

# Target Market Determination

Australian Unity Bonds



## TARGET MARKET DETERMINATION

<b>Issuer</b>	Australian Unity Limited (ACN 087 648 888) (Australian Unity)												
<b>Product</b>	This Target Market Determination (TMD) applies to Australian Unity Bonds Series E issued by Australian Unity (Australian Unity Bonds Series E)												
<b>Effective Date</b>	Start Date: 7 November 2023 Status: Current until the issue date of the Australian Unity Bonds Series E												
<b>Target Market</b>	<p><b>Product description</b> Australian Unity Bonds Series E are unsecured debt obligations issued by Australian Unity under a Base Prospectus and Offer Specific Prospectus each dated 30 October 2023 and any replacement Offer Specific Prospectus (together the Offer Documents), which provide for floating rate, non-deferrable, quarterly interest payments in cash as described in the Offer Documents. Unless redeemed earlier in accordance with the Offer Documents, Australian Unity Bonds Series E are required to be redeemed at the maturity date, which is approximately five years after the issue date.</p> <p><b>Class of retail clients and key product attributes</b> Australian Unity Bonds Series E are designed for a class of retail clients whose likely objectives, financial situation and needs are aligned with the product's key attributes, as set out in the table below. This TMD does not regulate distribution of Australian Unity Bonds Series E to wholesale clients.</p> <table><thead><tr><th><b>Objectives, financial situation and needs</b></th><th><b>Key product attributes</b></th></tr></thead><tbody><tr><td><b>Investment objectives</b></td><td></td></tr><tr><td>• Are seeking to acquire an investment product offering periodic payments of interest in cash</td><td>Interest on the Australian Unity Bonds Series E is payable quarterly in cash at a floating (variable) rate, as specified in the Offer Documents.</td></tr><tr><td>• Are <i>not</i> seeking capital growth</td><td>Australian Unity Bonds Series E are not designed to provide capital growth. The Redemption Amount in respect of Australian Unity Bonds Series E is the Face Value (being, the initial amount invested), together with any accrued interest, meaning that if an investor held their investment to maturity their returns would be limited to the periodic interest received, and repayment of the Face Value, without capital growth.</td></tr><tr><td><b>Risk profile and ability to bear loss</b></td><td></td></tr><tr><td>• Are able to bear the risks associated with an investment in Australian Unity Bonds Series E, in particular, the potential for Australian Unity to default on its payment obligations.</td><td>Australian Unity Bonds Series E are subject to risks as summarised in the Offer Documents. In particular, there are risks that:<ul style="list-style-type: none"><li>• Australian Unity may become unable to meet its obligations to make payments of interest or repay the Face Value of Australian Unity Bonds Series E;</li><li>• investors may lose all or some of the capital invested in Australian Unity Bonds Series E; and</li><li>• investors may not be able to sell the Australian Unity Bonds Series E at all before their Maturity Date, or may only be able to do so at a loss.</li></ul></td></tr></tbody></table>	<b>Objectives, financial situation and needs</b>	<b>Key product attributes</b>	<b>Investment objectives</b>		• Are seeking to acquire an investment product offering periodic payments of interest in cash	Interest on the Australian Unity Bonds Series E is payable quarterly in cash at a floating (variable) rate, as specified in the Offer Documents.	• Are <i>not</i> seeking capital growth	Australian Unity Bonds Series E are not designed to provide capital growth. The Redemption Amount in respect of Australian Unity Bonds Series E is the Face Value (being, the initial amount invested), together with any accrued interest, meaning that if an investor held their investment to maturity their returns would be limited to the periodic interest received, and repayment of the Face Value, without capital growth.	<b>Risk profile and ability to bear loss</b>		• Are able to bear the risks associated with an investment in Australian Unity Bonds Series E, in particular, the potential for Australian Unity to default on its payment obligations.	Australian Unity Bonds Series E are subject to risks as summarised in the Offer Documents. In particular, there are risks that: <ul style="list-style-type: none"><li>• Australian Unity may become unable to meet its obligations to make payments of interest or repay the Face Value of Australian Unity Bonds Series E;</li><li>• investors may lose all or some of the capital invested in Australian Unity Bonds Series E; and</li><li>• investors may not be able to sell the Australian Unity Bonds Series E at all before their Maturity Date, or may only be able to do so at a loss.</li></ul>
<b>Objectives, financial situation and needs</b>	<b>Key product attributes</b>												
<b>Investment objectives</b>													
• Are seeking to acquire an investment product offering periodic payments of interest in cash	Interest on the Australian Unity Bonds Series E is payable quarterly in cash at a floating (variable) rate, as specified in the Offer Documents.												
• Are <i>not</i> seeking capital growth	Australian Unity Bonds Series E are not designed to provide capital growth. The Redemption Amount in respect of Australian Unity Bonds Series E is the Face Value (being, the initial amount invested), together with any accrued interest, meaning that if an investor held their investment to maturity their returns would be limited to the periodic interest received, and repayment of the Face Value, without capital growth.												
<b>Risk profile and ability to bear loss</b>													
• Are able to bear the risks associated with an investment in Australian Unity Bonds Series E, in particular, the potential for Australian Unity to default on its payment obligations.	Australian Unity Bonds Series E are subject to risks as summarised in the Offer Documents. In particular, there are risks that: <ul style="list-style-type: none"><li>• Australian Unity may become unable to meet its obligations to make payments of interest or repay the Face Value of Australian Unity Bonds Series E;</li><li>• investors may lose all or some of the capital invested in Australian Unity Bonds Series E; and</li><li>• investors may not be able to sell the Australian Unity Bonds Series E at all before their Maturity Date, or may only be able to do so at a loss.</li></ul>												

---

### Investment timeframe

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Are seeking to invest for a term of approximately five years.</li></ul> | Australian Unity Bonds Series E have a term of approximately five years, and may only be redeemed prior to their maturity date in limited circumstances as described in the Offer Documents. |
|---|--|
- 

### Liquidity needs

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Are seeking to have the ability to sell Australian Unity Bonds Series E on market at the prevailing market price.</li></ul> | Australian Unity will apply for Australian Unity Bonds Series E to be quoted on the ASX. However, there may not be a liquid market for Australian Unity Bonds Series E and investors who wish to sell their Australian Unity Bond Series E may be unable to do so at an acceptable price or at all. |
|---|---|
- 

### Negative Target Market

Australian Unity Bonds Series E are not designed for retail clients who:

- Are seeking capital growth;
- Cannot tolerate a fluctuating rate of interest on their investment;
- Cannot bear the risk of not receiving interest or repayment of principal on their investment;
- Cannot bear the risk of losing some or all of the value of their investment; or
- Need certainty that they can sell their Australian Unity Bonds Series E as and when they want to and at an acceptable price.

### Key Eligibility Requirements

Retail clients who wish to invest in Australian Unity Bonds Series E must be:

- a company or an individual (including as a trustee of a trust) aged 18 years or older; and
- either:
  - an Eligible Broker Channel Applicant; or
  - an Eligible Direct Channel Applicant

(each as defined below).

A retail client is an “Eligible Broker Channel Applicant” where:

- they have applied for Australian Unity Bonds Series E via a Syndicate Broker (as defined below); and
- they have received personal advice from a qualified financial adviser in relation to an investment in Australian Unity Bonds Series E.

A retail client is an “Eligible Direct Channel Applicant” where:

- they are an Eligible Member or an Eligible Securityholder (in each case, as defined in the Offer Documents);
  - they have applied for Australian Unity Bonds Series E directly to Australian Unity;
  - they have satisfactorily completed an online pre-application assessment designed to assist Australian Unity to determine whether the investor is in, or is reasonably likely to be in, the Target Market; and
  - if they are applying under the Priority Offer, their application for Australian Unity Bonds Series E does not exceed the Maximum Application Value (as defined in the Offer Documents) or is otherwise approved by Australian Unity in accordance with the escalation process for applications in excess of the Maximum Application Value.
-

**Distribution Conditions**

*Distribution conditions*

The Issuer has created a distribution strategy for Australian Unity Bonds Series E. The key elements of the distribution strategy for retail clients and applicable distribution conditions are outlined below:

**Distribution Channels**

By application to a syndicate broker (including the arranger, joint lead managers and co-managers), intermediaries in a syndicate broker’s proprietary and affiliated retail distribution networks or other approved third party brokers (Syndicate Brokers).

**Distribution Conditions**

Syndicate Brokers must only distribute Australian Unity Bonds Series E to a retail client if they are satisfied that the retail client has received personal advice from a qualified financial adviser in relation to an investment in Australian Unity Bonds Series E.

Approved Brokers must:

- have policies and procedures in relation to providing personal advice and identifying retail clients;
- have adequate systems and processes (including as to the keeping of records and provision of training) to comply with the TMD, including to determine whether, and evidence that, clients approached by it to participate in the offer are retail clients or wholesale clients;
- undertake regular periodic due diligence on their proprietary and affiliated retail distribution networks;
- only offer Australian Unity Bonds Series E to retail clients in accordance with the applicable distribution conditions and eligibility criteria; and
- require intermediaries in their networks to sign back-to-back bid forms and confirmation letters providing, amongst other things, representations and warranties similar to those provided by the Approved Broker to Australian Unity.

**Directly**

Australian Unity may issue Australian Unity Bonds Series E to eligible retail clients who apply via the offer website and have satisfactorily completed an online pre-application assessment designed to assist Australian Unity to determine whether the retail client investor is in, or is reasonably likely to be in, the Target Market.

Australian Unity may only issue Australian Unity Bonds Series E directly to a retail client who is applying under the Priority Offer, if the retail client’s application:

- does not exceed the Maximum Application Value; or
- is otherwise approved by Australian Unity in accordance with the escalation process for applications in excess of the Maximum Application Value.

*Appropriateness of distribution conditions*

Australian Unity has determined that if Australian Unity Bonds Series E are sold to a retail client in accordance with these distribution conditions, it is likely that the retail client is within the target market because:

- retail clients who acquire Australian Unity Bonds Series E through an Approved Broker must have been provided with personal advice to subscribe for Australian Unity Bonds Series E. Where such advice is provided, the financial adviser is subject to legal obligations under the *Corporations Act 2001* (Cth) in respect of the giving of personal advice including the best interests obligation; and
- retail clients who acquire Australian Unity Bonds directly must satisfactorily complete the online pre-application assessment which is designed to assist Australian Unity to determine if the retail clients are in or are reasonably likely to be in the target market. In addition, for retail clients applying under the Priority Offer, their application must not exceed the Maximum Application Value or must otherwise be approved by Australian Unity in accordance with the escalation process for applications in excess of the Maximum Application Value. The Maximum Application Value has been specified in order to limit the size of an investment in Australian Unity Bonds Series E that a retail client can make without receiving personal advice from a qualified financial adviser.

---

**TMD Reviews**

Australian Unity will conduct an initial review of the appropriateness of the TMD on the last day of the seven calendar days commencing on the first day of the Offer Period (Initial Review Date). “Offer Period” has the meaning given in the Offer Documents.

Australian Unity will conduct a subsequent review on the date falling two business days prior to the Issue Date. “Issue Date” has the meaning given in the Offer Documents.

---

**Additional Review Triggers**

This TMD will also be reviewed if any of the following trigger events occurs which reasonably suggests that the TMD may no longer be appropriate:

- Australian Unity becomes aware of a significant dealing to retail clients which is inconsistent with the TMD;
  - a material number of complaints are received in relation to Australian Unity Bonds Series E; or
  - there is a material change to the terms of Australian Unity Bonds Series E or the arrangements for distribution of Australian Unity Bonds Series E;
  - ASIC issues a product intervention order or direction requiring Australian Unity to cease retail product distribution conduct in respect of Australian Unity Bonds Series E;
  - there is a change in law or its application, or ASIC policy, or other regulatory guidance that materially affects Australian Unity Bonds Series E; or
  - any other event of circumstance occurs that reasonably suggests that the TMD is no longer appropriate.
-

## TARGET MARKET DETERMINATION

---

### Reporting Requirements

The following information must be provided in writing to Australian Unity by all third parties engaged in (or responsible for other entities engaged in) retail product distribution of Australian Unity Bonds Series E in accordance with this TMD, within the required timeframes:

Type of Information	Description	Timeframe for reporting
Complaints	If any complaints are received during the Offer Period: <ul style="list-style-type: none"><li>· the number of complaints received; and</li><li>· the substance of those complaints.</li></ul>	Within 48 hours
Significant dealings	Date and range of significant dealings	As soon as practicable but no later than 10 business days after becoming aware of a significant dealing
Regulator feedback	Any significant feedback it receives in writing from a regulator which relates to the suitability of Australian Unity Bonds Series E or the requirements applying to distribution of Australian Unity bonds Series E except to the extent that the information is subject to legal professional privilege or confidentiality obligations, or is proprietary information or its provision would breach applicable law including the Privacy Act 1988 (Cth)	As soon as reasonably practicable, and in any case, no later than 10 business days after the third party receives the regulatory feedback

### Significant Dealings

Section 994F(6) of the *Corporations Act 2001* (Cth) requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD.

### What is a Target Market Determination?

A TMD describes the class of retail clients that comprises the target market for the product, being the class of retail clients for whom the product, including its key attributes, is likely to be consistent with their likely objectives, financial situation and needs.

It also describes any conditions around how the product is distributed to retail clients and the events or circumstances where Australian Unity will review the TMD.

### Why does Australian Unity need to have a Target Market Determination?

Under section 994B of the *Corporations Act 2001* (Cth) Australian Unity is required to make a Target Market Determination in respect of Australian Unity Bonds Series E. The purpose of the law is to help retail clients obtain appropriate products by requiring issuers and distributors to have a consumer centric approach to the design and distribution of financial products.

This TMD is not a prospectus and is not a summary of Australian Unity Bonds Series E or their features or attributes. This TMD does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring Australian Unity Bonds Series E should carefully read the Base Prospectus together with the Offer Specific Prospectus for Australian Unity Bonds Series E located at [www.australianunity.com.au/bonds](http://www.australianunity.com.au/bonds).

# For Real Wellbeing Since 1840

T 13 29 39

E [memberrelations@australianunity.com.au](mailto:memberrelations@australianunity.com.au)

W [australianunity.com.au](http://australianunity.com.au)

271 Spring Street  
Melbourne VIC 3000

Australian Unity Limited ABN 23 087 648 888