

Lifepan Education Bond – updated Product Disclosure Statement

5 October 2021

The Lifepan Education Bond Product Disclosure Statement (PDS) will be updated, effective 5 October 2021.

Below is a summary of the main changes:

1. Design and Distribution Obligations (DDO)

The Design and Distribution Obligations (DDO), which come into effect on October 5, aim to ensure that product issuers and distributors are keeping customers at the centre of their approach when designing and distributing products.

To coincide with the introduction of DDO, the following changes have been made to the PDS:

Inclusion of a target market summary

The target market summary provides an overview of the key eligibility criteria for investors who are considering the Lifepan Education Bond.

Product selection criteria – questions for non-advised clients

A series of questions have been introduced to the application form to understand the key product selection criteria of non-advised clients. Clients who take out the product through a financial adviser will not be required to answer these questions. These questions form part of the reasonable steps we are undertaking to ensure that the distribution of our product to non-advised clients is consistent with its Target Market Determination (TMD).

Adviser attestations

As distributors of LEB and under DDO obligations, our adviser network is expected to have considered the TMD for the product to ensure their clients are within the target market.

Advisers submitting a LEB application form from October 5 onwards will be required to attest to having given due consideration to the TMD when recommending the product as part of providing personal advice.

For a copy of the Lifepan Education Bond TMD please refer to the following link -

www.australianunity.com.au/wealth/target-market-determinations

2. Increases to the Maximum Contribution and Living Away From Home Allowance limits

On 1 October 2021 the contribution limits for the Lifepan Education Bond changed. These changes affected the maximum total contributions and the living allowance, per student or child. There are no restrictions on additional contributions provided within the cap. The amounts have changed as follows:

Feature	Previous limit	New limit
Maximum contribution	\$590,000	\$606,000
Living Away From Home Allowance	\$8,200	\$8,750

We review both the maximum total contribution and the living allowance on an annual basis and will inform you if the limits change in your periodic statement. The living allowance resets each year on 1 October and the new limit runs from 1 October to 30 September. This means students can

claim the full new entitlement each year, regardless of how much they claimed in the 12 months before.

3. Fixed Term Adviser Service Fees

Instructions to pay a financial adviser an adviser service fee will now allow the inclusion of a Fixed Term Adviser Service Fee.

The following conditions apply to the incorporation of a Fixed Term Adviser Service Fee:

- they can be charged for a period no greater than 12 months; and
- a client cannot be charged a Fixed Term Adviser Service Fee and Ongoing Adviser Service Fee at the same time.

Any adviser service fees (One-off, Fixed Term or Ongoing) must be accompanied by an Adviser Service Fee Consent Form.

4. Fees and Costs updates

The Fees and Costs for all investment options have been updated in line with RG97 updates received from each of the underlying Fund Managers, for the 12 months ended 30 June 2021.

5. The LEB application form is now separate to the Product Disclosure Statement (PDS)

To reflect the changes to the investment options the PDS has been updated. As part of the changes to the PDS, the Application Form is now a separate document.

The Application Form is included in the PDS as an Appendix.

We will accept applications on the previous application form for a maximum of 30 days after the effective date of the new LIB PDS, where there is an application already underway with a financial adviser.

Further information

If you have any questions, please contact the Investor Services team on 1300 1300 38 or email enquiries@australianunity.com.au, or the Adviser Services team on 1300 133 285 or email investmentbonds@australianunity.com.au