

Capital Guaranteed Funeral Bond

Disclosure Document – 6 November 2008



Issued by:
Australian Unity Investment Bonds Limited
ABN 83 087 649 072
AFS Licence No. 234456

The Australian Unity Capital Guaranteed Funeral Bond ('AUI Capital Guaranteed Funeral Bond' or 'Funeral Bond') is an investment product issued by Australian Unity Investment Bonds Limited ABN 83 087 649 072, AFS Licence No. 234456 ('AUIBL'). AUIBL is the issuer of this Disclosure Document. AUIBL is a controlled entity of Australian Unity Limited (AUL) ABN 23 087 648 888. AUL is not the issuer of this Disclosure Document.

Neither AUIBL, nor any member of the Australian Unity Group, guarantee the performance of the Funeral Bond, nor any return of capital other than as disclosed in this Disclosure Document. Applications for benefits may only proceed on the Application Form attached to this Disclosure Document.

This Disclosure Document is dated 6 November 2008 and expires on 5 November 2009. A copy of this Disclosure Document was lodged with the Australian Securities and Investments Commission ('ASIC') on 5 November 2008. ASIC takes no responsibility for the contents of this Disclosure Document.

No investment will be accepted pursuant to this Disclosure Document after 5 November 2009. This Disclosure Document contains some general investment advice. It does not take into account your individual objectives, financial situation or needs and you should consider its appropriateness to you (taking into account your individual objectives, financial situation and needs). You should seek your own financial advice from a financial services licensee or an authorised representative before investing. In this Disclosure Document, a reference to 'Australian Unity', 'AUIBL', 'we', 'us' and 'our' is a reference to Australian Unity Investment Bonds Limited. A reference to 'Australian Unity Investments' is a reference to AUIBL, Australian Unity Funds Management Limited, Australian Unity Property Limited, Australian Unity Finance Limited, and Australian Unity Retirement Living Investments Limited collectively.

This Disclosure Document is available in electronic form, including on the Internet. If this Disclosure Document is received electronically, you should ensure that the complete Application Form and Disclosure Document have been received. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge. This document can only be used by investors receiving it (electronically or otherwise) in Australia. In this Disclosure Document, all amounts are expressed in Australian dollars unless otherwise indicated.

The Australian Unity Capital Guaranteed Funeral Bond is provided under Schedule 5 (Rules for the Australian Unity Capital Guaranteed Funeral Bond) of the Constitution of AUIBL.

AUIBL guarantees to meet the payment of benefits from the Funeral Bond, and to repay your net contributions and declared bonuses. AUIBL does not guarantee the tax or Centrelink benefits relating to funeral bond investments or the level of future investment performance, which may fluctuate from year to year. Past performance should not be taken as an indication of future performance.

Obtaining Up To Date Information

We reserve the right to change the terms and conditions in this Disclosure Document without notice. Any changes to the information in this Disclosure Document that are not materially adverse may be incorporated from time to time. To obtain the most up to date information not contained in this Disclosure Document, please visit our website www.australianunityinvestments.com.au or call us on 13 29 39. A paper copy of any updated information will be provided on request, free of charge.



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Our investment expertise

Australian Unity Investments (AU) is a specialist fund manager. We create and source unique investment opportunities that have the potential to deliver better returns.

Our approach to investment is simple. We believe that in an increasingly crowded market the best way to add value is to provide distinctive products. In taking an approach that's different we have witnessed our funds under management double since 2003 and currently manage in excess of \$6.2 billion.

Our passion is innovative investment. Traditionally recognised for our quality mortgage and direct property investments, our desire to source additional high quality investment opportunities has resulted in our expansion to other investment areas. Today we partner with a number of Australia's talented boutique managers, each highly regarded in their respective asset class. These asset classes include Australian fixed interest, Australian equities and international equities.

Our approach is based on the philosophy that size is often not an indication of organisational expertise. We believe that by managing money directly and with boutique managers we maintain our focus on bringing unique products to market while the investment managers can focus on their core area of expertise – investing.

About the Funeral Bond

Why Invest in a Funeral Bond?

Funeral expenses can amount to many thousands of dollars, adding unnecessary stress during a time of grief.

With the Australian Unity Capital Guaranteed Funeral Bond, you can ease the burden of funeral expenses. It provides you, your family and loved ones with a sense of security, knowing that your needs and those of your family will be looked after. Importantly, it also provides concessions for pensioners as well as possible taxation benefits.

The Benefits of Investing in the Funeral Bond

Some of the benefits that may flow from investing in the Funeral Bond include:

- The peace of mind that comes with knowing that you can ease the burden of funeral expenses.
- The ability to assign your Funeral Bond to a funeral director of your choice in return for purchasing a pre-paid funeral plan.
- The protection of a capital guarantee. This means that your initial and subsequent contributions and declared bonuses (net of any fees and taxes) are guaranteed to be paid when a claim is made.
- Amounts of up to \$10,250 (indexed every 1 July) contributed to the Funeral Bond are currently exempt under Centrelink's Income and Assets Tests (please see page 11 for more information).
- The value of a pre-paid funeral plan with a funeral director is currently exempt from Centrelink's Income and Assets Tests regardless of the amount invested (i.e. the \$10,250 limit does not apply).
- You can hold a Funeral Bond in joint names, with the benefits paid in full upon the death of the first joint owner.
- Australian Unity's Pre-paid Travelcare Plan offers additional peace of mind and protection if you die suddenly while away from home.

Please Note: Withdrawals cannot be made under any circumstances from your Funeral Bond prior to death. The Funeral Bond is designed for the sole purpose of meeting your future funeral expenses.

Why should I invest in the Funeral Bond?

- Funeral expenses can amount to many thousands of dollars.
- Your Funeral Bond is capital guaranteed providing security and peace of mind.
- No entry/contribution fees.
- The ability to assign the bond to a funeral director in return for a pre-paid funeral.
- The bond can have social security and taxation benefits.

Choosing the Ownership Option that Suits you Best

When it comes to the ownership of your Funeral Bond, you can choose from a range of options:

- **Individual ownership** – You can own the Funeral Bond in your name. This means that on your death, the proceeds of the Funeral Bond will be paid to your estate for the purpose of paying funeral expenses.
- **Joint ownership** – You and any other person can jointly own the Funeral Bond. In this case, the Funeral Bond only covers the funeral expenses of the first joint owner who dies (any surplus is paid to their estate).
- **Assigning your Funeral Bond to a funeral director** – You can assign ownership of your Funeral Bond to a funeral director of your choice, where you have entered into a pre-paid funeral plan with the funeral director.

Things you should know before you assign your funeral bond

Legal Ownership

The funeral director becomes the legal owner of the Funeral Bond. This means the funeral director becomes the owner of the bond and the money in the bond will be recorded in his/her name. The funeral director continues to hold the bond, on your behalf until you die and must apply the benefits to the cost of your funeral.

Membership

The funeral director becomes the member of AUIBL. This means that any voting rights or benefits that arise from being a member under AUIBL are transferred to the funeral director.

Communication

After the assignment takes effect all communication will be sent directly to the funeral director. You will only receive an Annual Statement that includes the balance and any additional deposits you have made to the Funeral Bond.

What happens if I want to change my funeral director?

You may re-assign your Funeral Bond with the agreement of the original funeral director. You need to complete the assignment form in duplicate, have it signed by the existing funeral director and return it to our registered address. The change in ownership will take place after we have processed the assignment and changed our records. There may be tax implications for a re-assignment (please see page 11 for more information).

Please note

AUIBL does not issue prepaid funeral contracts and is not responsible for any issues that arise from the funeral contract and is not responsible for any complaints or concerns that you may have with your funeral director.

Payment of Benefits

A benefit can only be paid when the life insured under the Funeral Bond dies.

Withdrawals cannot be made under any circumstances from your Funeral Bond prior to death. The Funeral Bond is designed for the sole purpose of meeting your future funeral expenses.

Your Funeral Bond cannot be cancelled or redeemed except during the cooling off period (please see page 6 for more information).

Where your Funeral Bond has been assigned to a funeral director as part of a pre-paid or pre-arranged funeral, the entire value of your Funeral Bond will be paid to your funeral director following your death. We will first require proof from your funeral director that your funeral service has been provided.

Where your Funeral Bond has not been assigned to a funeral director, the value of your Funeral Bond will be paid to your estate. Alternatively, your estate can direct us to pay your benefit directly to the funeral director who provides your funeral service. Any residual amounts will be paid to your estate.

It is important to tell your family or the executor appointed under your Will about the Funeral Bond or any pre-paid funeral contract so that they are aware of your arrangements.

Should the benefit not be claimed within one year and 30 days notice of your death, the benefit may be transferred to AUIBL's management fund, and not paid out.

Making investments

Investing

This table explains how to make an investment into the Funeral Bond. The application form and Direct Debit Request form can be found at the back of this Document.

	What you need to send us	Minimums*	Cut off times	Important information
Initial investment	A completed application form and a cheque payable to Australian Unity Investments or a Direct Debit Request form	\$500 *If using the regular savings plan then the minimum initial deposit is \$100	Your application form together with the Direct Debit Request form (or cheque) must be received by 3:00pm at our Melbourne office on a business day ⁽¹⁾ to be processed effective that day.	Review your application before you sign it, as incomplete applications may not be accepted.
Additional investment(s)	A completed application form and a cheque payable to Australian Unity Investments or a Direct Debit Request form	\$500		Additional investments not accompanied by a completed application form may not be accepted.
Regular investments through a regular savings plan	A completed application form including Section 6 to nominate the amount and Direct Debit Request form	\$50 per month \$100 per quarter, half year or year	Your application form together with the Direct Debit Request form must be received five business days ⁽¹⁾ before the start of your contributions. Your regular investments will normally be drawn from your nominated account on the 15th day of the month; commencing in the month following the date we receive your application (e.g. For an application received on 1 March, the first deduction will occur on 15 April). If the 15th is a weekend or public holiday, then it will be on the next business day ⁽¹⁾ .	Changes can be made to your regular investments, provided you give us five business days ⁽¹⁾ to action your request. Participation in the regular savings plan will automatically cease if two consecutive payments are dishonoured or if you close your bank account.
Assigning your Funeral Bond to a funeral director	Both assignment forms completed. (assignment forms are located on pages 25-28)	The entire value of your Funeral Bond must be assigned.	Not applicable.	You must have completed an initial application prior to assigning your bond. If you choose to assign your Funeral Bond you will only receive confirmation of the initial deposit into the Funeral Bond and an Annual Statement.

(1) A business day is a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday.

Investing with us

Further Information about Applications

If your financial institution dishonours your cheque or there are insufficient funds in your account, your application will be reversed.

We reserve the right to accept or reject any application or additional investments (in whole or part) at our discretion.

Cooling Off Period

To ensure that you have made the correct decision to invest in the Funeral Bond, there is a cooling off period of 30 days from the date you sign the attached Application Form.

If you change your mind within 30 days of your application, simply write to us and ask us to cancel your investment. You will be provided with a refund of the total amount contributed less any funeral director cancellation fee that may apply (more information on this below).

After the 30 day period has elapsed, your investment can only be paid upon death.

Cancellation can be subject to various State based legislation that may result in a funeral director cancellation fee being charged. Should this apply, this fee will be deducted from your initial contribution in accordance with the State based legislation.

The Cooling off Period is only applicable for the initial application and not for subsequent deposits. Once additional contributions are made into the bond these are not redeemable and will only be paid out upon death.

How your Funeral Bond is invested

The value of your Funeral Bond includes your contributions plus declared bonuses, less any fees and charges.

The Funeral Bond generally invests in cash and similar investments, Australian fixed interest securities, mortgages, property and Australian shares.

Australian Unity Funds Management Limited (AUFM) has been appointed the investment manager of the Funeral Bond. AUFM currently uses a range of specialist investment managers and combines their skills to implement the Funeral Bond's investment strategy. We may alter the investment strategy or selected investment managers at any time if we believe it is in the interests of investors.

The asset allocation ranges permitted are set under the Fund Rules for the Funeral Bond. The current ranges are as follows;

Asset class	Range %
Cash and similar investments	15 - 85
Mortgages	0 - 40
Fixed interest securities	0 - 85
Property	0 - 20
Listed securities	0 - 10

Declaring Bonus Rates

Bonuses are allocated to the balance of your Funeral Bond each year after the bonus rate (expressed as a percentage) has been declared. Bonus rates are calculated for the financial year (1 July to 30 June) after the end of the financial year. The actual declared bonus rate depends on a number of factors including how investment markets have performed during the year, the amount of all fees charged and tax paid by the Funeral Bond for the year.

The bonus rate declared for 30 June 2008 was 3.15% pa. This rate takes into account tax that we have already paid. The pre-tax equivalent for 30 June 2008 was 4.50% pa (based on the corporate tax rate of 30%). Past performance is not a reliable indicator of future performance.

Interim bonuses are payable when a claim is made, based on the length of time that the Funeral Bond was invested since the last bonus was payable (calculated from 1 July each year). The interim bonus rate is normally less than the annual bonus rate and may vary during the year.

If a claim is made after 30 June but prior to the final bonus rate being available, the difference between the interim bonus rate paid at the time of the claim and the final bonus rate declared, will be paid once calculated.

Capital Guarantee

The Australian Unity Capital Guaranteed Funeral Bond provides a capital guarantee. This means that your initial and subsequent contributions and declared annual bonuses (net of fees and taxes) are guaranteed to be paid by AUIBL when a claim is made.

Investment Approach

The security of the capital guarantee is provided by the conservative nature of the Funeral Bond's investments and the solvency and capital adequacy requirements that AUIBL maintains in accordance with regulatory requirements.

Australian Unity does not guarantee the level of future investment performance or future declared bonus rates, which may fluctuate from year to year.

The Funeral Bonds may gain exposure to certain assets by investing through other investment vehicles including investment vehicles managed by a related entity. These investment vehicles may include investment companies, registered managed investments schemes and unregistered schemes.

The investment managers may use derivatives in the management of the Funeral Bond, but will generally not use derivatives for gearing purposes or speculative activities.

Pre-paid Travelcare Plan

The Pre-paid Travelcare Plan is an additional service that provides you and your family with protection should you die while away from home.

For a once-only fee, we will pay up to a maximum of \$3,000 associated with transporting the deceased to their assigned funeral director, should death occur within Australia and outside a 70 km radius of the deceased's home.

Transportation costs are defined as costs incurred in transporting the body of the deceased in a conventional manner from the place of death to the chosen funeral director. This includes the cost of preparation, containment and documentation.

The once-only fee of \$250 is currently excluded from Centrelink's Income and Assets Test.

The following conditions apply for the Pre-paid Travelcare Plan:

- If you change address, you must tell us within 30 days. If you have a pre-paid funeral contract, you should also notify your funeral director of your address change.
- The Pre-paid Travelcare Plan is only available through Australian Unity's Capital Guaranteed Funeral Bond. You are only covered so long as you are entitled to benefits under the Funeral Bond.
- The Pre-paid Travelcare Plan can only be purchased within three months of purchasing your Australian Unity Capital Guaranteed Funeral Bond.
- The Pre-paid Travelcare Plan is not available for people aged 85 and over.
- If the Pre-paid Travelcare Plan is jointly owned, benefits will only be paid on the death of the first owner. Benefits are not transferable.
- Your chosen funeral director must be within a 70 km radius of your residential address.
- The once-only fee covers all administration and other related expenses for the life of the policy (Pre-paid Travelcare Plan only).

Fees and costs

The following fees and costs apply to your Australian Unity Capital Guaranteed Funeral Bond. All fees, costs and commissions shown are inclusive of GST (where applicable) and net of any Input Tax Credits (ITCs) available, except where otherwise indicated.

Type of Fee or Cost	Amount	How and When Paid
Fees when your money moves in or out of the Funeral Bond		
Establishment fee The fee to open your investment	Nil	There are no establishment fees.
Contribution fee The fee on each amount contributed to your investment	Nil	There are no contribution fees.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Withdrawals are not permitted prior to death.
Benefit payment fee The fee if a benefit payment is made in the first 3 years	Benefit payment within: 1 year = 3% of the claim amount 2 years = 2% of the claim amount 3 years = 1% of the claim amount More than 3 years = Nil	Deducted at the time of benefit payment.
Management costs		
Management fee⁽¹⁾ The fees and costs for managing your investment	2.05% pa	Based on the balance of the Funeral Bond, this fee is deducted on a monthly basis from the pool of assets that make up the Australian Unity Capital Guaranteed Funeral Bond.

(1) This fee includes an amount payable to an adviser (see 'Adviser Remuneration' on page 10).

Pre-paid Travelcare Plan

We are entitled to receive the difference between the \$250 Pre-paid Travelcare Plan fee and any reinsurance costs we incur. The Pre-paid Travelcare Plan is offered by AUIBL and is fully reinsured with a reinsurer registered under the Life Insurance Act.

Adviser Remuneration

Your financial adviser or your funeral director will receive remuneration for placing your initial and ongoing investments in the Funeral Bond unless he/she chooses not to receive it. The remuneration is paid as commission out of the management fee that we charge you in relation to your investment.

Your financial adviser or your funeral director is required to disclose to you all remuneration received for placing your investment in a Funeral Bond.

All adviser remuneration quoted is inclusive of GST unless otherwise specified.

Initial remuneration

We may pay up to 2.20% (\$220 per \$10,000 invested) of the value of your initial and subsequent contributions in the Funeral Bond to your financial adviser or funeral director (except funeral directors operating in Victoria)* for services relating to the establishment and maintenance of your Funeral Bond.

* Funeral directors operating in Victoria are not paid any commission as regulated by the Victorian Funerals (Pre-Paid Money) Act 1993. Marketing support may, however, be made available to them.

Service remuneration

Where you are using the service of a financial adviser, we may pay your financial adviser an ongoing service remuneration of up to 0.275% pa (\$27.50 per \$10,000 invested). The service remuneration is calculated based on the value of your Funeral Bond and is payable monthly in arrears.

Alternative Remuneration Register

From time to time, we may also offer other incentives (alternative remuneration) to your financial adviser, which are determined by us and paid out of our own money.

As the issuer, we maintain an Alternative Remuneration Register in accordance with the IFSA/FPA Industry Code of Practice on alternative forms of remuneration in the wealth management industry. The register outlines alternative forms of remuneration that are paid and received by us. You may inspect a copy of the register at our registered office at any time between 9:00am and 5:00pm on a business day.

Benefit payment fee

In the event of a benefit payment within the first three years of commencement a Benefit payment fee is applicable. The applicable fees are 3% if benefit payment within the first year, 2% if benefit payment within second year and 1% if benefit payment within third year. The benefit payment fee does not apply if a benefit is paid after 3 years.

Taxation and pension concessions

The following taxation information contains a general outline of the taxation implications for investors in Funeral Bonds which are issued after 31 December 2002, and is based on legislation in force at the time of preparation of this document.

Given the complexity and constantly changing nature of taxation and Social Security law, prospective investors should however consult their own professional advisers on the taxation and Social Security implications of investing in a Funeral Bond.

Benefits of an Investment in a Funeral Bond

A Funeral Bond may be considered by Centrelink as an exempt asset where you do not have other pre-paid funeral expenses and you do not exceed the Funeral Bond Allowable Limit. This limit is currently \$10,250 (the previous limit increased to \$10,000 on 1 January 2008 and then by a CPI indexation of \$250 on 1 July 2008). This means that an individual who is not a member of a couple may invest up to \$10,250 in funeral bonds. A couple may have a joint funeral bond or separate funeral bonds, that when combined do not exceed the exemption threshold of \$10,250.

Where you, as an individual or couple, have an existing funeral bond and wish to take advantage of the new threshold, then you are able to apply for an additional funeral bond (subject to the maximum threshold).

Funeral Bonds that are assigned to funeral directors will be treated by Centrelink as exempt assets, providing the contract sets out the services to be undertaken for which no more needs to be paid.

It is important to note that the Pre-paid Travelcare Plan and the cost of a funeral plot in a cemetery should also be exempt from Centrelink's Income and Assets Tests.

Sale/Assignment of Funeral Bonds

A Funeral Bond cannot be cashed in by a Funeral Bond holder before they die. They may however be assigned to a funeral director. However, if the Funeral Bond is re-assigned, there may be Capital Gains Tax implications upon disposal by the assignee.

Taxation Applicable to Funeral Bonds

Tax on investment earnings:

Funeral Bond holders are not subject to personal taxation on the investment earnings prior to the Funeral Bond's maturity (i.e. when the Funeral Bond applicant dies and the bond is paid out).

Instead, AUIBL is liable to pay tax on the investment earnings generated (together with certain fees and charges and after deductible expenses) at the corporate tax rate (currently a maximum rate of 30%). AUIBL will effectively be entitled to a tax deduction equal to the net investment earnings of the bond (after taking account of fees and charges and deductible expenses) when the benefit is paid.

Tax on benefits payable to an estate:

Where the Funeral Bond is payable to the deceased estate, the estate will be assessed on the net investment earnings of the Funeral Bond. The net investment earnings being, the benefit paid, less original capital contributions and any fees and charges paid to AUIBL in respect of the Funeral Bond and upon which AUIBL is assessed.

Tax on benefits payable to a funeral director:

Where the Funeral Bond is assigned to a funeral director, the whole value of the benefit paid under a Funeral Bond will be included as assessable income of the funeral director.

Tax deductibility on the Pre-Paid Travelcare Plan:

The Pre-paid Travelcare Plan should be treated as part of the funeral policy for tax purposes. Accordingly, the tax treatment above in relation to the Funeral Bond should also apply in respect of the Pre-paid Travelcare Plan.

Assignment to a Funeral Director

Under current taxation legislation, the original assignment of a Funeral Bond to a funeral director should not give rise to a Capital Gains Tax liability or other income tax liability for the Funeral Bond holder.

No Capital Gains Tax for Investors

An investor's estate is currently not subject to Capital Gains Tax on any capital gains that may arise upon the maturity of the Funeral Bond.

Additional information

Benefit Fund Rules

The Australian Prudential Regulation Authority (APRA) in accordance with the Life Insurance Act 1995 has approved the Benefit Fund Rules for the Funeral Bond offered in this Disclosure Document.

Under the Benefit Fund Rules, the assets of the Funeral Bond maintained by AUIBL are kept separate and distinct from the other assets held by AUIBL.

The Benefit Fund Rules of the Funeral Bond, the Corporations Act 2001 and the Life Insurance Act govern the conduct of AUIBL and the terms and conditions of the Funeral Bond owner's entitlement under the Funeral Bond, including the payment of benefits and the operation of the Funeral Bond.

In certain circumstance, the Benefit Fund Rules may be changed without prior approval from members. If this occurs we will notify you.

The statements in this Disclosure Document only provide a summary of some of the provisions of the Benefit Fund Rules. Investors may inspect a copy of the Benefit Fund Rules at our registered office at any time between 9.00am and 5.00pm on a business day.

Contracts with Funeral Bond Owners

On acceptance by AUIBL the applicant becomes a Funeral Bond owner and is subject to the rights and obligations set out in Schedule 5 of the Constitution of AUIBL. Two years following acceptance of the Funeral Bond application, the Funeral Bond owner is eligible to become a member of Australian Unity Limited provided they retain the Funeral Bond for that period. If accepted by Australian Unity Limited, a Funeral Bond owner will then also be subject to the rights and obligations set out in the Constitution of Australian Unity Limited.

Schedule 5 of the Constitution of AUIBL and the Constitution of Australian Unity Limited operate as a contract between members and AUIBL and Australian Unity Limited respectively.

Interests in the Funeral Bond

Funeral Bond owners have an entitlement to a share in the Fund, being the proportion which the Funeral Bond owner's accumulated Account Balance on the relevant date bears to the aggregate of the accumulated Account Balances of all Funeral Bond owners who have entitlements in relation to that Funeral Bond, but do not have any specific interest in any part of the Funeral Bond or any authorised investment thereof.

Your Liability

Funeral Bond owners are not under any personal obligation to indemnify AUIBL (or its creditors) in respect of its liabilities in relation to the Funeral Bond.

Bonus Rate Calculation

As at 30 June each year, the investment earnings of the Funeral Bond are assessed, solvency reserves are calculated in accordance with relevant prudential standards, audited accounts are prepared and AUIBL's actuary conducts an actuarial valuation of the Funeral Bond.

The actuary makes a recommendation as to the annual bonus rate, which is subject to approval by AUIBL's Board of Directors.

Investment Managers

Any investment managers appointed by AUIBL are entitled to receive fees for investment management as agreed from time to time.

AUIBL regularly reviews and monitors the performance of investment managers and may change them at any time without giving notice.

Authorised Investments

Under the Benefit Fund Rules, the Funeral Bond can invest in a broad range of investments. However, the Benefit Fund Rules currently limits the asset allocation range of investments for the Funeral Bond to those set out on page 7. Where AUIBL believes it to be in the investor's best interests, it can amend the Funeral Bond's investment strategy without notice, subject to the asset allocation minimums and maximums in the Benefit Fund Rules.

The Life Insurance Act and Prudential Standards include requirements for minimum levels of funds to be held in liquid assets, that can be liquidated over a short period of time. In addition, the Funeral Bond is required to maintain a solvency reserve to protect against volatility in the value of its investments. The Funeral Bond meets this requirement.

Disclosure of Interest

No Director has any interest in the assets of the benefit fund to which this Disclosure Document relates or to benefits of the kind to which the document relates and in respect of which an entitlement, other than an entitlement available on the same terms and conditions to other members of the benefit fund, is available.

Material Contracts

There are no material contracts other than the Benefit Fund Rules, the custody agreement with the appointed custodian, the investment manager agreement between AUIBL and Australian Unity Funds Management Limited, and investment management agreements with other investment managers that may be appointed from time to time.

The fees for these services are included in the Funeral Bond's management fee.

Related Party Transactions

All transactions, including with related parties, are conducted on normal commercial terms and conditions.

Entities of the Australian Unity Group may provide investment management, accounting and registry services, project and property management services and other services to the Funeral Bond for which fees are charged at a commercial rate.

Fax Instruction Service Conditions

We offer a fax service that allows you to send us instructions on your account. By using our fax service, you are taken to have agreed and understood that neither we nor any part of the Australian Unity Limited group accept any responsibility or liability for any payment or action we make based on any instruction (even if not genuine) that we receive by fax bearing your account number, a signature which is apparently yours, or that of an authorised signatory on your account.

This means that you cannot make a claim for such a thing as a fraudulent fax redemption request made by someone who has access to your investor code and a copy of your signature.

You use the fax service entirely at your own risk.

Use of your information – Privacy

We collect your personal information for the following purposes:

- To administer products and services and manage our relationship with you and to fulfil our obligations in providing these products and services to you;
- To process transactions, to answer queries and for security purposes;
- To develop products and services; and
- To allow the Australian Unity Group to market products and services (subject to your right to opt-out of receiving various direct marketing materials at any time).

In managing your Funeral Bond, we may need to disclose your personal information to:

- your financial adviser and/or your funeral director either directly or through other service providers which we may have arrangements with;
- reputable service providers who may carry out functions associated with our products and services on our behalf. For example, mailing houses who conduct mailouts for us;
- our financial institution to initiate the drawing of your nominated account (where you have selected the Direct Debit facility); or
- a third party as required by law.

You are entitled to request reasonable access to information we have about you. You should notify us immediately if any of the information we hold about you changes, so that we may ensure that your information is always complete, accurate and current. If you do not provide the information requested on the Application Form, we may be unable to process your application.

If a financial adviser or funeral director's stamp appears on the Application Form, you authorise us to give information relating to your account and investment to your financial adviser or funeral director and acknowledge that your financial adviser or funeral director is your agent for the purpose of receiving this information.

Our privacy policy can be found at: www.australianunityinvestments.com.au

If you have any complaints or questions about the privacy of your personal information, please contact our Privacy Officer by writing to:

Australian Unity Investments Privacy Officer
114 Albert Road
South Melbourne VIC 3205

If your complaint is not resolved by us to your satisfaction, you may write to the Privacy Commissioner at:

Office of the Privacy Commissioner
GPO Box 5128
Sydney NSW 2001

Keeping you informed about your investment

To help keep you informed of your investment, we will send you the following:

Communication	Frequency
A Statement confirming your initial application and pre paid Travelcare plan where selected.	At the time of the transaction
A Confirmation Statement after additional investments (excluding those made through a regular savings plan) unless your Funeral Bond is assigned.	At the time of the transaction
Account Statement showing details of your Funeral Bond for the financial year.	Annually
A copy of the latest AUIBL annual financial statements can be obtained from our web site or by calling us on 13 29 39. Alternatively you can opt in to receive a copy annually using the application form.	

Queries about your Funeral Bond

If you have any queries on your investment, please contact Client Services on 13 29 39 Australia-wide or email us at investments@australianunity.com.au. For general information on your investment please visit our website www.australianunityinvestments.com.au.

If your personal details change (e.g. change of address, name or bank account details), please advise us in writing to:

Australian Unity Investments

114 Albert Road
South Melbourne VIC 3205

Dispute Resolution

We take complaints seriously and aim to resolve them as quickly as possible. You can either call us on 13 29 39, email us at investments@australianunity.com.au or write to us at the following address:

The Administration Manager

Australian Unity Investments
114 Albert Road
South Melbourne VIC 3205

We will promptly acknowledge your complaint in writing within 14 days, investigate it and decide in a timely manner what action needs to be taken. We will generally notify you of our decision within 45 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If you are not satisfied with our handling of your complaint, you can contact:

Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001

Phone: 1300 78 08 08

Fax: (03) 9613 6399

Website: www.fos.org.au

Email: info@fos.org.au

This service operates as an independent body for the industry, to determine unresolved complaints. There is no cost to you for using this service.

Directors of AUIBL

At the issue date of this Disclosure Document the Directors of AUIBL were:

AJ Castleman (Chairman)

RW Mead (Group Managing Director)

DC Bryant

AV Connon

IN Ferres

SJ Maitland

BH Siney

WP Stretton

Financial report

AUIBL has prepared this financial report for inclusion in this Disclosure Document. The financial information included below is an extract from the latest audited financial statements for AUIBL. The information below relates to the Capital Guaranteed Funeral Bond only. Copies of the AUIBL financial statements as at 30 June 2008 are available from our registered office.

Income Statement for the Year Ended 30 June 2008

	\$'000
Net life insurance premium revenue	9,128
Investment income	2,277
Total revenue	11,405
Net Life insurance contract and participating contract claims expense	3,043
Movement in policyholder liabilities	7,486
Other expenses	512
Total expenses	11,041
Profit before tax	364
Income tax expense	(364)
Operating profit after tax	-

Balance Sheet as at 30 June 2008

	\$'000
Assets	
■ Current assets	
Cash and cash equivalents	10
Loans and receivables	179
Financial assets at FVTPL	48,881
Total current assets	49,070
Non current assets	
Deferred tax	49
Total current assets	49
Total Assets	49,119
Liabilities	
■ Current liabilities	
Payables	36
Non-interest bearing liabilities	313
Benefit fund policy liabilities	3,596
Total current liabilities	3,945
■ Non current liabilities	
Deferred tax liabilities	-
Benefit fund policy liabilities	45,174
Total non current liabilities	45,174
Total liabilities	49,119

The general purpose financial report of AUIBL, from which this information is drawn, has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other Australian Accounting Standards and the Corporations Act 2001.

How to apply

Please complete the Application form in blue or black pen, write in BLOCK LETTERS and sign where indicated.

You must complete at least sections 1,2,3 & 7.

If you wish to:

- take advantage of our Pre-paid Travelcare Plan complete section 4.
- start a Regular Savings Plan, complete section 6 and the Direct Debit Request.

Assigning your Funeral Bond to a Funeral Director

If you would like to assign your Funeral Bond to a funeral director in conjunction with a pre-paid funeral, please complete both Assignment forms on pages 25 and 27.

Please note that once a Funeral Bond is assigned to a funeral director as part of a pre-paid funeral, all communication regarding your investment will be sent to that funeral director except for the initial application and annual statements. You should read pages 3 and 4 before deciding to assign your Funeral Bond

Power of Attorney

In the event the application is signed under a Power of Attorney, a certified copy of the Power of Attorney must be received with the Application form. Applications signed under a Power of Attorney where a certified copy has not been received may be delayed or rejected.

Lodgment

Forward the completed Application Form, together with either:

- your cheque made payable to:

Australian Unity Investments - <name of applicant> and crossed 'Not Negotiable'; or

- your completed Direct Debit Request and send to:

Australian Unity Investments

114 Albert Road
South Melbourne VIC 3205

Queensland Residents Only

Queensland State legislation (Funeral Benefit Business Act 1982) requires distributors (selling agents) of funeral bonds to provide clients/investors with a Client Care Statement prior to a client purchasing a funeral bond product. The Client Care Statement provides clients with warnings about signing contracts, fees, financial advice and cooling off.

If you are purchasing a Funeral Bond through a financial adviser or funeral director they will provide you with the Client Care Statement. If you are purchasing a Funeral Bond directly from us, Australian Unity is required to provide this to you.

You are required to complete and sign the Client Care Statement (please refer to pages 29 - 31) and send this together with your Funeral Bond Application form to Australian Unity. We are not permitted to accept Funeral Bond applications from Queensland residents without receiving a completed Client Care Statement.

Direct Debit Request (DDR) service agreement

Our Commitment to You

This section sets out your rights, our commitment to you and your responsibilities to us. It also specifies where you should go for assistance in respect of your direct debit arrangement with AUIBL. In terms of the DDR arrangement made between us and signed by you, we undertake to debit your nominated account in accordance with your signed authority to direct debit.

Drawing Arrangements

- For one off debits, payment will be drawn from your nominated account on the date we accept your application.
- For regular debits, payment will normally start to be drawn from your nominated account from the 15th day of the month; in the month following the date we receive your application (e.g. For an application received on 1 March, the first deduction will occur on 15 April).
- If any drawing falls due on a non-business day, it will be drawn from your account on the next business day following the scheduled drawing date.
- We will give you at least 14 days notice when we intend to make changes to the initial terms of the arrangement.

Changes to the Arrangement

If you want to make changes to the drawing arrangements, please notify us in writing at least five business days prior to your next scheduled drawing date. These changes may include:

- deferring the drawing;
- altering the schedule;
- stopping an individual debit;
- suspending the DDR; or
- cancelling the DDR completely.

Enquiries

If you have any enquiries they should be directed to Australian Unity, rather than to your financial institution.

All personal customer information held by us will remain confidential except for information that may be provided to our financial institution to initiate the drawing to your nominated account or information that may be disclosed to a third party as required by law. Information may also be provided to any of Australian Unity Limited's wholly owned subsidiaries to enable the DDR to be effected as required by law.

Disputes

- If you believe that a drawing has been initiated incorrectly, you should raise the matter directly with Australian Unity.
- If you do not receive a satisfactory response from us, your financial institution will respond to you with an answer to your claim:
 - within seven business days (for claims lodged within 12 months of the disputed drawing); or
 - within 30 business days (for claims lodged more than 12 months after the disputed drawing).
- You will receive a refund of the drawing amount if we cannot substantiate the reason for the drawing.

Note: Your financial institution will ask you to contact us to resolve your disputed drawing prior to involving them.

Your Commitment to Us

It is your responsibility to ensure that:

- your nominated account can accept direct debits (your financial institution can confirm this);
- on the drawing date there are sufficient cleared funds in the nominated account; and
- you advise us if the nominated account is transferred or closed.

If your drawing is returned or dishonoured by your financial institution, we will notify you in writing. Any transaction fees payable by us in respect of the above may be passed on to you. Consecutive returns or dishonours may result in the Direct Debit facility being cancelled by us.

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Capital Guaranteed Funeral Bond Application Form



No investment will be accepted to this Disclosure Document after 5 November 2009.
Please complete in blue or black pen, using BLOCK letters and tick/complete all appropriate boxes.

1. Applicant/Life insured details

Application Type Individual Joint

A. Applicant 1/Life insured details

Title Mr Mrs Miss Ms Dr Date of birth / /
Surname
Given name(s)

B. Applicant 2/Life insured details

Title Mr Mrs Miss Ms Dr Date of birth / /
Surname
Given name(s)

2. Address

Applicant/Life insured's Residential address

Unit Street Number PO Box
Street name
Suburb State
Postcode Country
Phone (after hours) Phone (business hours)
Mobile Facsimile
Email – Applicant A
Email – Applicant B

Applicant/Life insured's mailing address (if different from Residential address)

Unit Street Number PO Box
Street name
Suburb State
Postcode Country

3. Investment

(Minimum initial and ongoing investment for the Lump sum plan is \$500. Minimum initial investment for regular contributions is \$100.)

Existing account number (additional investment only)

Amount \$

Payment Method: Cheque (Make cheques payable to: Australian Unity Investments – <name of applicant> and crossed 'Not Negotiable')
 Direct Debit (Please complete the Direct Debit Request on page 23.)

4. Australian Unity's Pre-paid Travelcare Plan

Do you wish to apply for cover under Australian Unity's Pre-paid Travelcare Plan (and, if accepted in the Plan by Australian Unity agree to be bound by the terms of the Plan)?

Yes No

If the Pre-paid Travelcare Plan is selected, an additional amount of \$250 needs to be added to the investment amount at Section 3 and included in the cheque or Direct Debit amount payable.

5. Annual Reports

I/We wish to receive a printed copy of the Annual Report(s) (please ✓)

6. Regular Savings Plan

I/We wish to regularly invest \$ (minimum \$50 per month or \$100 per quarter or half year) in the Australian Unity Capital Guaranteed Funeral Bond to a maximum of \$ (total funeral cost)

I/We wish these regular investments to be made: Monthly Quarterly Half Yearly Yearly

PLUS

I/We have completed the Direct Debit Request on page 23 and authorise deduction of the amount from my/our account.

I/We wish to discontinue deductions under the Direct Debit System on / / Date (dd/mm/yyyy)

7. Declarations

- I/We agree to be bound by the Rules of AUIBL and particularly Schedule 5 which contains the terms and conditions upon which the Australian Unity Capital Guaranteed Funeral Bond is issued.
- I/We acknowledge that neither AUIBL, Australian Unity Limited, or any of its subsidiaries guarantees the investment performance of the Australian Unity Capital Guaranteed Funeral Bond.
- I/We acknowledge that monies invested in a Fund do not represent investments in AUIBL, nor with any member of the Australian Unity Group and are subject to investment risk.
- I/We have read and understood the Disclosure Document dated 6 November 2008. If I/we have obtained the Disclosure Document dated 6 November 2008 through electronic means, then I/we declare that I/we received a printout, which comprises the whole Disclosure Document and the Application Form before making an application.
- I/We acknowledge that Australian Unity Limited and its related bodies corporate may offer goods and services appropriate for my needs and interests (a current sample of which appears on the back cover of this Disclosure Document). I/We consent to my information being disclosed between those entities, and to its use for direct marketing (subject to my right of opt-out), product management and development and for other related purposes.
- I/We authorise AUIBL to give information relating to my/our account and investment in that account to my/our adviser whose stamp appears on the Application Form.
- If I/we have other Funeral Bonds in my/our name(s), the aggregate contributions under this, and those policies, is not more than the amount reasonably required to meet the cost of my/our desired funeral arrangements.
- I/We acknowledge that AUIBL has no liability or responsibility to ensure that any funeral contract is completed.
- I/We acknowledge this Funeral Bond will remain in effect until my death (or in the case of joint applicants, the first to occur) and no money can be withdrawn from the benefit fund before that time.
- I/We also apply to become a member of Australian Unity Limited, and accept and agree to abide by its rules subject to being eligible to become a member of Australian Unity Limited after completing two years of continuous membership of the Australian Unity Capital Guaranteed Funeral Bond.

Please note: If signed under a Power of Attorney, the Attorney verifies that no notice of revocation of that power has been received. A certified copy of the Power of Attorney must be received with this application form.

Before you sign

Withdrawals cannot be made from your Funeral Bond prior to death. The Funeral Bond is designed for the sole purpose of meeting your future funeral expenses.

Signature of Applicant 1

(sign clearly within box)

X

Date

□□ / □□ / □□□□

Signature of Applicant 2

(sign clearly within box)

X

Date

□□ / □□ / □□□□

Common Seal

8. Adviser details

Adviser's business name

Title Mr

Mrs

Miss

Ms

Dr

Adviser's given name(s)

Adviser's surname

Unit

Street Number

PO Box

Street name

Suburb

State

Postcode

Country

Telephone (business hours)

Email address

Dealer group/Licensee

AUI Adviser code

Adviser signature

Date

X

Capital Guaranteed Funeral Bond Direct Debit Request (DDR)



Please use **BLOCK** letters and tick appropriate boxes.

I/We request Australian Unity (User ID 063678, User ID 253816 or User ID 001721) to debit funds from my/our nominated account according to the details specified below:

1. Your Details

Title	Mr <input type="checkbox"/>	Mrs <input type="checkbox"/>	Miss <input type="checkbox"/>	Ms <input type="checkbox"/>	Dr <input type="checkbox"/>
Surname/Company/ Entity Name	<input type="text"/>				
Given name(s)	<input type="text"/>				
ACN/ARBN/ABN	<input type="text"/>				
Unit	<input type="text"/>			Street Number	<input type="text"/>
Street name	<input type="text"/>				PO Box
Suburb	<input type="text"/>				State
Postcode	<input type="text"/>				Country
Phone (after hours)	<input type="text"/>			Phone (business hours)	<input type="text"/>
Mobile	<input type="text"/>			Facsimile	<input type="text"/>
Email	<input type="text"/>				

2. Initial terms of the arrangement

Initial investment by Direct Debit to be deducted at time of application.

I/We wish to contribute on the following regular basis Monthly Quarterly Half Yearly Yearly

Commencing on / / (dd/mm/yyyy) and until further notice

Australian Unity is authorised to debit \$, . from my/our account.

3. Details of your Australian Bank, Building Society, Credit Union account

Name and address of the financial institution where account is held

Financial institution	<input type="text"/>				
Branch	<input type="text"/>				
Account name	<input type="text"/>				
Branch number (BSB)	<input type="text"/>	-	<input type="text"/>	Account number	<input type="text"/>

4. Your authorisation

I/We have read and understood the Australian Unity Direct Debit Request (DDR) Service Agreement. In signing the following Direct Debit Authority:

I/We understand that the regular contributions will be deducted from my/our bank, building society or credit union account.

I/We understand that Australian Unity may, in its absolute discretion, discontinue or suspend deductions under the Direct Debit System.

I/We agree to meet any bank charges resulting from my/our use of the Direct Debit System.

Signature of Applicant 1

(sign clearly within box)

X

Date / /

Signature of Applicant 2 (If joint account)

(sign clearly within box)

X

Date / /

If debiting from a joint bank account all signatures are required.

Assignment Form (Australian Unity's Copy)



Applicant(s) and the Assignee Funeral Director must complete both forms of assignment.

1. Name

A. Applicant 1

Title Mr Mrs Miss Ms Dr

Surname

Given name(s)

B. Applicant 2

Title Mr Mrs Miss Ms Dr

Surname

Given name(s)

Name and address of Assignee Funeral Director

Surname/Company/
Entity Name

Given name(s)

Street Number PO Box

Street name

Suburb State

Postcode Country

Phone (business hours) Facsimile

Subject to the Fund rules for the Australian Unity Capital Guaranteed Funeral Bond, the Applicant(s) hereby assign all rights, title ownership and interest in respect of the Funeral Bond applied for to the Assignee Funeral Director. This assignment is subject to the Funeral Bond being issued by Australian Unity Investment Bonds Limited and shall not become effective until registration by Australian Unity Investment Bonds Limited and the expiration of 30 days from the date of receipt by the member of the Funeral Bond.

Signature of Applicant 1

(sign clearly within box)

Date

Signature of Applicant 2 (If joint account)

(sign clearly within box)

Date

Signature/Seal of Assignee Funeral Director

(sign clearly within box)

Date

2. Important

1. The Assignee Funeral Director must be a natural person or company and may be trustee of a fund which accepts money for pre-paid funeral arrangements.
2. This assignment transfers complete ownership of the Funeral Bond to the Assignee Funeral Director.
3. Where this assignment is made as a result of the Applicant(s) entering into a pre-paid funeral or fixed price funeral arrangement or contract, Australian Unity Investment Bonds Limited, its Directors and employees do not accept any liability or responsibility to ensure that the Assignee Funeral Director's contractual obligations are met or that the pre-paid funeral or fixed price funeral arrangement or contract, at the time it was entered into, was valid.
4. This assignment does not come into effect until registration by Australian Unity Investment Bonds Limited and the expiration of 30 days from date of receipt by the member of the Funeral Bond.

3. Funeral Director's Responsibility to Reassign

Where this assignment is made as a result of the Applicant(s) entering into pre-paid funeral or fixed price funeral arrangement or contract, in the event that the funeral service is not and will not be supplied as specified in that arrangement or contract, the Assignee Funeral Director must reassign to the Applicant(s) or the Applicant(s) legal representatives all rights, title and interest in respect of the Funeral Bond.

Two copies of the assignment must be forwarded by the Applicant(s) to Australian Unity Investment Bonds Limited. After registration, one copy shall be sent to the Assignee Funeral Director.

4. Office use only

Date of Registration of Assignment / /

Assignment Registration Number

Signature of Authorised Officer

X

Date / /

Assignment Form (Applicant's Copy)



Applicant(s) and the Assignee Funeral Director must complete both forms of assignment.

1. Name

A. Applicant 1

Title Mr Mrs Miss Ms Dr

Surname

Given name(s)

B. Applicant 2

Title Mr Mrs Miss Ms Dr

Surname

Given name(s)

Name and address of Assignee Funeral Director

Surname/Company/
Entity Name

Given name(s)

Street Number PO Box

Street name

Suburb State

Postcode Country

Phone (business hours) Facsimile

Subject to the Fund rules for the Australian Unity Capital Guaranteed Funeral Bond, the Applicant(s) hereby assign all rights, title ownership and interest in respect of the Funeral Bond applied for to the Assignee Funeral Director. This assignment is subject to the Funeral Bond being issued by Australian Unity Investment Bonds Limited and shall not become effective until registration by Australian Unity Investment Bonds Limited and the expiration of 30 days from the date of receipt by the member of the Funeral Bond.

Signature of Applicant 1
(sign clearly within box)

Date

Signature of Applicant 2 (If joint account)
(sign clearly within box)

Date

Signature/Seal of Assignee Funeral Director
(sign clearly within box)

Date

2. Important

- 1 The Assignee Funeral Director must be a natural person or company and may be trustee of a fund which accepts money for pre-paid funeral arrangements.
- 2 This assignment transfers complete ownership of the Funeral Bond to the Assignee Funeral Director.
- 3 Where this assignment is made as a result of the Applicant(s) entering into a pre-paid funeral or fixed price funeral arrangement or contract, Australian Unity Investment Bonds Limited, its Directors and employees do not accept any liability or responsibility to ensure that the Assignee Funeral Director's contractual obligations are met or that the pre-paid funeral or fixed price funeral arrangement or contract, at the time it was entered into, was valid.
- 4 This assignment does not come into effect until registration by Australian Unity Investment Bonds Limited and the expiration of 30 days from date of receipt by the member of the Funeral Bond.

3. Funeral Director's Responsibility to Reassign

Where this assignment is made as a result of the Applicant(s) entering into pre-paid funeral or fixed price funeral arrangement or contract, in the event that the funeral service is not and will not be supplied as specified in that arrangement or contract, the Assignee Funeral Director must reassign to the Applicant(s) or the Applicant(s) legal representatives all rights, title and interest in respect of the Funeral Bond.

Two copies of the assignment must be forwarded by the Applicant(s) to Australian Unity Investment Bonds Limited. After registration, one copy shall be sent to the Assignee Funeral Director.

4. Office use only

Date of Registration of Assignment / /

Assignment Registration Number

Signature of Authorised Officer

X

Date / /



CLIENT CARE STATEMENT

Notice to Agent: This Statement must be given to the customer prior to signing the contract. You must explain the rights and obligations of both parties (see page 2 and 3) and ensure the customer understands. You and the customer should sign and keep a copy.

ADVICE FOR CONSUMER

1. **Legal:** The agreement is a legally binding contract. Don't sign the agreement until you have *read and understood* this client care statement and the agreement itself (see page 2 and 3).
2. **Fees:** You should be provided with the full list of services your benefit entitles you to, plus any fees or charges for additional services if applicable.
3. **Advice:** You should obtain independent legal and/or financial advice before signing or within the 30 day cooling-off period.
4. **Cooling off:** A 30 day cooling-off period applies to the contract. You can cancel within 30 days of signing and receive a full refund (less a cancellation charge of up to \$50).

Selling agent:

(Please tick applicable boxes)

I have clearly outlined:

- all the fees and charges associated with this contract
- what the customer's responsibilities are
- what the customer will receive for their money under this contract
- I have completed the address details on the cancellation form attached

Name:

Signed: Date: / /

Customer:

(Please tick applicable boxes)

The selling agent has outlined:

- all the fees and charges associated with this contract
- what my responsibilities are
- what I will receive for my money under this contract
- I understand I can cancel within 30 days and receive all my money back except \$50 (see page 3 for cancellation form)
- I understand I should also read the agreement carefully and seek advice so that I am fully aware of my rights and obligations under this funeral benefit agreement.

Name:

Signed: Date: / /

Selling agents are required to explain this Client Care Statement to you before you consider signing the agreement.

Do not sign this statement or your funeral benefit agreement if you are unclear about anything. Ask questions about anything you don't understand.

Make sure you understand the details of your agreement before you sign.

Ask for a copy of the agreement before you sign. Don't be rushed into signing. Take it away to consider before signing. Seek advice from a lawyer and/or financial adviser and talk to your family and friends.

Your provider must give you a free, clear and easy to read copy of the agreement immediately after you sign it. If you want another copy, write to the provider and ask for one soon after you sign it. You may be charged a fee.

PART A – This Part applies to an agreement with a Friendly Society, a Life Insurance Company or a Funeral Director which does not include the provision of funeral, burial or cremation services but provides for a specified amount of money to be paid on the death of the beneficiary. You should be provided with a disclosure statement.

Your agreement is a legally binding contract.

Your agreement/disclosure statement should outline your rights and obligations, and include:

- the cost of the funeral benefit and what is included and not included in the price;
- whether the agreement will cover the full cost of your funeral or only part of the cost;
- how much the management and administration fees are;
- who is covered by the terms and conditions of the agreement; and
- what happens to the money paid to the provider – where the money will be invested, how secure it is and what will happen if the provider goes out of business.

PART B – This Part applies to all other agreements offering funeral benefits that do not come within Part A.

Your agreement is a legally binding contract.

Your agreement should outline your rights and obligations, and include:

- the cost of the funeral benefit and what is included and not included in the price;
- whether the agreement will cover the full cost of your funeral or only part of the cost;
- how much the management and administration fees are;
- who is covered by the terms and conditions of the agreement;
- what happens to the money paid to the provider – where the money will be invested, how secure it is and what will happen if the provider goes out of business;
- the normal hours for conducting funerals;
- the geographic area serviced by the provider of the funeral service;

- what happens when the beneficiary dies outside the service area of the funeral provider – details about whether the service will be provided by the operator and if any additional fees and/or charges will need to be paid;
- whether the agreement includes the cost of burial and the grave or, in the case of cremation, the cost of removing and maintaining the ashes;
- whether the agreement is transferable to a family member, an unrelated party or another funeral director, and under what circumstances;
- who will perform the funeral service; and
- whether the benefit is payable by instalments – if so, what happens if an instalment is overdue or if the beneficiary dies prior to payment of all instalments.

Ask your selling agent or provider to clarify all these issues BEFORE you sign.

If your funeral services are to be delivered by someone other than the provider, you must be given details of the contractual arrangements with the business performing the service, including itemised fees and charges.

You should be provided with the full list of services your benefit entitles you to, plus any fee or charges for additional services if applicable.

Your agreement should be very clear about what is and is not included in the price. You should be provided with the following list with a clear indication of what your benefit includes (ie the provider must cross off any that are NOT included in your agreement):

- professional fee;
- casket/coffin;
- cremation fees and certificate;
- cremation permit;
- certified copy of death certificate;
- press notices/number of lines;
- viewing/dressing/prayers;
- mortuary care and preparation;
- embalming;
- mourning/floral cars;
- floral tributes;
- clergy/celebrant offering;
- organist/musician/soloist;
- transfer normal hours;
- transfer after hours;
- doctor's fees;
- cemetery costs; and
- travel protection insurance.

If you think you will require something that is not included in your benefit, ask what the fees and charges will be for that service.

PART C – This Part applies to all agreements offering funeral benefits.

How to change your agreement.

Your agreement is a legal document and can only be changed if both you and your provider agree. Write to your provider if you want to change it after you have signed.

You have a 30 day cooling-off period.

You can cancel the agreement within 30 days of signing the agreement, if the provider receives a written cancellation from you within 30 days of the agreement being signed.

If you cancel before the cooling-off period ends, your provider must refund the whole amount less a cancellation fee within seven days of receiving your notice. Your provider is entitled to charge a maximum cancellation fee of \$50.

You can use the form below to cancel.

If you do not receive your refund, contact the provider and find out why. If you cannot resolve the situation, contact the Office of Fair Trading on 1300 658 030.

Check to see if you can terminate your agreement.

Once the 30 day cooling-off period has ended, most funeral benefit providers will NOT allow you to terminate the agreement without penalty. Check the agreement for:

- clauses about termination; and


- any circumstances under which the agreement can be surrendered (there may be costs and penalties involved if you surrender the funeral benefit agreement).

Tell your family and friends that you have a funeral benefit agreement.

If you sign, tell the executor of your will, your solicitor or a family member that you have a pre-paid funeral agreement. Give them a copy so they can make arrangements and not spend money unnecessarily.

Please keep this Client Care Statement. You may need it at a later date.

If you have any doubts or would like further information, seek legal advice or contact the Office of Fair Trading on 1300 658 030.

Cancellation form to use during 30 day cooling-off period 

If you wish to cancel your agreement within the 30 day cooling-off period you can complete this form or a letter containing the following information, and send it to:

Benefit provider details
(Agent to complete)

..... (benefit provider name) at
 (postal address) or
 (fax) within 30 days of the date the agreement was signed.

Customer details

I (customer name)
 of
 (customer address)

exercise my rights under the Act to end this funeral benefit agreement during the 30 day cooling off period. I exercise my rights by signing this notice and ensuring it reaches you by the 30th day after the agreement was signed.

Signed: Date:...../...../.....

The Office of Fair Trading suggests the customer keep a copy of the signed form and send it via registered mail, or keep the fax transaction sheet to prove it arrived.

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Directory

Issued by

Australian Unity Investment Bonds Limited

ABN 83 087 649 072

AFS Licence No. 234456

114 Albert Road

South Melbourne VIC 3205

Investor Services

13 29 39

Fax: 03 9285 5057

or contact your financial adviser or funeral director

Adviser Services

1800 649 033

Website

australianunityinvestments.com.au

Email

investments@australianunity.com.au

Contact Us

Investor Services

13 29 39

Fax: 03 9285 5057

Adviser Services

1800 649 033

Website

australianunityinvestments.com.au

Email

investments@australianunity.com.au

Issued by

Australian Unity Investment Bonds Limited

ABN 83 087 649 072

AFS Licence No. 234456

114 Albert Road

South Melbourne VIC 3205



Form No: 0042
11/08

Investments


Australian Unity