based upon the long-term strategic asset allocation of the Fund.

Investment risk profile
6 – High

Suggested minimum investment time
Seven years

UMF PDS available at vanguard.com.au

Category 2 Diversified – Indexed Options

Futurity Diversified Indexed – All Growth
Investment Option DP5

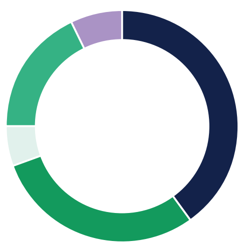
Investment objective, strategy and benchmark
To track (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an indexed high-growth portfolio.

INVESTS INTO

Underlying Managed Fund (UMF)
Vanguard Diversified All Growth Index ETF

Investment strategy
The Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The All Growth Fund targets a 40% allocation to Australian equities asset classes and a 60% allocation to international equities asset classes, and is for investors with a high tolerance for risk.

Asset allocation



Australian Shares	40.0%
International Shares	29.5%
Emerging Markets Shares	5.5%
International Shares (Hedged)	18.0%
International Small Companies	7.0%

Performance objective
This UMF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the strategic asset allocation.

Performance benchmark
All Growth composite index based upon the long-term strategic asset allocation of the Fund.

Investment risk profile
6 – High

Suggested minimum investment time
Seven years

UMF PDS available at vanguard.com.au

Category 2 Diversified – Actively Managed Options

Futurity Diversified Active – Conservative
Investment Option DA1

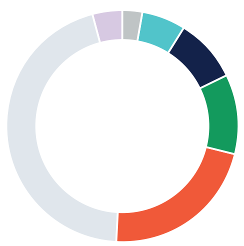
Investment objective, strategy and benchmark
To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed conservative portfolio.

INVESTS INTO

Underlying Managed Fund (UMF)
MLC Wholesale Horizon 2 Income Portfolio

Investment strategy
Investment markets are the main driver of the portfolio's investment returns. Its benchmark asset allocation (see below) has a strong bias to defensive assets and some exposure to growth assets. MLC's investment experts actively look for opportunities for better returns with less risk, than the portfolio's benchmark.

Asset allocation



Infrastructure	3.0%
Property	6.0%
Australian Shares	9.0%
Global Shares	11.0%
Cash	22.0%
Fixed Income	45.0%
Alternatives	4.0%

Performance objective
To outperform the portfolio's benchmark, after fees, over three-year periods.

Performance benchmark
A combination of market indices, weighted according to the benchmark asset allocation.

Investment risk profile
3 – Low to Medium

Suggested minimum investment time
Three years

UMF PDS available at mlcam.com.au/MLCWholesale/pds

Category 2 Diversified – Actively Managed Options

Futurity Diversified Active – Balanced
Investment Option DA2

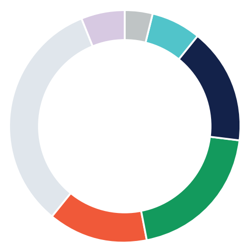
Investment objective, strategy and benchmark
To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed balanced portfolio.

INVESTS INTO

Underlying Managed Fund (UMF)
MLC Wholesale Horizon 3 Conservative Growth Portfolio

Investment strategy
Investment markets are the main driver of the portfolio's investment returns. Its benchmark asset allocation (see below) has an approximately equal exposure to growth and defensive assets. MLC's investment experts actively look for opportunities for better returns with less risk, than the portfolio's benchmark.

Asset allocation



Infrastructure	4.0%
Property	7.0%
Australian Shares	16.0%
Global Shares	20.0%
Cash	14.0%
Fixed Income	33.0%
Alternatives	6.0%

Performance objective
To outperform the portfolio's benchmark, after fees, over five-year periods.

Performance benchmark
A combination of market indices, weighted according to the benchmark asset allocation.

Investment risk profile
5 – Medium to High

Suggested minimum investment time
Five years

UMF PDS available at mlcam.com.au/MLCWholesale/pds

Futurity Diversified Active – Growth
Investment Option DA3

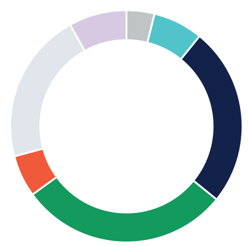
Investment objective, strategy and benchmark
To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed growth portfolio.

INVESTS INTO

Underlying Managed Fund (UMF)
MLC Wholesale Horizon 4 Balanced Portfolio

Investment strategy
Investment markets are the main driver of the portfolio's investment returns. Its benchmark asset allocation (see below) has a strong bias to growth assets and some exposure to defensive assets. MLC's investment experts actively look for opportunities for better returns with less risk, than the portfolio's benchmark.

Asset allocation



Infrastructure	4.0%
Property	7.0%
Australian Shares	25.0%
Global Shares	29.0%
Cash	6.0%
Fixed Income	21.0%
Alternatives	8.0%

Performance objective
To outperform the portfolio's benchmark, after fees, over five-year periods.

Performance benchmark
A combination of market indices, weighted according to the benchmark asset allocation.

Investment risk profile
6 – High

Suggested minimum investment time
Five years

UMF PDS available at mlcam.com.au/MLCWholesale/pds

Category 2 Diversified – Actively Managed Options

Futurity Diversified Active – High Growth
Investment Option DA4

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to create and maintain an actively managed high-growth portfolio.

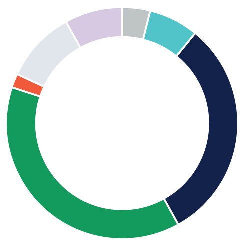
INVESTS INTO

Underlying Managed Fund (UMF)
MLC Wholesale Horizon 5 Growth Portfolio

Investment strategy

Investment markets are the main driver of the portfolio's investment returns. Its benchmark asset allocation (see below) invests predominantly in growth assets with a small exposure to defensive assets. MLC's investment experts actively look for opportunities for better returns with less risk than the portfolio's benchmark.

Asset allocation



Infrastructure	4.0%
Property	7.0%
Australian Shares	31.0%
Global Shares	38.0%
Cash	2.0%
Fixed Income	10.0%
Alternatives	8.0%

Performance objective

To outperform the portfolio's benchmark, after fees, over seven-year periods.

Performance benchmark

A combination of market indices, weighted according to the benchmark asset allocation.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at mlcam.com.au/MLCWholesale/pds

Futurity Diversified Active – Balanced – 2
Investment Option DA5

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed balanced portfolio.

INVESTS INTO

Underlying Managed Fund (UMF)
Dimensional World Allocation 50/50 Trust

Investment strategy

The Fund aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on developed and emerging markets, and domestic and international fixed interest securities. The Fund will seek to target approximately 50% exposure to equities and 50% exposure to fixed interest assets.

Asset allocation

Australian Equities	8–28%
International Equities Developed Markets	20–40%
International Equities Emerging Markets	0–8%
Fixed Interest	40–60%

Performance objective

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to a combination of market indices based on the strategic asset allocation of the Fund.

Performance benchmark

A combination of market indices based on the strategic asset allocation of the Fund.

Investment risk profile

5 – Medium to High

Suggested minimum investment time

Four years plus

UMF PDS available at au.dimensional.com

Category 2 Diversified – Actively Managed Options

Futurity Diversified Active – Growth – 2
Investment Option DA6

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed growth portfolio.

INVESTS INTO

Underlying Managed Fund (UMF)
Dimensional World Allocation 70/30 Trust

Investment strategy

The Fund aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on developed and emerging markets, and domestic and international fixed interest securities. The Fund will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.

Asset allocation

Australian Equities	15-35%
International Equities Developed Markets	30-50%
International Equities Emerging Markets	0-10%
Fixed Interest	20-40%

Performance objective

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to a combination of market indices based on the strategic asset allocation of the Fund.

Performance benchmark

A combination of market indices based on the strategic asset allocation of the Fund.

Investment risk profile

6 – High

Suggested minimum investment time

Five years plus

UMF PDS available at au.dimensional.com

Futurity Diversified Active – Growth – 3
Investment Option DA7

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed growth portfolio.

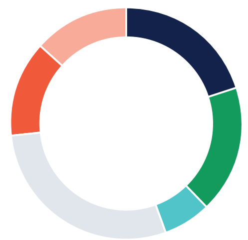
INVESTS INTO

Underlying Managed Fund (UMF)
Perpetual Diversified Growth Fund

Investment strategy

The Fund aims to provide long-term capital growth and income through investment in a diversified portfolio of growth and income assets.

Asset allocation



Australian Shares	10–35%
International Shares	10–30%
Property	0–15%
Fixed Income and Credit	10–55%
Cash	0–30%
Other Investments	0–30%

Performance objective

To outperform the All-Groups CPI + 4.5% p.a. (before fees and taxes) over at least three year periods and outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types, over rolling three-year periods.

Performance benchmark

A composite benchmark reflecting the allocation to the various asset types.

Investment risk profile

6 – High

Suggested minimum investment time

Three years or longer

UMF PDS available at perpetual.com.au

Category 2 Diversified – Actively Managed Options

Futurity Diversified Active – High Growth – 2
Investment Option DA8

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed high-growth portfolio.

INVESTS INTO

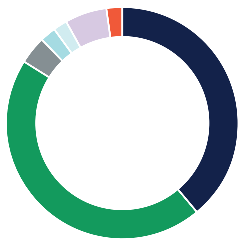
PENDAL

Underlying Managed Fund (UMF)
Pendal Active High Growth Fund

Investment strategy

This Fund is designed for investors who want the potential for long-term capital growth and income and diversification across a broad range of asset classes, and are prepared to accept higher variability of returns. The Fund invests in Australian and international shares, Australian and international listed property securities, Australian and international fixed interest, cash and alternative investments. The Fund may also use derivatives. The Fund has a significant weighting towards growth assets.

Asset allocation



Australian Shares	39.0%
International Shares	45.0%
Australian Fixed Interest	4.0%
International Fixed Interest	0.0%
Australian Property Securities	2.0%
International Property Securities	2.0%
Alternative Investments	6.0%
Cash	2.0%

Performance objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the Fund's benchmark over the medium to long term.

Performance benchmark

A combination of published indices based on the asset allocation neutral position and the index returns for each asset class.

Investment risk profile

6 – High

Suggested minimum investment time

Five years

UMF PDS available at pendalgroup.com

Futurity Diversified Active – Responsible Investment – Investment Option DA9

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed growth portfolio while adopting a lens based on social, environmental, ethical and responsible investing and financial credentials.

INVESTS INTO

Dimensional

Underlying Managed Fund (UMF)
Dimensional Sustainability World Allocation 70/30 Trust

Investment strategy

The Fund aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of securities listed on developed and emerging markets, and domestic and international fixed interest securities. Exposure is adjusted to take into account certain environmental and sustainability impact and social considerations. The Fund will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.

Asset allocation

Australian Equities	15-35%
International Equities Developed Markets	30-50%
International Equities Emerging Markets	0-10%
Fixed Interest	20-40%

Performance objective

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to a combination of market indices based on the strategic asset allocation of the Fund.

Performance benchmark

A combination of market indices based on the strategic asset allocation of the Fund.

Investment risk profile

6 – High

Suggested minimum investment time

Five years plus

UMF PDS available at au.dimensional.com

Category 2 Diversified – Actively Managed Options

Futurity Diversified Active – Responsible Investment – 2 – Investment Option DA10

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed growth portfolio while adopting a lens based on social, environmental, ethical and responsible investing and financial credentials.

INVESTS INTO

PENDAL

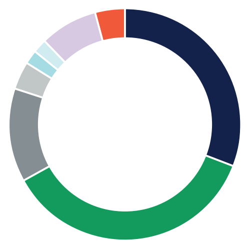
Underlying Managed Fund (UMF)
Pendal Sustainable Balanced Fund

Investment strategy

The Fund is an actively managed diversified portfolio. Sustainability criteria and exclusionary screens are incorporated into the Australian and international shares, Australian and international fixed interest and part of the Alternative investments asset classes of the Fund. The Fund offers exposure to investments within these asset classes which, in Pendal's view, support positive environmental and/or social change via their investment processes, use of capital and/or active ownership while avoiding exposure to those companies and issuers with business activities that Pendal considers to negatively impact the environment or society (as defined by the Fund's exclusionary screens and gross revenue thresholds).

For further information on the Fund's sustainability assessment framework and exclusionary screens, please refer to the Fund's PDS and 'Guide to our Sustainable Investment Process' at pendalgroup.com/PendalSustainableBalancedFundR-PDS and pendalgroup.com/PendalSustainableBalancedFund-SIPG.

Asset allocation



Australian Shares	31.0%
International Shares	36.0%
Australian Fixed Interest	13.0%
International Fixed Interest	4.0%
Australian Property Securities	2.0%
International Property Securities	2.0%
Alternative Investments	8.0%
Cash	4.0%

Performance objective

The Fund aims to provide a return (before fees and expenses) that exceeds the Fund's benchmark over the medium to long term.

Performance benchmark

A combination of published indices based on the asset allocation neutral position and the index returns for each asset class.

Investment risk profile

5 – Medium to High

Suggested minimum investment time

Five years

UMF PDS available at pendalgroup.com

Futurity Diversfied Active – All Growth
Investment Option DA11

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – a weighted average mix of market indices relevant to the Option's long-term strategic asset allocation. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have an actively managed growth portfolio.

INVESTS INTO

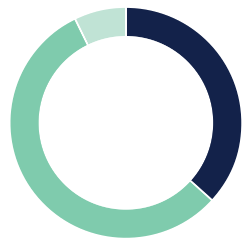
Dimensional

Underlying Managed Fund (UMF)
Dimensional World Equity Trust

Investment strategy

The Fund aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on developed and emerging markets. The Fund will seek to target approximately 100% exposure to equities.

Asset allocation



Australian Equities	26–46%
International Equities Developed Markets	45–65%
International Equities Emerging Markets	2–12%

Performance objective

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to a combination of market indices based on the strategic asset allocation of the Fund.

Performance benchmark

A combination of market indices based on the strategic asset allocation of the Fund.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years plus

UMF PDS available at au.dimensional.com

Category 3 Sector-specific – Indexed Options

Futurity Sectoral Indexed – Australian Fixed Income – Investment Option SP1

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – Bloomberg AusBond Composite 0+ Yr Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominantly Australian fixed interest investments.

INVESTS INTO

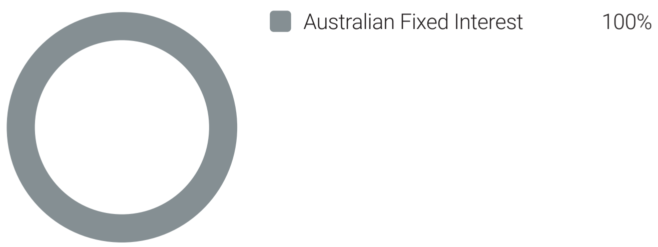
Vanguard

Underlying Managed Fund (UMF)
Vanguard Australian Fixed Interest Index Fund

Investment strategy

The Fund invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations, as well as investment-grade corporate issuers.

Asset allocation



Performance objective

To track the return of the Bloomberg AusBond Composite 0+ Yr Index before taking into account fees, expenses and tax.

Performance benchmark

Bloomberg AusBond Composite 0+ Yr Index.

Investment risk profile

2 – Low

Suggested minimum investment time

Three years

UMF PDS available at vanguard.com.au

Futurity Sectoral Indexed – Australian Equities Investment Option SP2

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – S&P/ASX 300 Accumulation Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominantly Australian equity investments.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard Australian Shares Index Fund

Investment strategy

The Fund provides low-cost, broadly diversified exposure to Australian companies and property trusts listed on the Australian Securities Exchange. It also offers potential long-term capital growth along with dividend income and franking credits.

Asset allocation

Performance objective

To track the return of the S&P/ASX 300 Accumulation Index before taking into account fees, expenses and tax.

Performance benchmark

S&P/ASX 300 Accumulation Index.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at vanguard.com.au

Category 3 Sector-specific – Indexed Options

Futurity Sectoral Indexed – International Equities Investment Option SP3

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – MSCI World Index fully hedged in Australian dollars (AUD). It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominantly international equity investments hedged back to the AUD.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard International Shares Index Fund – Hedged

Investment strategy

The Fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The Fund is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations.

Asset allocation

Performance objective

To track (before fees, expenses and tax) the return of the MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars.

Performance benchmark

MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at vanguard.com.au

Futurity Sectoral Indexed – Emerging Market Equities – Investment Option SP4

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – MSCI Emerging Market Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominantly International equity investments and emerging market equity securities with the Fund.

INVESTS INTO

Vanguard

Underlying Managed Fund (UMF)
Vanguard Emerging Markets Shares Index Fund

Investment strategy

The Fund provides low-cost exposure to companies listed in emerging markets, allowing investors to participate in the long-term growth potential. It is exposed to the fluctuating values of foreign currencies, as there is no hedging to the Australian dollar.

Asset allocation

Performance objective

To track (before fees, expenses and tax) the return of the MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars.

Performance benchmark

MSCI Emerging Markets Index (with net dividends reinvested) in AUD.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at vanguard.com.au

Category 3 Sector-specific – Indexed Options

Futurity Sectoral Indexed – Property
Investment Option SP5

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – S&P/ASX 300 A-REIT Index. It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominately Australian Property Investments.

INVESTS INTO

Underlying Managed Fund (UMF)

Vanguard – Vanguard Australian Property Securities Index Fund

Investment strategy

The Fund provides a low-cost way to invest in property securities listed on the Australian Securities Exchange. The property sectors in which the Fund invests include retail, office, industrial and diversified.

Asset allocation

Performance objective

To track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.

Performance benchmark

S&P/ASX 300 A-REIT Index.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at vanguard.com.au

Futurity Sectoral Indexed – Responsible Investment – Investment Option SP6

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons in AUD. It may invest into one or multiple UMFs and/or directly in Authorised Investments to have a diverse indexed portfolio of predominately equity investments selected with socially responsible exclusion screens.

INVESTS INTO

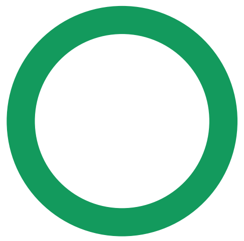
Underlying Managed Fund (UMF)

Vanguard – Vanguard Ethically Conscious International Shares Index Fund – Global Equities

Investment strategy

The Fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that excludes companies with significant business activities involving fossil fuels, alcohol, tobacco, gambling, military weapons and civilian firearms, nuclear power and adult entertainment. The Fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

Asset allocation



Performance objective

To track (before fees, expenses and tax) the return of the FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index in Australian dollars.

Performance benchmark

FTSE Developed ex Australia Choice Index (with net dividends reinvested).

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at vanguard.com.au

The menu of Investment Options

Category 3 Sector-specific – Indexed Options

Futurity Sectoral Indexed – International Fixed Income – Investment Option SP7

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – Bloomberg Global Aggregate Index (AUD hedged). It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominately international fixed interest investments.

INVESTS INTO

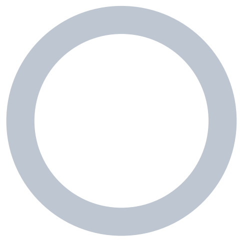
Underlying Managed Fund (UMF)

Vanguard – Vanguard Global Aggregate Bond Index Fund (Hedged)

Investment strategy

The Fund invests in high-quality, income-generating securities issued by governments, government-owned entities, government-guaranteed entities, investment-grade corporate issues and securitised assets from around the world. The Fund is hedged to Australian dollars.

Asset allocation



Performance objective

To track the return of the Bloomberg Global Aggregate Index (AUD Hedged) before taking into account fees, expenses and tax.

Performance benchmark

Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars.

Investment risk profile

4 – Medium

Suggested minimum investment time

Three years

UMF PDS available at vanguard.com.au

Futurity Sectoral Indexed – International Equities – 2 – Investment Option SP8

Investment objective, strategy and benchmark

To track (before fees and tax) the Investment Option's performance benchmark – S&P 500 Index. It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse indexed portfolio of predominately International Equity Investments.

INVESTS INTO

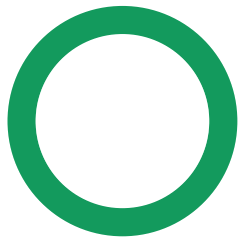
Underlying Managed Fund (UMF)

BlackRock – iShares S&P 500 ETF

Investment strategy

The Fund provides low-cost exposure to companies listed in the US equity markets, allowing investors to participate in the long-term growth potential. It is exposed to the fluctuating values of foreign currencies, as there is no hedging to the Australian dollar.

Asset allocation



Performance objective

To track the return of the S&P 500 Index before taking into account fees, expenses and tax.

Performance benchmark

S&P 500 Index.

Investment risk profile

6 – High

Suggested minimum investment time

Seven years

UMF PDS available at blackrock.com/au

Category 3 Sector-specific – Actively Managed Options

Futurity Sectoral Active – Cash
Investment Option SA1

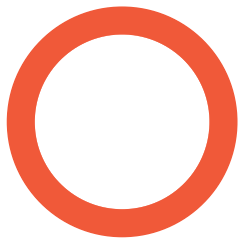
Investment objective, strategy and benchmark
To outperform (before fees and tax) the Investment Option's performance benchmark – Bloomberg AusBond Bank Bill Index. It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse actively managed portfolio of predominately Australian Cash Investments and short- to medium-term fixed interest investments.

INVESTS INTO

Underlying Managed Fund (UMF)
First Sentier Institutional Cash Fund

Investment strategy
The Fund invests in high-quality money market securities with short maturities, and aims to deliver a stable income stream. The fund invests in assets that the investment manager believes offer value-for-risk by taking into account economic analysis and market trends. Responsible investment considerations form an important component of the credit research process, and can affect issuer selection and portfolio positioning. At least 50% of the fund is invested in highly liquid assets at any time. Derivatives may be used for risk management.

Asset allocation



Cash	100%

Performance objective
To outperform the returns of Australian money markets over rolling two-year periods as measured by the Reserve Bank of Australia Cash Rate Total Return Index (before fees and taxes and assuming income is reinvested).

Performance benchmark
Reserve Bank of Australia Cash Rate Total Return Index.

Investment risk profile
1 – Very low

Suggested minimum investment time
No minimum

UMF PDS available on request

Futurity Sectoral Active – Australian Fixed Income – Investment Option SA2

Investment objective, strategy and benchmark
To outperform (before fees and tax) the Investment Option's performance benchmark – Bloomberg AusBond Composite 0+ Yr Index. It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse actively managed portfolio of predominately Australian fixed interest investments.

INVESTS INTO

Underlying Managed Fund (UMF)
PIMCO Australian Bond Fund

Investment strategy
The Fund emphasises active decision making with a long-term focus and seeks to avoid extreme swings in duration or maturity with a view to creating a steady stream of returns.

Asset allocation

Australian Fixed Interest	100%

Performance objective
To achieve maximum total return by investing in fixed interest securities predominantly denominated in Australian or New Zealand currencies.

Performance benchmark
Bloomberg AusBond Composite 0+ Yr Index.

Investment risk profile
4 – Medium

Suggested minimum investment time
Three years

UMF PDS available at pimco.com/au/

The menu of Investment Options

Category 3 Sector-specific – Actively Managed Options

Futurity Sectoral Active – Australian Equities
Investment Option SA3

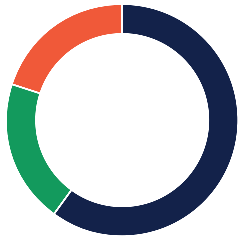
Investment objective, strategy and benchmark
To outperform (before fees and tax) the Investment Option's performance benchmark – S&P/ASX 300 Accumulation Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse actively managed portfolio of predominately Australian equity investments.

INVESTS INTO

Underlying Managed Fund (UMF)
AllianceBernstein Managed Volatility Equities Fund – MVE Class – Active ETF

Investment strategy
The Fund implements a managed volatility equities strategy that aims to reduce volatility by identifying, and investing in, high-quality listed equity securities that have reasonable valuations, high-quality cash flows and relatively stable share prices.

Asset allocation



Australian Shares	60-100%
Global Shares	0-20%
Cash	0-20%

Performance objective
To achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees over the medium to long term.

Performance benchmark
S&P/ASX 300 Accumulation Index.

Investment risk profile
6 – High

Suggested minimum investment time
Five to seven years

UMF PDS available at alliancebernstein.com.au

Futurity Sectoral Active – International Equities – Investment Option SA4

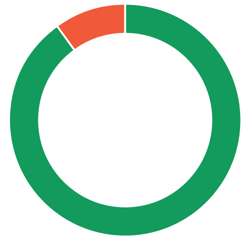
Investment objective, strategy and benchmark
To outperform (before fees, taxes and expenses) the Investment Option's performance benchmark over a full market cycle – the MSCI World Index (with net dividends reinvested) hedged in AUD.

INVESTS INTO

Underlying Managed Fund (UMF)
MFS Hedged Global Equity Trust

Investment strategy
The Trust, through fundamental analysis, seeks to invest in companies with sustainable above-average growth prospects at reasonable valuations.

Asset allocation



Global Equities	90-100%
Cash and Cash Equivalents	0-10%

Performance objective
To seek capital appreciation over the longer term by investing in the MFS Global Equity Trust. The Trust is hedged to the Australian dollar and aims to outperform its benchmark over the full market cycle, before fees, taxes and expenses.

Performance benchmark
MSCI World Index hedged in AUD.

Investment risk profile
6 – High

Suggested minimum investment time
Five years

UMF PDS available at mfs.com

Category 3 Sector-specific – Actively Managed Options

Futurity Sectoral Active – Emerging Market Equities – Investment Option SA5

Investment objective, strategy and benchmark

To outperform (before fees, taxes and expenses) the Investment Option's performance benchmark over a full market cycle – the MSCI Emerging Markets Index (with net dividends reinvested), unhedged, measured in AUD.

INVESTS INTO

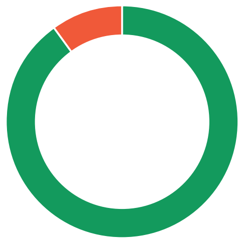
Underlying Managed Fund (UMF)

MFS Emerging Markets Equity Trust

Investment strategy

The Trust invests in companies in, or significantly exposed to, emerging markets economies that are believed to have sustainable revenue, earnings and cash flow growth, as well as strong management teams.

Asset allocation



Global Equities	90-100%
Cash and Cash Equivalents	0-10%

Performance objective

To outperform (before fees and expenses) its benchmark over a full market cycle by investing in a diversified portfolio of global shares.

Performance benchmark

MSCI Emerging Market Index.

Investment risk profile

6 – High

Suggested minimum investment time

Five years

UMF PDS available at mfs.com

Futurity Sectoral Active – International Fixed Income – Investment Option SA6

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – Bloomberg Barclays Global Aggregate Index (AUD hedged). It may invest into one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse actively managed portfolio of predominately international fixed interest investments.

INVESTS INTO

Underlying Managed Fund (UMF)

PIMCO Global Bond Fund

Investment strategy

The Fund emphasises active decision making with a long-term focus and seeks to avoid extreme swings in duration or maturity with a view to creating a steady stream of returns.

Asset allocation

International Fixed Interest	100%

Performance objective

To achieve maximum total return by investing in fixed interest securities predominantly denominated in global currencies and hedged in Australian dollars.

Performance benchmark

Bloomberg Barclays Global Aggregate Index (AUD hedged).

Investment risk profile

4 – Medium

Suggested minimum investment time

Three years

UMF PDS available at pimco.com/au/

Category 3 Sector-specific – Actively Managed Options

Futurity Sectoral Active – Responsible Investment – Investment Option SA7

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – S&P/ASX 300 Accumulation Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse actively managed portfolio of predominately Australian equity investments while adopting a lens based on social, environmental, ethical and responsible investing and financial credentials.

INVESTS INTO

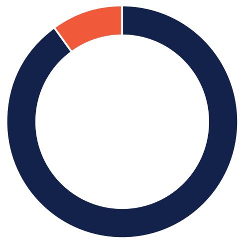
Underlying Managed Fund (UMF)

Perpetual ESG Australian Share Fund

Investment strategy

The Fund aims to provide long-term capital growth and regular income through investment in quality Australian shares that meet Perpetual's ESG and values based criteria*.

Asset allocation



Australian Equities	90-100%
Cash	0-10%

Performance objective

To outperform the benchmark (before fees and taxes) over rolling three-year periods.

Performance benchmark

S&P/ASX 300 Accumulation Index.

Investment risk profile

6 – High

Suggested minimum investment time

Five years or longer

UMF PDS available at perpetual.com.au

* Perpetual's ESG and values-based criteria is outlined in the Perpetual Investment Funds PDS for the UMF available at perpetual.com.au.

Futurity Sectoral Active – Responsible Investment – 2 – Investment Option SA8

Investment objective, strategy and benchmark

To outperform (before fees and tax) the Investment Option's performance benchmark – S&P/ASX 300 Accumulation Index. It may invest in one or multiple UMFs and/or directly invest in Authorised Investments to have a diverse actively managed portfolio of predominately Australian equity investments while adopting a lens based on social, environmental, ethical and responsible investing and financial credentials.

INVESTS INTO

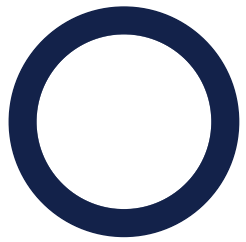
Underlying Managed Fund (UMF)

Australian Ethical Australian Shares Fund (Wholesale)

Investment strategy

The Fund provides the opportunity to invest in a diversified share portfolio of companies selected on the basis of their social, environmental and financial credentials. The Fund has a bias towards smaller capitalisation stocks listed on the ASX.

Asset allocation



Australian and New Zealand Shares	100%

Performance objective

To provide long-term growth focusing on Australian companies that meet the Australian Ethical Charter.

Performance benchmark

S&P/ASX 300 Accumulation Index.

Investment risk profile

7 – Very High

Suggested minimum investment time

Seven years

UMF PDS available at australianethical.com.au

Our investment process

Selection and management of UMFs

Futurity's investment process principally relies on 10 Selection Factors used when we appoint and review UMFs on the investment menu.

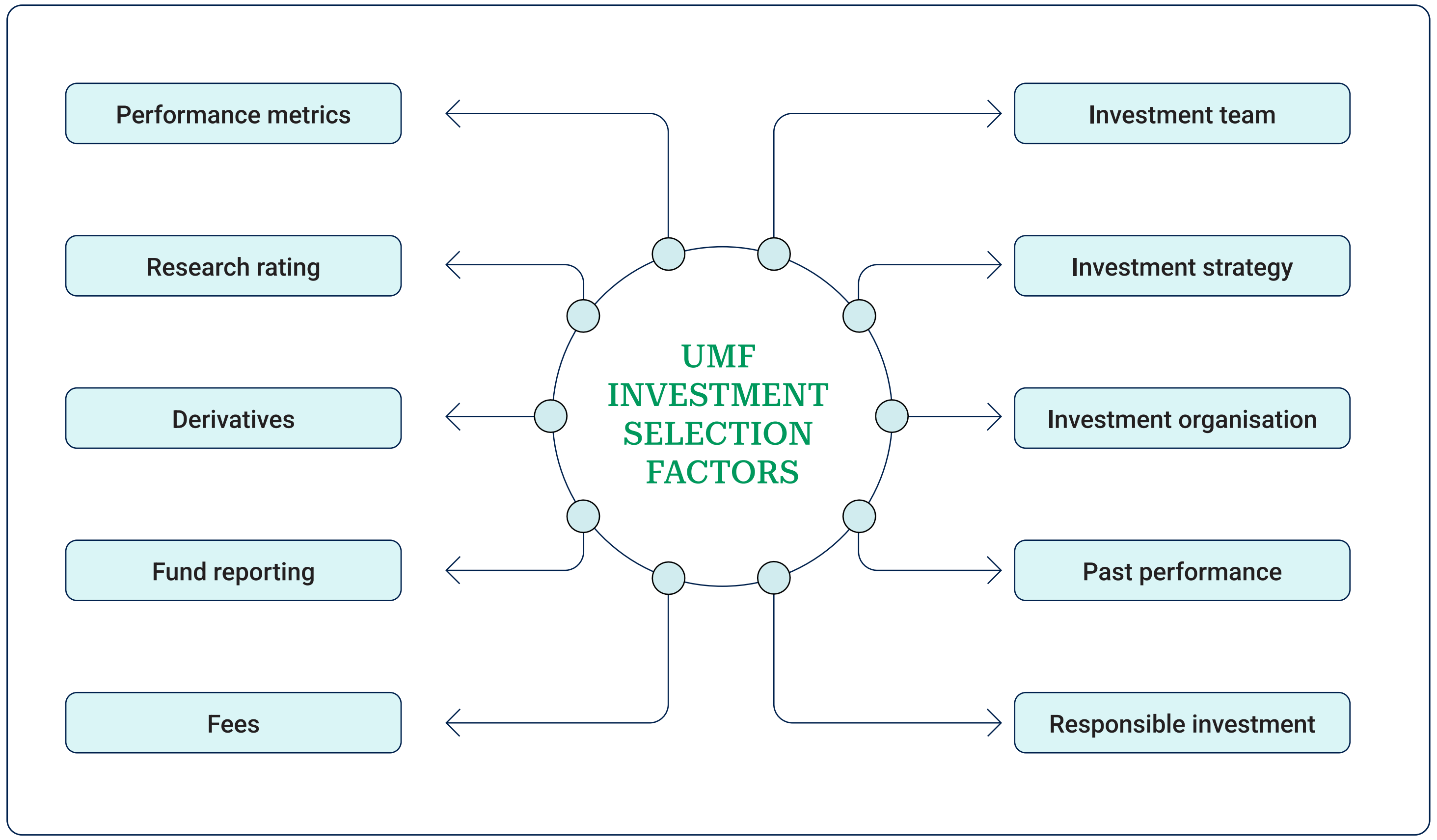
Our Investment Committee (a Futurity Board Committee) regularly meets to oversee this process with assistance from our internal investment manager who has day-to-day investment management monitoring and reporting functions. The Investment Committee also undertakes regular consultation with external asset consulting specialists and oversees the Approved Manager List.

Ten UMF Selection Factors

We undertake research, due diligence and extensive screening when appointing and reviewing UMFs. Central to our comprehensive process are 10 Selection Factors that we use to qualitatively and quantitatively evaluate UMFs. We decide on those UMFs that we believe can achieve both performance and expected long-term risk-adjusted outcomes.

1. Performance metrics – UMF performance is measured and monitored against its performance benchmark, and stated investment and risk objectives.

This is reported to our Investment Committee. Underperformance, either absolute or relative to benchmark, over any period is not the sole criteria for us to consider replacing a UMF.



2. Investment team – The UMF manager's key person and leadership exposure, the ownership structure, team stability and capacity are important considerations to ensure that managers are experienced professionals with the skills and capacity to add value and outperform performance benchmarks.

3. Investment strategy – We select UMFs that have clearly stated investment strategies and objectives. Other factors that we consider relevant to understanding investment strategy include style, scale, approach, investment beliefs and process, and the UMF's risk management framework.

4. Investment organisation – The credentials of the organisation that the UMF's manager is part of is considered. We place an emphasis on a history of adding value, complaints handling operations, reputation for good corporate governance and sound financial standing.

5. Past performance – Of primary interest is a demonstrated history of sustained and consistent performance over various timeframes. This incorporates relative performance against the UMF's performance benchmark, longevity of the fund, volatility of returns and peer group comparisons.

6. Responsible investment – This selection criteria assesses how the UMF is true to its RI label by adopting ESG factors and following sustainable practices in its process. We focus on how they actively demonstrate this and the ESG organisations and charters that UMF managers are aligned with and are signatories to, e.g. United Nations Principles for Responsible Investment (UNPRI).

7. Fees – What the UMF manager charges is assessed against our expected performance from the UMFs. It includes the type of fees, quality of disclosures and peer review.

8. Fund reporting – We look at the UMF's governance from the perspectives of legal documentation, custodian appointments, reporting frameworks and timeframes, portfolio holdings disclosures and quality of service delivery.

9. Derivatives – We consider the UMF's policy and practices in relation to the use of derivatives, such as for risk management and currency hedging. We also look at hedging expenses and the type of exposures involved.

10. Research rating – The UMF's ranking in industry and investment ratings are also factors that are taken into consideration.

We can change investment strategies, UMFs and close Investment Options

In the management of each Investment Option and executing its investment strategy, Futurity may:

- change an Investment Option's investment strategy within the bounds of its Investment Policy (p.42);
- add, delete or replace UMFs or change the level of an Investment Option's exposure to a UMF; and
- close or cease accepting contributions or processing switching transactions in relation to certain Investment Options.

When changes that impact Bond Owners are made, we will advise you according to the 'Updating the PDS and other important information' section (PDS Part A p.59) or the 'Reporting to Bond Owners' section (PDS Part A p.55).

It is important for Bond Owners to understand that investment decisions and processes often need to be quickly implemented, hence we may need to make such changes to the investment menu and the UMFs without giving you advance notice.

If we are closing an Investment Option, we will give impacted Bond Owners at least three months' advance notice. This notice will include alternative arrangements, such as switching to another Investment Option(s) on the investment menu or interim switching arrangements, while a replacement option is established by us.

We recommend that you visit our website, futurityinvest.com.au, for updated information on the investment menu and the UMFs that we currently have appointed.

Understanding risk

Understanding risk

About different types of risk

All investments involve a level of risk, with some much riskier than others. Different types and degrees of risk apply to each Investment Option on the investment menu.

Investment risk

The risk of your Education Bond's overall value rising or falling will depend on the investment performance as measured over time by the value of Units in your selected Investment Options.

Simply stated, this means investment risks are carried by you. You have a role to play in managing your Education Bond's investment risks. This is because its particular investment strategy, its exposure to different asset classes and markets, and the extent of its diversification can significantly impact the level of investment risk accepted by you.

You have considerable scope to manage your investment risks by diversifying across the sector-specific Investment Options and/or using the set of pre-set blended or diversified Investment Options.

Market risk

The Education Bond's Investment Options (and the UMFs into which they are invested) are exposed to the risk of declining values (or prices) of investment assets due to a myriad of factors that impact the different markets for different assets.

The share market (for equities), the bond market (for fixed income securities), money market (for cash and deposits) and the property market (for real estate) can react differently and often unpredictably to events and conditions affecting the particular market.

Market risk factors are usually linked to economic conditions (such as interest rate changes), government policy, taxation, legal and accounting changes, and technological changes. ESG factors can also come into play as does investor sentiment.

Market risk extends beyond Australia to international markets and can be heightened in less developed economies and political systems.

Currency risk

This is the risk of adverse movements in exchange rates and foreign currencies potentially reducing the value of the Australian dollar and the value of investments made in overseas markets and countries.

Some of the UMFs will invest in overseas markets. Some of them will seek to manage this risk by 'hedging' their currency exposure by using derivatives.

Credit risk

This is the risk that issuers or others involved with debt-type investments default on obligations to repay capital, fail to make interest payments or meet other financial obligations in full and/or on time.

Liquidity risk and redemption risk

This is the risk that an investment cannot be easily redeemed and readily converted into cash.

In normal operating circumstances, the UMFs in which our Investment Options invest will be liquid with assets that are readily realisable. There are circumstances or events beyond our control where a particular UMF's redemption facilities could become subject to suspension, delays or deferrals due to illiquidity.

This could have flow-on impacts for us in meeting Education Claims and Other Withdrawal (Any Purpose) requests, switching requests or making Bond Death Maturity payments from the Investment Options.

ESG risk

Inadequate consideration of matters or issues relating to environmental, social, governance and ethical factors may mean that investment values could be negatively impacted.

Derivatives risk

Derivatives, such as futures, options, swaps and forward contracts, may be used in the Investment Options and UMFs as a risk management tool.

Where derivatives are used, there is a risk that the counterparty in the derivative transaction might default. This may call for a corresponding new derivative transaction at a time and cost that is less favourable than the original transaction.

Borrowing and gearing risk

While returns can be significantly increased from favourable borrowing and gearing strategies, correspondingly, these practices not only increase the risk of losses, but will amplify risks and potential losses with unfavourable investments and conditions.

Taxation risks

Although Taxation Law and tax rulings governing Education Bonds are well settled, it is impossible to foresee changes that may impact the legal and taxation arrangements applying to Education Bonds.

Legislative and compliance risks

There is also the risk that Futurity does not properly discharge its obligations to comply with the Life Act, the Corporations Act and Taxation Laws. Our compliance obligations also extend to the Product Rules, APRA Prudential Standards, Australian Securities and Investments Commission (ASIC) Regulatory Guides and our internal policies and procedures. Measures are in place to mitigate these risks.

Asset concentration risks

The Investment Options are investment-linked funds and, from time to time, the asset concentration of particular investment assets held in the UMFs that they invest into may rise above 5% of their total assets. This can occur when implementing investment strategies and in order to meet performance benchmarks. However, the UMFs that Futurity invests into generally have exposure limits to individual securities, as expected from prudently managed funds.

Other specific UMF risks and miscellaneous risks

- If UMFs do not achieve their investment objectives or underperform for periods;
- We may not act or act too slowly (or too fast) in replacing or reducing an Investment Option's exposure to UMFs;
- The UMFs may experience defections, changes or instability in their investment management teams;
- Fees and costs applicable to your Education Bond may increase over time. There are set procedures under the Product Rules we must follow to provide you notice before Futurity can increase fees (see PDS Part A p.59);
- We might close a particular Investment Option. Before we can do this, we must give you at least three months' advance notice; and
- We might limit, restrict or discontinue switching rights to and from certain Investment Options on the Education Bond's investment menu.

About different asset classes and risk

The various asset class categories within the investment menu carry different levels of potential risk.

Equities

Equities investments are exposed to the risk of falling value, of not achieving dividend yields or not delivering expected franking or imputation credits.

Factors such as economic conditions and growth, interest rates, inflation and employment levels can influence equity markets (or specific market segments.)

There is also the risk of individual companies not performing or failing due to competition, poor management, operational failures or adverse market sentiment.

International equity investments can also be subject to currency risk.

Property

Property investments can experience falling property values and declining rent, defaults and tenancy risk.

Economic factors, especially interest rates, impact property risks. Property investments sometimes carry construction and financing risk.

Fixed income

Fixed income investments are exposed to:

- credit risk – that issuers of debt or fixed income securities default on the repayment of principal and/or interest;
- interest rate risk – fixed income investments lose value when market interest rates rise; and
- currency risk – where there are international currency exposures.

Cash

Cash and short-term money market investments generally carry the least risk, with high certainty for repayment of capital and meeting interest payments.

Additional investment menu information

Authorised Investments and investment policies

Authorised Investments

The Investment Options on the investment menu must be invested by us in Authorised Investments and in accordance with our Investment Policy. These details are contained in the Product Rules governing the Futurity Education Bond and are also subject to overriding authorised investment provisions in the Life Act.

To find out more about the Product Rules, see page 59 of PDS Part A.

Under the Product Rules, the Authorised Investment categories are:

- cash investments
- deposit investments
- fixed income investments
- property investments
- infrastructure investments
- equity investments
- investments in UMFs[2]

When we invest into a UMF, its constitution's own underlying authorised investments and its own investment asset holdings from time to time must, on a 'look-through' basis, be consistent with the Futurity Investment Option's own Authorised Investments and Investment Policy.

Investment Policies

The Product Rules contain an Investment Policy for each Investment Option, and within this we set:

- allowable investment ranges for each Authorised Investment category;
- investment strategy and objectives aligned to the Investment Option's performance benchmark;
- policy on use of derivatives and international currency exposure; and
- specific policies, where UMFs are used, such as on liquidity, borrowings and derivatives.

The Investment Option overviews summarise the investment strategy and objectives of each Investment Option (p.20-37).

Use of derivatives

It is common for professionally managed UMFs to use derivatives, such as futures, swaps, options and forward contracts.

Futurity's Investment Policy is to only invest in UMFs where its investment manager uses derivatives in accordance with generally accepted market practices including:

- using derivatives as a risk management tool for hedging and protecting against changes in the market asset values and against currency risk;
- using derivatives to gain a position without buying or selling the underlying physical investments; and
- using derivatives to manage interest rate and credit risk for cash, deposit and fixed income investments.

Borrowing and gearing

While Futurity can borrow against the assets of the Investment Options, there are certain restrictions under the Life Act and the Product Rules.

Generally stated, we can only do this for the advantage of an Investment Option, such as for improving investment performance, improving liquidity or for diversifying investments.[3]

The constitutions of the UMFs typically allow the funds to borrow and some can 'gear' their portfolios. All of the UMFs on the investment menu reflect our general Investment Policy of investing in UMFs that do not allow gearing, but may allow borrowing to assist in meeting redemptions or for short-term needs.

Futurity has no present intention to borrow, mortgage or charge against assets or gear any of our Investment Options. Also, our Investment Policy is to:

- avoid UMFs that undertake any level of portfolio gearing; and
- only invest in UMFs that have a current 'stated position' to not use borrowings except to assist in meeting redemptions or for short-term needs.

[2] The UMFs must be Managed Investment Trusts that are (a) Managed Investment Schemes; and/or (b) Managed Investment Schemes and/or Managed Investment Products that are a Responsible Entity and the holder of an AFSL.

[3] Generally, up to 10% of an Investment Option can be mortgaged or charged to improve liquidity for short-term needs or meeting redemption requirements.

Responsible investing at Futurity

Futurity's stance on RI and our approach to our organisation embracing sustainability and ESG factors is detailed in our Responsible Investment Policy. It can be viewed from two perspectives:

Perspective one – Futurity as an organisation

Futurity believes that RI and corporate sustainability must be prominent and play a role in the governance of all forms of business enterprises.

For Futurity, our emphasis is not just about having good environmental and socially acceptable practices, but we seek to deliver long-term value to our Members and stakeholders without compromising people, the planet, our community and the economy. We have a commitment to positive social impact which is demonstrated through the Futurity Education Foundation and our impact initiatives, including the National Excellence in Teaching Awards. While education-purposed savings and investment products are Futurity's core business, it is also fundamental to our purpose that we exist to have a positive impact in these areas.

A cornerstone piece is Futurity being a signatory to the United Nations Global Compact (UNGC). This means that we operate in a manner that, at a minimum, meets fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Additionally, Futurity has sought to incorporate the Ten Principles of the UNGC into its business and organisational ethos.[4]

Perspective two – the Education Bond's investment menu

Futurity operates an investment model for the Education Bonds whereby we invest our Investment Options into UMFs that we select, appoint and can remove. With this approach, Futurity largely outsources the day-to-day investment management function for its Investment Options to leading professional external investment managers.

(a) UNPRI/UNGC signatories

Across the entire investment menu, Futurity aims to invest in excess of 90% of its total funds under management with investment managers that are signatories to either of the UNPRI[5] and/or the UNGC. This aspect of our RI discipline is monitored and reviewed by the Investment Committee. Each investment manager of an UMF will have its own policy addressing RI, and the extent to which labour standards, environmental, social and/or ethical considerations are taken into account in making and implementing investment decisions. These policies will be explained and disclosed in each UMF's own Product Disclosure Statement details and links are in the Investment Option overviews for each Investment Option in this PDS Part B.

Other than our high-level RI discipline lens that applies across the entire investment menu, Futurity is not in a position and cannot directly influence RI policies and ESG considerations taken by UMFs appointed to the Investment Options or those on Futurity's Approved Manager List.

(b) The RI range on the investment menu

For the six RI Investment Options, we research and select UMFs of specialist RI managers that focus on ESG factors and follow sustainable investment principles.

As part of our 10 UMF Selection Factors, we verify that each investment manager considers not only all significant risks to their portfolios in making investment decisions, but also has clearly defined RI practices and processes for their UMF into which Futurity invests.

Again, Futurity is not able to directly influence the investment manager's detailed RI policies for their UMF or investment decisions made on a day-to-day basis. It is the UMF investment managers that make the decisions regarding their fund's RI and ESG factors.

[4] Details available at unglobalcompact.org/what-is-gc/mission/principles

[5] Details available at unpri.org/about-us/what-are-the-principles-for-responsible-investment

Futurity Investment Group Limited

Level 15, 333 Collins Street
Melbourne VIC 3000

Phone: 1300 345 456

Email: investorcare@futurityinvest.com.au

Website: futurityinvest.com.au

ACN 087 648 879 | AFSL 236665

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