

Identification Statement

The Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc
(trading as Anglican Funds South Australia)

ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813
complying with ASIC's Regulatory Guide 87 (issued September 2016)

IDENTIFICATION INFORMATION

The Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc (the **Synod**) (ABN 63 198 215 958) is a charitable investment fundraiser and is located at 18 King William Road, North Adelaide SA 5006. The **Synod's** charitable investment fundraising activities are conducted as Anglican Funds South Australia (**AFSA**), a business name owned by the **Synod**. The **Synod** is an incorporated association pursuant to the *Associations Incorporation Act 1985 (SA)*. **AFSA's** internal governance and management structure is established pursuant to an Ordinance of the **Synod**, the *Anglican Funds – South Australia Ordinance 2010*. **AFSA** is located at 18 King William Road, North Adelaide SA 5006.

COMPLIANCE

The **Synod**, trading as **AFSA**, is a wholesale charitable investment fundraiser, that raises funds to support the charitable purposes of the **Synod** by issuing debentures to wholesale and retail associated clients (the AFSA Community Fund) and by issuing interests in managed investment schemes to wholesale clients (the AFSA Enhanced Income Fund and the AFSA Endowment Fund). It relies on exemptions contained in paragraphs 5(1) and 5(2) of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*. It also relies on exemptions to Sections 7 and 8 of the *Banking Act 1959* provided by APRA – *Banking Exemption No.1 of 2017*.

The **Synod** ensures compliance with the conditions of the above exemptions in the following ways:

- The **Synod** has lodged this Identification Statement with ASIC and it is made available to the public via the **AFSA** website.
- The **Synod** regularly reviews its Identification Statement and all relevant offer documents to ensure that they are up to date, complete and not misleading.
- All debentures issued in the AFSA Community Fund include an undertaking by the **Synod** to repay as a debt money invested with or lent to the **Synod** and debentures issued in the AFSA Community Fund are recorded as a liability in the balance sheet of the **Synod**.
- The **Synod** does not offer any products to retail non-associated clients.
- The **Synod** ensures that all relevant promotional material and offer documents detail that:
 - neither the **Synod** itself, nor its products, nor its promotional material and offer documents have been examined or approved by ASIC;
 - how the investment funds will be used to support the **Synod's** charitable purposes;
 - this Identification Statement may be viewed on the **AFSA** website;
 - the **Synod** is required by law to notify investors that its products and their offering are not subject to the usual protections for investors under the *Corporations Act* or regulation by ASIC;
 - the investment is only intended to attract investors whose primary purpose for making the investment is to support the **Synod's** charitable purposes;
 - investors may be unable to get some or all of their money back when the investor expects, or at all; and
 - the investment is not comparable to investments with banks, finance companies or fund managers.
- Any false or misleading material statements relating to this Identification Statement are rectified as soon as practicable via the issue of a supplementary or replacement Identification Statement.
- Each Identification Statement that has been accepted by ASIC for the purposes of *ASIC Corporations Instrument 2016/813* is available to the public on the **AFSA** website for a period of five years after the last time that the **Synod** relied on ASIC's acceptance of that Identification Statement.
- The **Synod** lodges audited financial statements covering the issue of debentures and lodges audited financial statements covering the managed investment schemes with the ACNC together with the associated Auditor's Reports, within 6 months after the end of each financial year. These audited financial statements comply with relevant accounting standards. The financial statements and the Auditor's Reports are made available to the public via the **AFSA** website for a minimum period of 3 years from the date of issue and are accessible by a direct link from the web address where the **Synod**, trading as **AFSA**, publishes the Identification Statement.
- Within 15 business days of becoming aware of a matter that gives the **Synod** reason to believe that it has failed or is likely to fail to comply with conditions of relief granted by *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*, the **Synod** will give ASIC full particulars of the matter.

METHOD OF FUNDRAISING

The **Synod** issues debentures in the AFSA Community Fund to wholesale and to retail associated clients and lends the funds raised for profit to assist and grow the mission of the Anglican Church in the Diocese of Adelaide. The **Synod** generates a margin between the rates paid to investors and those charged to borrowers. This surplus funds the operating costs of the AFSA Community Fund. The AFSA Community Fund aims to retain surpluses sufficient to maintain its capital adequacy within a benchmark range of 8-10% of Risk Weighted Assets.

The **Synod** issues interests in the AFSA Enhanced Income Fund managed investment scheme, to entities that are wholesale associated clients. **Interests in the AFSA Enhanced Income Fund are not issued to any individuals including retail associated clients.** These funds are invested in a low risk capital stable portfolio with a view to generating a reliable income stream from a portfolio of quality interest rate securities while striving to preserve (and grow, where appropriate) the capital value of the portfolio through reinvestment. The goal of the scheme is to outperform the benchmark over a 12 month period net of fees.

The **Synod** issues interests in the AFSA Endowment Fund managed investment scheme, to entities that are wholesale associated clients. **Interests in the AFSA Endowment Fund are not issued to any individuals including retail associated clients.** These funds are invested in a balanced growth portfolio with a view to generating stable long-term returns for investors in the scheme. The goal of the scheme is to achieve a combined return for investors of income and capital growth, after fees, of 5%pa above CPI.

FINANCIAL YEAR

The **Synod** has a financial year of 1 July to 30 June, which applies to the operations of the AFSA Community Fund (debentures), the AFSA Enhanced Income Fund (managed investment scheme) and to the AFSA Endowment Fund (managed investment scheme).

AFS LICENCE

As a wholesale charitable investment fundraiser, the **Synod** is not required to hold an Australian Financial Services Licence and does not hold an Australian Financial Services Licence.

CHARITABLE PURPOSE

By issuing AFSA Community Fund debentures, the **Synod** promotes the charitable purposes of the Anglican Church in Australia. Investment in the AFSA Community Fund directly increases the share of surplus generated by the AFSA Community Fund. This surplus is distributed to Anglican parishes and associated entities at the end of each financial year. The issue of debentures in the AFSA Community Fund also leads to a reduction in the marginal cost of raising external funds. This saving is passed on to Anglican Parishes and associated entities when they borrow from the AFSA Community Fund to undertake charitable activities within their communities.

By issuing interests in the AFSA Enhanced Income Fund managed investment scheme, the **Synod** promotes the charitable purposes of the Anglican Church in Australia by providing an income stream directly to missional activities, while providing governance and stewardship of Church capital. Investments in the AFSA Enhanced income Fund are only accepted from the **Synod**, Anglican Parishes and Anglican Organisations. Through the AFSA Enhanced Income Fund's application of its investment model the fund aims to generate a return to its investors at the Australian 90 Day Bank Bill Index (SBCBB) + a margin of 150 bps.

By issuing interests in the AFSA Endowment Fund managed investment scheme, the **Synod** promotes the charitable purposes of the Anglican Church in Australia by providing an income stream directly to missional activities, while providing governance and stewardship of Church capital. Investments in the AFSA Endowment Fund are only accepted from the **Synod**, Anglican Parishes and Anglican Organisations. Through the AFSA Endowment Fund's application of the Yale-Endowment model, investment in the fund aims to generate a combined return for its investors of 5%pa above CPI.

KEY TERMS of the AFSA Community Fund

The **Synod** offers several classes of debentures in its AFSA Community Fund on the terms set out below. As a general rule, no fees or costs are payable by the holder of a debenture. However, if the holder of a debenture causes the **Synod** to incur a third-party cost, such as a dishonour fee, then this cost will be charged back to the holder on a pass-through basis.

The **Synod** has a Hardship Policy, which allows for early release of funds in the AFSA Community Fund on certain grounds. Investments in the AFSA Community Fund are secured by the assets of the **Synod**. No other body provides a guarantee.

Fixed term Investments	<ul style="list-style-type: none"> • Minimum investment \$1000. • The rate of interest payable on each term investment is fixed for the term of the investment and is advised at the time of application. • Interest is paid at maturity or for terms greater than 365 days interest is paid every 6 months. • View Online Access • The terms offered on investments are available on the AFSA website and range from 30 days to 60 months. • For investment terms between 30 days and 365 days interest is calculated daily and paid at maturity to a nominated account or can be capitalised with the initial investment and renewed as a new fixed term investment at the then applicable fixed rate of interest. • For investment terms greater than 365 days interest is calculated daily and paid every 6 months to a nominated account. At maturity the initial investment can be renewed as a new fixed term investment at the then applicable fixed rate of interest. • Interest rates offered on fixed term investments are reviewed regularly and published on the AFSA website.
Short Term Investments < 30 days	Cheque Account <ul style="list-style-type: none"> • Minimum investment amount \$100. • Online Access. • EFT & BPAY settlement facilities. • Cheque Books and customised A4 cheque stationery available. • Interest is calculated on the daily closing balance and paid monthly to the account on the last day of the month. • The interest rate applicable to this product is reviewed and varied from time to time and changes in rates are notified by publication on the AFSA website. • An overdraft facility is available (not available to individuals)
Short Term Investments < 30 days	Monthly Income Account <ul style="list-style-type: none"> • Minimum investment amount \$100. • Online Access • EFT & BPAY settlement facilities. • Interest is calculated on the daily closing balance and paid monthly to the account on the last day of the month. • The interest rate applicable to this product is reviewed and varied from time to time and changes in rates are notified by publication on the AFSA website.

INVESTORS in the AFSA Community Fund

The **Synod** offers debentures only to the following classes of investors as defined by **ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813**:

1. Associates & Retail, associated clients

Products are promoted to this class of investor in the following ways:

- advertising in the "Guardian", the magazine of the Anglican Diocese of Adelaide;
- promotional material and brochures;
- direct written correspondence;
- advertising on the **Synod** and **AFSA** websites; and
- word of mouth.

A product is offered to this class of investor after a formal signed application is received by the **Synod**, trading as **AFSA**.

Associates are defined by **ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813** as:

- a) A body constituted by or under the authority of a decision of the charity or is controlled by the charity.
- b) A person or body that constituted the charity or under whose authority the charity was constituted or controls the charity.
- c) A charity with a charitable purpose (related charitable purpose) which is the same or similar to the charity.
- d) A person acting as a trustee of a trust for the charity or a charity with a related charitable purpose.
- e) A member of clergy, employee or voluntary staff member who works for a person in paragraphs (a) to (d).
- f) A person undertaking training or education to enable them to be a person mentioned in paragraph (e) who receives money from a person mentioned in paragraph's (a) to (e).

This class of investor includes voluntary staff members who are to be treated as associates. In determining whether a person is to be treated as a voluntary staff member, the **Synod** applies the following criteria:

- a) whether a person has volunteered for the Synod or any of its associates on a regular and ongoing basis (for at least 4 hours per fortnight);
- b) whether a person is an honorary office bearer recognised by the Ordinances of the Synod, for example members of Diocesan Council, and its associated Boards and Committees.

2. Non-associated, non-retail clients

Products for this class of investor are not actively promoted. However, the **Synod** can be approached by this class of investor as a consequence of its promotion to other classes of investors.

A product is offered to this class of investor after a formal signed application is received by the **Synod**. Products offered to this class of investor are customised to meet the requirements of each client.

The **Synod** does not offer debentures to retail non-associated clients.

KEY TERMS of the AFSA Enhanced Income Fund

The **Synod** offers interests in a managed investment scheme (the AFSA Enhanced Income Fund) on the terms set out below. **Management fees** are deducted monthly from the assets of the managed investment scheme and are determined on the following basis: On an annual basis, the base rate is 30bps for funds invested by a client. Lower Management Fees are effected through the rebate of units monthly. The AFSA Enhanced Income Fund also pays **Brokerage and Administration fees** to the asset managers of the fund from the assets of the managed investment scheme. The amount payable by the AFSA Enhanced Income Fund depends on the current asset allocation strategy of the fund and the balances held by each underlying manager. Historically these costs have averaged a further 25bp on an annual basis.

Unit allocation and pricing

Available to Associated clients only.

- Interests in the AFSA Enhanced Income Fund managed investment scheme are available only to Parishes, other Anglican Activities within the Synod and Anglican Entities. **Interests are not offered to any retail clients whether associated or non-associated.**
- The AFSA Enhanced Income Fund is a market-linked investment.
- Investors are allocated units in the AFSA Enhanced Income Fund.
- Minimum initial investment amount \$25000.
- No minimum amount for additional investment amounts.
- Units are issued every Wednesday for applications received prior to 2.00pm Tuesday.
- The unit price is calculated as at every Wednesday and at each calendar month end by dividing the net market value of the assets held by the AFSA Enhanced Income Fund by the number of units on issue.
- Partial redemption requests received by 2.00pm Tuesday or the end of the month are payable within 10 business days of the day on which client's redemption request received.
- Full redemption requests received by 2.00pm Tuesday or the end of the month are payable within 10 business days of the day on which client's redemption request received.
- Where redemption is >5% of the fund, the Head of AFSA reserves the right to distribute the redemption in whole or in part in specie.
- The total return of the AFSA Enhanced Income Fund consists of the net movement in the fund's unit price for the period, and the amount of income distributed.
- Income is paid quarterly, on a cents-per-unit basis. Income is declared as at 31 March, 30 June, 30 September and 31 December each year, and is paid on the last business day in April, July, October and January respectively. Income can either be paid into an AFSA product or to an account with any other financial institution or can be re-capitalised into the AFSA Enhanced Income Fund.
- No transaction fees payable by clients at the client level.
- Management fees are deducted monthly from the assets of the managed investment scheme and are determined on the following basis: On an annual basis, the base rate is 30bps for funds invested by a client. Lower Management Fees are effected through the rebate of units monthly. The AFSA Enhanced Income Fund also pays Brokerage and Administration fees to the asset

managers of the fund from the assets of the managed investment scheme. The amount payable by the AFSA Endowment Fund depends on the current asset allocation strategy of the fund and the balances held by each underlying manager. Historically these costs have averaged a further 25bp on an annual basis.

INVESTORS in the AFSA Enhanced Income Fund

The **Synod** offers interests in the managed investment scheme, the AFSA Enhanced Fund, to a sub-set of Associates as defined by **ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813**.

This investment product is promoted to investors in the AFSA Endowment Fund in the following ways:

- advertising in the "Guardian", the magazine of the Anglican Diocese of Adelaide;
- promotional material and brochures;
- direct written correspondence;
- advertising on the **Synod** and **AFSA** websites; and
- word of mouth.

A product is offered to investors in the AFSA Enhanced Income Fund after a formal signed application is received by the **Synod** trading as **AFSA**.

Associates are defined by **ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813** as:

- a) A body constituted by or under the authority of a decision of the charity or is controlled by the charity.
- b) A person or body that constituted the charity or under whose authority the charity was constituted or controls the charity.
- c) A charity with a charitable purpose (related charitable purpose) which is the same or similar to the charity.
- d) A person acting as a trustee of a trust for the charity or a charity with a related charitable purpose.
- e) A member of clergy, employee or voluntary staff member who works for a person in paragraphs (a) to (d).
- f) A person undertaking training or education to enable them to be a person mentioned in paragraph (e) who receives money from a person mentioned in paragraph's (a) to (e),

and the class of investor to which this product is offered is limited to Associates of the types described in paragraphs a) and c) above.

KEY TERMS of the AFSA Endowment Fund

The **Synod** offers interests in a managed investment scheme (the AFSA Endowment Fund) on the terms set out below.

Management fees are deducted monthly from the assets of the managed investment scheme and are determined on the following basis: On an annual basis, the base rate is 100bp for the first \$5m invested by a client, 75bp on fund balances between \$5-10m, 60bp on fund balances between \$10-\$15m and at a negotiated rate on fund balances over \$15 million. Lower Management Fees are effected through the rebate of units monthly. The AFSA Endowment Fund also pays **Brokerage and Administration fees** to the asset managers of the fund from the assets of the managed investment scheme. The amount payable by the AFSA Endowment Fund depends on the current asset allocation strategy of the fund and the balances held by each underlying manager. Historically these costs have averaged a further 65bp on an annual basis.

Unit allocation and pricing

Available to Associated clients only.

- Interests in the AFSA Endowment Fund managed investment scheme are available only to Parishes, other Anglican Activities within the Synod, and Anglican Entities. **Interests are not offered to any retail clients whether associated or non-associated.**
- The AFSA Endowment Fund is a market-linked investment.
- Investors are allocated units in the AFSA Endowment Fund.
- Minimum initial investment amount \$1000.
- No minimum amount for additional investment amounts.
- Units are issued on the first business day of each month.
- The unit price is calculated as at each calendar month end by dividing the net market value of the assets held by the AFSA Endowment Fund by the number of units on issue.
- Partial redemptions are payable within 5 business days of end of the month in which client's redemption request received.
- Full redemptions are paid as soon as the unit price has been struck for the end of the month in which client's redemption request received.
- The total return of the AFSA Endowment Fund consists of the net movement in the fund's unit price for the period, and the amount of income distributed.
- Income is paid semi-annually, on a cents-per-unit basis at a level calculated pursuant to our Yale-style Endowment formula. Income is declared as at 30 June and 31 December each year, and paid

on the last business day in February and August respectively. Income can either be paid into an AFSA product or to an account with any other financial institution or can be re-capitalised into the AFSA Endowment Fund.

- No transaction fees payable by clients at the client level.
- Management fees are deducted monthly from the assets of the managed investment scheme and are determined on the following basis: On an annual basis, the base rate is 100bp for the first \$5m invested by a client, 75bp on fund balances between \$5-10m, 60bp on fund balances between \$10-\$15m and at a negotiated rate on fund balances over \$15 million. Lower Management Fees are effected through the rebate of units monthly. The AFSA Endowment Fund also pays Brokerage and Administration fees to the asset managers of the fund from the assets of the managed investment scheme. The amount payable by the AFSA Endowment Fund depends on the current asset allocation strategy of the fund and the balances held by each underlying manager. Historically these costs have averaged a further 65bp on an annual basis.

INVESTORS in the AFSA Endowment Fund

The **Synod** offers interests in the managed investment scheme, the AFSA Endowment Fund, to a sub-set of Associates as defined by **ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813**.

This investment product is promoted to investors in the AFSA Endowment Fund in the following ways:

- advertising in the "Guardian", the magazine of the Anglican Diocese of Adelaide;
- promotional material and brochures;
- direct written correspondence;
- advertising on the **Synod** and **AFSA** websites; and
- word of mouth.

A product is offered to investors in the AFSA Endowment Fund after a formal signed application is received by the **Synod** trading as **AFSA**.

Associates are defined by *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813* as:

- a) A body constituted by or under the authority of a decision of the charity or is controlled by the charity.
- b) A person or body that constituted the charity or under whose authority the charity was constituted or controls the charity.
- c) A charity with a charitable purpose (related charitable purpose) which is the same or similar to the charity.
- d) A person acting as a trustee of a trust for the charity or a charity with a related charitable purpose.
- e) A member of clergy, employee or **voluntary staff member who works for a person in paragraphs (a) to (d).
- f) A person undertaking training or education to enable them to be a person mentioned in paragraph (e) who receives money from a person mentioned in paragraph's (a) to (e),

and the class of investor to which this product is offered is limited to Associates of the types described in paragraphs a) and c) above.

ASSET TYPES

The **Synod** currently holds the following asset classes in Australia:

AFSA Community Fund

Cash deposits at ADIs

Interest bearing securities, Australian Banks and large Australian corporations, rated at investment grade or better. No hybrid securities, except for Australian bank securities containing an APRA mandated capital trigger

Loans advanced to Anglican parishes and Anglican Entities when they borrow from the AFSA Community Fund to undertake charitable activities within their communities

AFSA Enhanced Income Fund (not available to individuals)

ASX listed securities (or securities which are due to be listed on the ASX within 6 months), such as hybrids, converting preference shares and subordinated notes

Unlisted OTC securities such as bonds, subordinated notes and interest rate securities

Term Deposits & Short Term Securities

Cash

Unit trusts which invest in the above securities

AFSA Endowment Fund (not available to individuals)

Australian shares

Australian property and infrastructure
International shares (held through Australian licenced wholesale managed investment schemes and not exceeding
20% of the scheme's assets at any given time.)
Fixed interest assets

SPONSOR

There is no sponsor involvement in regard to acceptance of this Identification Statement.

CONSENT

The **Synod** consents to any person, on request to ASIC, examining this Identification Statement and the **Synod's** application to ASIC to accept this Identification Statement for lodgement.

DATED: 12th November 2021



Signature

Blaine Fitzgerald

Print Name

Head of AFSA

Capacity