



Funeral Bond

(inc. Prepaid Funeral Bond)

Target Market
Determination (TMD)

1 September 2025



Target Market Determination KeyInvest Funeral Bond (KIFB)

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth). This TMD sets out the description, key attributes and target market for the product, distribution conditions, reporting obligations, and triggers to review of the target market for the KIFB. It forms part of KeyInvest's design and distribution framework for the product.

This document is not designed to provide financial advice. It is not a product disclosure statement and is not a summary of the product features or terms of the product. This document does not consider any person's individual objectives, financial situation or needs.

Persons interested in acquiring this product should carefully read the Product Disclosure Statement (PDS) and any applicable supplementary PDS for the KeyInvest Funeral Bond (KIFB), available at keyinvest.com.au and consider obtaining financial advice before deciding on whether to acquire this product.

Product Name: KeyInvest Funeral Bond

Product Issuer: KeyInvest Ltd

AFSL Number: 240667

ABN: 74 087 649 474

APIR Code: IOF9830AU

Applicable PDS: KeyInvest Funeral Bond

TMD Date: 1 September 2025

TMD Version: 3.0

Product description

The KeyInvest Funeral Bond (KIFB) is a funeral expense facility consisting of a Capital Guaranteed Investment Option and three unitised multi-sector Investment Options designed solely to accumulate funds to contribute to the cost of funeral expenses.

The KIFB is designed for individuals who want to prepay their funeral expenses in advance or people who wish to plan ahead for their funeral arrangements, particularly those who are looking for peace of mind knowing their funeral costs are covered. This is to ensure their loved ones are not burdened with financial stress at a difficult time.

Key product attributes

The key attributes of this product that make it likely to be consistent with the likely needs, objectives and financial

Key attribute	Appropriate for
Eligibility criteria	Retail Investors that are: <ul style="list-style-type: none">– Individuals (aged 10 or older¹) or couples; and– want to accumulate funds to contribute to the cost of their or someone else's funeral expenses; and– have a minimum \$500 to invest²; and– do not seek access to their capital at any time prior to the payment of funeral expenses.³
Regular savings plan (RSP)	Retail Investors who: <ul style="list-style-type: none">– seek to build funds via an RSP; and– have \$50 or more they wish to contribute via the RSP; and– want to be able to amend or cease an RSP at any time.
Social security benefits	Retail Investors who are interested in their investment qualifying for income and asset test exemptions ⁴ for Centrelink and Department of Veterans' Affairs purposes.
Assignment of ownership	Retail Investors (aged over 16 years) who want the flexibility to prepay a funeral arrangement by transferring the ownership of the product to a funeral director.
Taxation benefits	Retail Investors who: <ul style="list-style-type: none">– seek to simplify tax returns by not having to report growth earnings in their annual tax return; and– seek to have their growth earnings taxed at a maximum notional rate of 30% (paid by KeyInvest) which may be further reduced by tax credits (Effective Tax Rate). Note: The Effective Tax Rate may be lower.
Flexible choice of investment options	Retail Investors who seek in the option to: <ul style="list-style-type: none">– invest in an investment product that can be capital guaranteed; and/or– invest in one, or a combination of, switchable⁵ multi sector Investment Options.

¹ Applications for children aged between 10 and 16 must be accompanied by the written consent of a parent or a legal guardian. Applications cannot be accepted for children under 10 years of age.

² Investors can also make additional contributions of \$100 as ad hoc or regular contributions if they so wish.

³ If KeyInvest receives a written request from an investor to cancel a KIFB within 30 days of the date of issue of a funeral bond, KeyInvest will provide a refund of the contribution, less any service fees paid or payable to an adviser or service provider. Once the 30-day cooling off period has elapsed, funds set aside in a KIFB, cannot be released until evidence of the investor' funeral (or of their partner's funeral within 14 days of the death, in case of a joint policy) has taken place.

⁴ As at 31 December 2024 an individual investor can contribute up to \$15,500 (indexed annually by Services Australia under Section 19E of the Social Security Act 1991) in a KeyInvest Funeral Bond and this amount is exempt from the age pension-related income and assets test and deeming provisions of the income test.

⁵ In this option, investors can switch into the Capital Guaranteed Investment Option but once invested cannot switch out of the Capital Guaranteed Investment Option.

Investment categories

Investment category	Investment objective	Standard risk measure (SRM)	Minimum suggested timeframe
Capital guaranteed	To provide returns over the short to medium term with low volatility, predominantly investing in defensive assets such as cash and fixed interest. Up to 25% may be allocated to Australian Registered 1st Mortgages. All invested capital is preserved.	Low 2	1-3 years
Conservative (multi-sector)	To provide returns over the short to medium term, with low volatility, consistent with a diversified mix of predominantly defensive assets and some growth-oriented assets.	Medium 3	3 years
Balanced (multi-sector)	To provide returns over the medium to long term, with moderate to high volatility, consistent with a diversified mix of predominantly growth-oriented assets and some defensive assets.	Medium to high 4	5 years
Growth (multi-sector)	To provide capital growth over the long term consistent with a portfolio focusing on growth assets, while accepting fluctuations in capital values in the short term.	High 6	7 years

The SRMs, for the unitised investment options, are sourced directly from the Underlying Fund Managers. Please refer to the TMD for the Underlying Managed Funds for more information.

⁶ The risk levels and investment objectives of each Investment Option are disclosed in the PDS. These risk levels correspond to the Standard Risk Measure (SRM) developed by the Association of Superannuation Funds of Australia. The available Investment Options cover all SRM risk levels. Risk and return objectives for each Investment Option may vary.

⁷ The SRM is a 1–7 scale based on the estimated number of negative annual returns over any 20-year period. The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require meeting their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

⁸ The minimum suggested timeframe is an estimate of how long you should expect to hold your capital in an investment option within an investment category in order to achieve its expected investment return outcome.

Distribution channels and conditions

Distribution channel	Distribution conditions/restrictions
Direct retail (in person, KeyInvest website or email contact) through KeyInvest’s Investor Services team via an application form.	Sale is permitted under general advice only.
Through financial advisers via the online portal or application form.	The financial adviser must be registered with KeyInvest through a financial services licensee that has agreed to and signed a KeyInvest Service Agreement.
Through funeral directors via the online portal or application form.	Sale is only permitted if the retail Investor meets the minimum eligibility criteria for the KIFB and passes through KeyInvest’s application and assessment processes.

Irrespective of the channel of distribution, this product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the PDS (as amended from time to time).

KeyInvest considers that the distribution conditions in place are appropriate and are reasonably likely to ensure that the product is distributed to investors who fall within the target market. This view is based on a comprehensive assessment of both the product’s intended market and the methods used to distribute it.

Key considerations include:

- The controlled nature of product access, which is limited to either investors who have received personal financial advice from a licensed financial adviser, those who engage with KeyInvest directly or through a funeral director;
- The implementation of specific eligibility criteria and screening questions within the direct application process, which are designed to help identify when an applicant may fall outside the target market;

- The role of licensed financial advisers in assessing whether the product aligns with their clients’ personal objectives, financial circumstances, and needs;
- Oversight mechanisms embedded within KeyInvest’s distribution arrangements, including obligations imposed under adviser agreements and ongoing monitoring;
- Regular evaluation of financial adviser conduct and compliance with professional and regulatory standards set or endorsed by ASIC; and
- Our internal insights and experience in distributing products directly to consumers in a compliant and targeted manner.

These measures collectively support alignment between the product and the target market, regardless of the distribution channel.

Target market

The Target Market is the class of persons who are the type of Investor, who have the needs and objectives and are in the financial situation set out below.

Needs and objectives of investor

Note: this section relates to the requirements of s994B(5) (b) of the Act Approach to target market.

TMD indicator key

The Investor Attributes for which the product is likely to be appropriate have been assessed using a traffic light rating methodology (ie. purple/amber/green) with appropriate colour coding:

If a Funeral Bond is assigned to a funeral director, they will accept the investment risk of the Funeral Bond and under the terms of the pre-paid funeral contract, will be required to undertake the contracted funeral, irrespective of the surrender value of the Funeral Bond.

Notwithstanding the assignment of the Funeral Bond, an Investor(s) will continue to be a Member of the relevant Benefit Fund and of KeyInvest.

Whatever ownership option is chosen, it is important that an Investor's family and/or Executor of their Estate know of the investment in a Funeral Bond and the preferred funeral arrangements.

Green means this option is likely to suit Investors who also seek the features specified.

Amber means this option is less likely to suit Investors but suitability would also depend on Investors' personal objectives, outlook, and preferences. Investors should seek personal financial advice if considering this option.

Red is not considered in target market

Instructions

The following tables indicate descriptions of the likely objectives, financial situation and needs of the class of Investors that are considering this product. The centre column, indicates whether an Investor meeting the attribute in the first column is likely to be in the target market for this product.

Generally, an Investor is unlikely to be in the target market for the product if:

- one or more of their Investor Attributes correspond to a red rating, or
- two of their Investor Attributes correspond to an amber rating.

Type of investor

1) The Investor can be an individual or joint individuals.

Investor objectives

Individual/s, with any one or more of the following objectives to invest in a tax-effective investment capped at the life insurance tax rate of 30% to pay for funeral expenses that:

- offers the Investor a variety of investment options to choose;
- offers tax advantages for the Investor, with investment returns not needing to be reported in the Investor's personal income tax return;
- offers social security advantages for the Investor, as capital and investment returns are not included in the means test for age pension, service pension or any other means tested Government benefits;
- enables the Investor to achieve investment returns without increasing their assessable income;
- provides an additional tax benefit at the time the funeral benefit is claimed, in the form of a tax deduction for tax paid on the investment over the life of the policy.

This Product is not suitable for Investors seeking:

- a tax-effective investment product to use for the purpose of accumulating savings for a key life event (other than funeral expenses);
- to access their funds prior to the death of the life insured.

Level of decision making

Investor's desired level of decision making	Product consistency with target market	Product description including key attributes
Investments chosen by Investor from extensive investment menu.		The KeyInvest Funeral Bond offers four (4) Investment Options for Investors to choose from. These options provide a range of risk levels from Low risk/ SRM 2 through to High Risk / SRM 6, which enables Investors to choose an investment portfolio to match their risk tolerance.
Investments chosen by Investor from limited investment menu.		The KeyInvest Funeral Bond offers four (4) Investment Options for Investors to choose from. These options provide a range of risk levels from Low risk/ SRM 2 through to High Risk / SRM 6, which enables Investors to choose an investment portfolio to match their risk tolerance.
Default investment strategy applied where no investments selection is made.		<p>The KeyInvest Funeral Bond offers four (4) Investment Options for Investors to choose from. These options provide a range of risk levels from Low risk/ SRM 2 through to High Risk / SRM 6, which enables Investors to choose an investment portfolio to match their risk tolerance.</p> <p>For Investors who are not able to make a decision and select an investment option, the KeyInvest Funeral Bond offers Investors a default investment option, being the Capital Guaranteed option.</p> <p>Therefore, for Investors who do not intend on investing in the Capital Guaranteed default option, the KeyInvest Funeral Bond is likely to be appropriate for Investors who are comfortable with choosing one of three unitised Investment Options that suits their level of risk and return.</p>

Life stage, personal and financial situation of Investor

Life stage of investor	Product consistency with target market	Product description including key attributes
Child (1-10)		The KeyInvest Funeral Bond can be invested in by individuals or joint individuals who are 10 years or older ⁹ .
Adolescence (10-15)		<p>However, due to the sole purpose use of the KIFB is for funeral expenses, it is not likely to be of appeal to an Investor until Middle Adulthood or later. For Investors in these stages of their life, there are also added benefits in relation to their Social Security entitlements, as capital and investment returns are not included in the means test for age pension, service pension or any other means tested Government pensions. This means that relevant Investors can build wealth to save for their funeral expenses without impacting their social security entitlements.</p> <p>Therefore, the KeyInvest Funeral Bond is likely to be most appropriate for Investors in Middle Adulthood, Early Retirement and Late Retirement.</p> <p>It is important to note that whilst the Funeral Bond can be set up with two Investors, it can only be used to fund one Investor's funeral expenses.</p>
Early adulthood (16-40)		
Middle adulthood (41-70)		
Early retirement (71-80)		
Late retirement (81+)		

⁹Investors must be at least 10 years old and for those that are under 16, written consent must be received from a parent or guardian.

Number of Funeral Bonds held

Number of Funeral Bonds held	Product consistency with target market	Product description including key attributes
Single policy		Individuals can hold two or more funeral bonds. Services Australia / Department of Veterans' Affairs limits the availability of means testing benefits for age pension, service pension or any other means tested Government pensions to no more than two bonds.
Two policies		For this reason, the KeyInvest Funeral Bond is likely to be more suitable and appropriate for Investors holding a single or two policies only.
More than two policies*		The KeyInvest Funeral Bond is likely to not be appropriate for Investors seeking to benefit from social security benefits and who also hold two or more policies.

Investment amount (\$AUD)

Investor's intended investment amount (\$AUD)	Product consistency with target market	Product description including key attributes
\$0 to \$15,750		<p>The minimum initial contribution for the KeyInvest Funeral Bond is \$500.</p> <p>The minimum additional contribution for the KeyInvest Funeral Bond is \$100.</p> <p>Minimum contribution under the Regular Savings Plan is \$50.</p> <p>There are no contribution limits for the initial or any additional contributions when an Investor chooses to transfer their entitlement to a funeral director.</p>
Over \$15,750		<p>However, the total contributions must be reasonable and align with the expected funeral costs to qualify for the tax concession. If the Investor does not choose to transfer the entitlement to a funeral director, contributions cannot exceed the specified exempt funeral investment threshold, which is currently set at \$15,750.</p> <p>Therefore, the KeyInvest Funeral Bond is likely to be appropriate for Investors seeking to save no more than \$15,750 for their expected funeral expenses.</p>

Access to investment funds

The KeyInvest Funeral Bond only provides benefits after the death of the Investor. Investors cannot access any funds in their KeyInvest Funeral Bond before their death. As such, this product is likely suited for Investors who intend to access the bond's benefits only upon their passing.

Joint policies

On the death of a Joint Investor, the surviving Investor may, within 14 days, elect in writing to mature the Policy in which case all benefits will be paid in accordance with the Benefit Fund Rules. If an election is not made within 14 days of the death of a Joint Member, the Policy will mature on the death of the surviving Member. **Only one funeral can be funded per Policy.**

Access to investment options

This section of the TMD is relevant to customers who choose one or more investment options when applying to open the product (that is, customers that do not rely on the default investment option). This product is consistent with a target market of Investors that wish to have a choice of investment options.

The risk levels of each Investment Options are disclosed in the PDS. These risk levels correspond to the SRM jointly developed by the Financial Services Council (FSC) and the Association of Superannuation Funds of Australia (ASFA). The KIFB PDS includes a more comprehensive list of the risks relating to KIFB and the Investment Options offered, these include (but not limited to) market risk, currency risk, liquidity risk, interest rate risk, inflation risk, etc. Please refer to the KIFB PDS for more information.

Investment diversification

Investors can select from one of, or a combination of, the four investment options on the investment menu, enabling a diversified portfolio of assets that they would not be able to access in their own right. Where the Investor has selected a diversified investment option(s) further diversification might not be required.

Assigned, unassigned, and nominated Funeral Bonds explained

1. Assigned Funeral Bond (also referred to as Pre-Paid Funeral Bond)

Where an Investor(s) has a pre-paid funeral arrangement with a funeral director. The funeral director is the owner of the Funeral Bond and upon the Investor(s) death the funeral director provides the contracted funeral and KeyInvest will pay the full proceeds of the Funeral Bond to the funeral director.

2. Unassigned Funeral Bond

Where an Investor sets up a Funeral Bond with no formal plans in place for their funeral with a funeral director. The Investor is the owner of Funeral Bond. Upon the Investor(s) death, KeyInvest will pay the full proceeds to either the Investor's Estate Representative or direct to a funeral director at the direction of the Investor's Estate Representative.

3. Nominated Funeral Bond

Where an Investor nominates a preferred funeral director to carry out the funeral upon their death. The Investor remains the owner of the Funeral Bond and the nominated funeral director will receive information about the Investor and the Funeral Bond. Upon the Investor(s) death, KeyInvest will pay the full proceeds to either the Investor's Estate Representative, the Nominated funeral director recorded on the Investor's record, or direct to a funeral director at the direction of the Investor's Estate Representative

Assessing product appropriateness

Note: this section relates to the requirements of s994B(8) (b) of the Act and RG 274.64–66.

Explanation of consistency of key attributes with TMD

The Product Issuer has evaluated the product and believes that it, along with its key attributes, is likely to align with the objectives, financial situation, and needs of Investors in the target market because:

The KeyInvest Funeral Bond is designed for individuals looking for a tax-efficient investment to save for funeral expenses;

- It is suitable for individuals seeking a capital-guaranteed investment with low or conservative risk levels;
- It is suitable for individuals seeking a unitised investments with conservative, balanced or growth risk profile;
- The KeyInvest Funeral Bond allows Investors to assign their bond to a funeral director in conjunction with a pre-paid funeral contract or have the entitlement paid to their estate;
- The product provides valuable tax benefits, as the investment returns are not required to be included in the Investor's personal income tax return;
- It offers social security advantages, as both the capital and investment returns are excluded from the means test for age pension, service pension, or other government means-tested pensions;
- The KeyInvest Funeral Bond allows Investors to earn investment returns without affecting their assessable income or their entitlement to social security benefits; and
- The product may provide an additional tax benefit when the funeral benefit is claimed, in the form of a tax rebate on taxes paid during the bond's investment period.

Appropriateness of target market

The KIFB (including its key attributes) is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This has been determined based on an analysis of the KIFB including its key terms, features and attributes and a conclusion that these are consistent with the identified class of Investors.

Individual consumers will need to consider whether the KIFB meets their specific objectives, financial situation and needs.

Distribution conditions/restrictions

Note: this section relates to the requirements of s994B(5) (c) of the Act.

Distribution channel	Distribution condition
Direct distribution	The application form for the product includes TMD related questions that an Investor will need answer.
Financial advisers Investors	Financial advisers must be authorised by the Product Issuer and are required to have reviewed and considered this TMD as part of their processes for providing advice to their Investors.
Funeral directors	Funeral directors must be authorised by the Product Issuer and are required to have reviewed and considered this TMD as part of their processes for recommending the product to their clients.

Appropriateness requirements – distribution conditions

Note: this section relates to s994B(8)(a) of the Corporations Act (Cth) 2001 and RG 274.100.

The Product Issuer has assessed the distribution conditions and formed the view that the distribution conditions will make it more likely that Investors who acquire the product will be in the target market because:

- the Product Issuer’s distribution channel for this product is restricted to direct distribution by the Product Issuer, financial advisers who are authorised by the Product Issuer to distribute the product and funeral directors who have completed our registration form;
- employees of the Product Issuer involved in the distribution of this product will be required to follow the Product Issuer’s internal Procedures for the approval of applications for the product;
- financial advisers involved in the distribution of this product must be authorised by the Product Issuer and are required to have reviewed and considered the TMD; and
- funeral directors involved in the distribution of this product must be authorised by the Product Issuer and are required to have reviewed and considered the TMD.

Review triggers

Where KeyInvest determines that one of the below review triggers has occurred, KeyInvest must cease all retail product distribution conduct (except for “excluded conduct”) in relation to the product within 10 days and undertake a review of this TMD:

- Occurrence of a significant dealing(s) outside of the TMD that would reasonably suggest that this TMD is no longer appropriate;
- A significant or unexpectedly high number of complaints (as defined in section 994A(2) of the Corporations Act) regarding product design, product availability or any distribution conditions from distributors and customers, where KeyInvest considers this reasonably suggests that this TMD is no longer appropriate;
- Material changes to key product attributes, terms and/or conditions and product performance where KeyInvest considers this reasonably suggests that this TMD is no longer appropriate;

- Changes to the Underlying Fund Managers, including amendments to their investment mandates, strategies, or any significant alterations to their management approach, where KeyInvest reasonably considers that such changes could impact the suitability of the product for the target market or affect the product’s alignment with the intended investment objectives;
- Changes in taxation laws or regulations that materially affect the structure or benefits of funeral bonds, suggesting the TMD may need to be reviewed;
- Changes to fees, charges, or other costs associated with the product that could materially affect the overall value proposition or customer suitability;
- The use of Product Intervention Powers, orders or directions concerning the distribution of this product from ASIC;
- Distribution conditions are found to be inadequate in ensuring that the product is issued to a retail Investor who are likely to be in the target market;
- Significant breach event relating to the design or distribution of this product where KeyInvest considers that this would reasonably suggest that (i) the product is unsuitable for a particular cohort of customers and (ii) the TMD may no longer be appropriate; and
- Changes to legislation have come into effect, which materially impacts upon the design or distribution of the product and reasonably suggests that this TMD is no longer appropriate.

Periodic review schedule

Review periods/ revision history	Maximum period for review
Initial review** (post 5 Oct 2021)	1 year and 3 months*
Subsequent review	3 years and 3 months*

* The review period allows for the collection of data for 1 year /3 years, plus three months for the completion of the review.

Distributor information reporting and monitoring

Investment category		Provider	Reporting frequency
Customer complaints	Written details of Customer Complaints (as defined in section 994A (2) of the Corporations Act 2001 (Cth) (The Act) where the nature of the complaints relates to product design, product availability and distribution conditions. The distributor should provide all the content as well as the substance of the complaint, having regard to privacy laws. KeyInvest may request additional information from the distributor to further understand the underlying complaint issue.	All distributors	Quarterly *
Significant dealing	Written details of significant dealings relating to the product that is inconsistent with the TMD under s994F (6) of the Act including the date (or range of dates) on which significant dealing occurred, the reason why the distributor considers the dealing to be significant (including why it is inconsistent with the TMD) and how the dealing was identified.	All distributors	As soon as practicable, but no later than 10 business days after the distributor becomes aware of the significant dealing.
Dealings outside the target market	To the extent a distributor is aware of dealings outside the target market, these should be reported to KeyInvest, including reason why acquisition is outside of the target market, and whether the acquisition occurred under personal advice.	All distributors	Quarterly *

*Quarterly reporting is due within 10 business days after the end of the March, June, September and December quarters.



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