



AFSA ENHANCED INCOME FUND

Customer Information Statement

Issued 4th April 2022

enhanced income fund

Anglican Funds South Australia

Anglican Funds South Australia is an activity of The Synod of the Diocese of Adelaide of the Anglican Church of Australia Incorporated of 18 King William Road, North Adelaide SA 5006, ABN 63 198 215 958 ARBN 655 122 133. The Synod is a South Australian incorporated association whose members have limited liability.

Directory

Phone: 08 8305 9305
Email: enquiries@anglicanfundssa.com.au
Web: www.anglicanfundssa.com.au
Office: Anglican Funds South Australia
18 King William Road
North Adelaide SA, Australia 5006

AFSA Board Members (as at April 2022):

Kevin Stracey (Chair)
James Marsh
Ern Koh
Jamie Anderson
Geoff Marlow
Joe Thorp
Lynn Smith
Adrian Winskill

Investment Committee:

Ern Koh (Chair)
Geoff Marlow
David Cannings
Joe Thorp
David Robinson

Important Information

AFSA's activities support the religious and charitable purposes of the Anglican Church in Australia (the Church). It operates under a modified regulatory framework, pursuant to APRA Banking Exemption No 1 of 2021 and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813. By issuing interests in the Enhanced Income Fund (the Product), AFSA promotes the charitable purposes of the Church by providing an income stream direct to missional activities, while providing governance and stewardship of Church capital. Investments in the Enhanced Income Fund are only accepted from the Synod, Anglican parishes and Anglican organisations.

The Product is intended to attract investors whose primary purpose for making their investment is to promote the religious and charitable purposes of the Church and for whom profit considerations are not of primary importance in their decision to invest. The Fund is not subject to the usual protections for investors under the Corporations Act 2001 (Cth) and is not regulated by the Australian Securities and Investments Commission (ASIC).

The Product is not comparable to investments that are issued by banks, finance companies or fund managers and investors may be unable to get some or all of their money back when they expect to or at all. The Product is not subject to the same Corporations Act 2001 (Cth) disclosure requirements as generally apply to registered managed investment schemes and we are not required to issue a Product Disclosure Statement, nor lodge such a document with ASIC. AFSA is required to lodge an Identification Statement with ASIC detailing how the Product complies with the modified regulatory framework that applies to charitable investment fundraising (ASIC Corporations [Charitable Investment Fundraising] Instrument 2016/813). That Identification Statement can be viewed on AFSA's website at anglicanfundssa.com.au.

The Information Statement for this Product may only be used by persons who receive it in Australia. The information contained in it does not constitute an offer in any jurisdiction other than Australia.

AFSA is not prudentially supervised by the Australian Prudential Regulation Authority (APRA). Therefore an investor in AFSA products will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959 (Cth). Investments with AFSA are intended to be a means for investors to support AFSA's charitable purposes.

*Helping support the mission, education, and charitable works
of the Australian Anglican community*

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The AFSA Enhanced Income Fund

About Us

Anglican Funds South Australia (AFSA) is a surplus for purpose Anglican organisation, dedicated to the benefit of the Anglican Community. Our investors are secure in the knowledge that their funds are only invested in ethical ventures, and that AFSA is managed in the spirit of industry best practice. Currently AFSA manages more than \$150m on behalf of investors.

Financial surpluses generated by AFSA that are not required for its future growth or capital needs are distributed in support of the mission, education, and charitable works of the Australian Anglican community.

Our customer service team is directly accessible to our investors, share your Christian values, and have all had significant professional experience in the funds management and banking industries.

Fund Overview

AFSA's Enhanced Income Fund is a medium risk fund, which suits the short to medium investment needs of organisations affiliated with the Anglican Church who wish to:

1. Invest in a Fund that is designed to provide an income focussed investment and access to funds for short to medium term liquidity requirements.
2. Invest in a portfolio of cash, cash-style investments and other financial assets with returns "enhanced" by participation in the Enhanced Income Fund which holds a portfolio of investments designed to outperform the investment benchmark.
3. Invest ethically

Investments in The Fund are not guaranteed, and their value will rise and fall with the value of the underlying assets that the Fund invests in.

The Fund is a market rated Balanced Conservative Fund that invests in a range of asset classes with a significant proportion of defensive assets.

Key Features at a Glance

Investment Strategy	To invest directly or indirectly in a portfolio of cash, cash style investments and other financial assets to outperform the Fund benchmark
Minimum Initial Investment	\$25,000
Minimum Additional Investment	No minimum
Income Distributions	<ul style="list-style-type: none"> ▪ Income is calculated quarterly, at the end of March, June, September, and December and paid by the last day of the following month of each quarter. ▪ Distributions can either be paid via electronic funds transfer to an account held with AFSA, any other Financial Institution or can be recapitalised into the investors account in the Fund.
Investment Benchmark Target Return	Australian 90 Day Bank Bill Index (SBCBB) +a margin of 150 basis points.
Suggested Investment Term	While there is no Investment term, it is suggested that this Fund is suitable for investors with a time horizon of 1-3 years
Investment Objective and Style	Single or Multi Manager Fund depending on size. The objective of the Fund is to outperform the bench mark over a 12 month period net of fees.
Unit Pricing	Weekly. Every Wednesday and end of month
Unit Allocation	The unit price is effective each Wednesday for completed transactions received prior to 2pm (ACST) each Tuesday. Delays can be expected for National Public Holidays or any other significant event that can impact the ability to produce the unit price.
Buy/Sell spread	0.10%
Withdrawals	Redemptions received by 2.00pm Tuesday will be withdrawn using the unit price calculated each Wednesday and paid within 10 business days. Where redemption is > 5% of the Fund the manager reserves the right to distribute the redemption in whole or in part in specie.
Investors	The Fund is only available to entities associated with the Anglican Church of Australia
Risks	<p>Market Risk - Investors should be aware that there is a possibility that overall market returns may decline. It is important to note the value of an investment in the Fund can be directly or indirectly impacted by overall market returns.</p> <p>Interest Rate Risk - Investors should note that fixed interest securities may fluctuate as a result of changes in market interest rates and that income distributions from the Fund may be impacted.</p> <p>Liquidity Risk – Investors should note the Fund may be exposed to securities that are difficult or not able to be sold due to factors specific to that security or prevailing market conditions.</p>
Reporting and Investor Communications	Monthly investor statements and online accessibility. Half yearly performance reporting.

Structure of the Fund

The Fund is offered by The Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc (The Synod) (ABN 63 198 215 958) (ARBN 655 122 133). The Synod is a South Australia incorporated association and operates as a charitable investment fundraiser. The Synod's address is 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 trading as AFSA offers the Enhanced Income Fund.

Anglican entities are eligible to invest in the Fund.

When you invest in the Fund, your money is pooled with that of other investors and invested to generate returns.

Investors acquire units which entitle them to a beneficial interest in the Fund as a whole but not in any particular asset of the Fund.

Investors do not have the right to participate in the day-to-day management or operation of the Fund.

Investment Objective

The objective of the Fund is to outperform the benchmark over a 12-month period net of fees. The Fund will aim to meet this objective by 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 target benchmark for performance aims to outperform the Australian 90 Day Bank Bill Index (SBCBB) plus a margin of 150 basis points.

AFSA does not guarantee the frequency or level of any returns. It aims to make quarterly distributions to Investors but does not guarantee that it will always be able to do so.

While there is no investment term, it is suggested that this fund is suitable for investors with a time horizon of 1–3 years.

Investment Strategy

AFSA has appointed two Investment Managers to invest in a range of assets. The investment policy for the Fund as adopted by the AFSA Board allows investment in the following asset classes:

1. Australian Stock Exchange listed securities (or securities which are due to be listed on the Stock Exchange within 6 months) such as hybrids, converting preference shares and subordinated notes.
2. Unlisted OTC securities such as bonds, subordinated notes and interest rate securities
3. Term Deposits & Short-Term Securities
4. Cash
5. Unit trusts which invest in the above securities

Asset Allocation details

As at the date of this Customer Information Statement the maximum holding in investments that have a credit rating average BBB+ or better under the Australian rating standards with:

1. 25% of the assets of the Fund, or
2. 15% of the Portfolio by market value issuer rated A- or above; and
3. 10% of the Portfolio by market value for issuer rated A-.

The allowable asset allocation ranges are

1. Interest rate securities 90% - 98%
2. Cash 2% - 10%.

Fees and other costs

The table below shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment or from the assets of the Fund as a whole.

Type Of Fee Or Cost	Amount	How And When Paid
Fees When Your Money Moves In Or Out Of The Fund		
Establishment Fee The fee to open your account	\$0	Not applicable
Contribution Fee The fee on each amount contributed to your investment	\$0	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment	\$0	Not applicable
Exit Fee The fee to close your investment	\$0	Not applicable

Management Costs	Amount	How And When Paid
The Fees And Costs For Managing Your Investment		
Management Fees	0.30% pa	The management fee is calculated and accrued and is paid to AFSA monthly. The management fee is deducted from the Fund's assets.
Indirect Transaction Cost Buy/ Sell spread	0.10%	Used to allocate buy and sell transaction costs to a member who is transacting in the Fund rather than members who are not transacting

Fund Governance and Structure

Ethical Investment Policy of the Diocese

No investment to be made in a company that is substantially involved in:

1. The manufacture, sales or distribution of armaments.
2. The manufacture, sales or supply of gambling devices.
3. Activities that pollute the atmosphere.
4. Encouraging repressive regimes.
5. Unfairly exploiting employees.
6. Unfairly exploiting disadvantaged people or
7. Selling or supplying tobacco or other products and practices that damage the health of human beings.

Governance Structure

The Investment Committee, which is a sub-committee of the AFSA Board, monitors that management of the AFSA Enhanced Income Fund's investments comply with the Investment Policy of the Fund adopted by the AFSA Board.

Investment Fund/Asset Managers are retained by the Board and advise Management and the Investment Committee on the implementation of the investment strategy of the Fund.

The Investment Committee reviews the performance and then recommends any changes to the Board for approval on issues such as the portfolio structure, distribution policy, distribution amounts and what the investment strategy of the Fund should be.

The AFSA Board meets on a monthly basis and monitors Fund performance.

Distributions

Calculation Of Distribution Per Unit

Income distributions are calculated and paid quarterly in arrears. Distribution dates are September 30, December 31, March 31, and June 30. The distribution will be paid within 30 days after the end of the quarter. The amount each investor receives will be proportionate to the number of units held during the distribution period. The amount will vary, and it is possible that sometimes there may be no distribution.

Investors can choose to reinvest or disburse to an AFSA account or any Australian banking financial institution. Reinvested distributions will be allocated on the basis of the unit price calculated immediately after the distribution is declared.

Distributions are calculated on the basis of your per unit share of distributable income and realised capital gains of the Fund for the entire distribution period and not just for the period your investment is held.

Unit prices will fall after the end of the distribution period to reflect the distribution entitlements. If you invest just before the end of a distribution period, you may find that you get an immediate return of some your investment capital as income.

Valuation

Unit prices are calculated on each unit pricing day based on the net asset value of the Fund divided by the number of units on issue.

Entry and Exit Fees

There are no entry or exit fees other than those associated with the spread calculated between the net value per unit price and the redemption price.

The spread calculated between the net value per unit and the application and redemption price is 0.10%

Redemptions

Notice Of Withdrawal And Processing Times

Investors can request a redemption by completing the Redemption Form found on our website. Please ensure authorised signatories complete the form.

Redemptions received by 2pm each Tuesday will be processed within 10 business days

Please note the Fund is not an “at call” cash account and should not be treated as such.

Funds are only disbursed to an account held with an Australian Financial Institution.

Withdrawals And Fund Liquidity

The Fund’s withdrawal process is designed to safeguard its liquidity levels and to protect the interest of all its Investors

Where a redemption is greater than 5% of the Fund, AFSA reserves the right to distribute the redemption in whole or in part.

In market conditions that AFSA deems prudent to suspend withdrawals for a period of time, AFSA will communicate this to Investors.

Buy/Sell Spread

Transaction costs, including brokerage, stamp duty, settlement and other costs are incurred by a fund when buying and selling fund assets. Transaction costs are recovered by what is called a “buy/sell” spread (the difference between the issue or withdrawal price of a unit and the unit price), which is based on an estimate of these costs.

Buy /Sell spreads are designed to protect investors by ensuring that the expenses of buying and selling assets is borne by those who invest in or withdraw from a fund.

The Enhanced Income Fund has a buy/sell spread of 0.10%

Investing in the AFSA Enhanced Income Fund

Your Investment in the Fund

There are three steps to make an investment in the Fund. You should read the guidance on the Application Form for information on how to fill out and refer to our website www.anglicanfundssa.com.au.

STEP 1

Read This Document And Consider The Offer

Investors should read this document in full before deciding to invest in the Fund. Please pay particular attention to the risks set out in this CIS and other information concerning units, the Fund and its assets. The risks need to be considered in light of your particular investment objectives.

STEP 2

Complete The Application Form

To make an investment, please complete the Application Form with the application money. We will accept the payment methods listed on our Application Form.

If the investment is from a new client (Parish or Anglican Affiliate), AFSA will require Proof of Identification Forms to be completed for the entity and each Signatory. These forms are found on our website.

Anglican Parishes – Please attach an extract of the Parish Council minutes that authorises the investment and the signatories that have authority to be signatories for the account. Please include any restrictions applicable to the investment.

STEP 3

Lodge Your Application Form

Please see the instructions on the Application Form for details about lodging the form with us.

Please note the minimum initial investment is \$25,000. AFSA reserves the right to reject any application. If this occurs, then any application money not accepted will be returned to the Investor without interest.

If funds for investment are not cleared and recalled then all associated costs with the dishonour charged by Third Parties will be allocated and charged to the Investor.

Unit Pricing is weekly and calculated on each Wednesday and as at the end of the month. Funds received and cleared by 2pm each Tuesday will be allocated using the Unit Price calculated on the next day (Wednesday).

Current Investors wishing to add to their investment may do so at any time. Please use the following banking details:

Account Name	Anglican Funds SA
BSB	705-077
Account Number	00041345
Reference	Your entity name

Additional Information

Authority to Act

Investors must nominate signatories who are authorised to deal with the investment account on behalf of the investor. Any number of signatories may be nominated with a stipulation that either:

- any one to sign;
- any two (or other nominated number) to sign, or
- all must sign.

Anglican parishes will require a certified extract of the minutes of the Parish Council meeting that approves the withdrawal of funds.

By investing in the AFSA Enhanced Income Fund and supplying signatory information, you authorise AFSA to act on any valid and duly authorised instruction received in relation to dealing with your investment.

Identification of Investors and Signatories

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML Act) requires that we identify all investment holders and signatories to accounts. If you already hold or are a signatory to an investment held at AFSA you may already have provided sufficient identification.

Should you be required to supply identification, the AFSA customer service team will supply you with the relevant forms, and work with you to complete this process.

Identification forms are also available on the Anglican Funds website anglicanfundssa.com.au

Privacy Information

Our Privacy Policy governs access to and usage of all information collected by AFSA. Full details of this policy are available on our website.

If you are a signatory to an investment, we collect and use your information to substantiate your identity and enable us to provide and manage that investment. If you are an acceptable certifier we may also use your information to substantiate the signatory's identity. We may also use your information to provide you with details about other products provided by AFSA unless you explicitly instruct us in writing not to do so.

We do not provide your information to any other organisation without your consent, other than as required to those organisations that, in connection to the Fund, provide administrative or other operational services to AFSA, or unless required to do so by law.

Rights Reserved by the AFSA Board

The AFSA Board reserve the right to accept or refuse any application. Funds received with any application not accepted will be refunded as soon as practicable.

The terms and conditions governing investments with the AFSA Enhanced Income Fund may be modified by the provision of one month's written notice to investors.

Please Complete: New Amend Existing

1. INVESTOR INFORMATION

Investor Name

Address

2. CONTACT DETAILS

Title Surname

Given Names

Role in Parish/Organisation

Phone Number Mobile

Email

Postal Address

3. INVESTMENT AMOUNT

\$ to be funded by

Cheque **OR** Existing AFSA Account

Transfer from a bank nominated below:

Name of Financial Institution

Debit an external account listed in Step 5.

4. SIGNATORIES

Please attach a completed identification form for each authorised signatory.

Any One to Sign Any Two to sign
 All must sign Other (please specify below)

5. DISTRIBUTION INSTRUCTIONS

Reinvest
 Transfer to AFSA account
 Transfer to bank account nominated below

Name of Financial Institution

Account Name

Branch

BSB Account Number

6. AUTHORISATION

I/We confirm that the terms and conditions of the *Enhanced Income Fund Customer Information Statement* have been read and understood. I/We authorise Anglican Funds South Australia to establish the specified account. I/We confirm that we are duly authorised to enter into this agreement on behalf of our Parish/organisation.

Name Name

Signature Signature

Date Date

For assistance in completing this form please contact AFSA:

Phone: 08 8305 9305
Email: enquiries@anglicanfundssa.com.au

Please return the completed form to:

Email: enquiries@anglicanfundssa.com.au
Mail: Anglican Funds South Australia
18 King William Road
North Adelaide, SA, Australia 5006

Please visit our website at www.anglicanfundssa.com.au for further information on our products and services.

AFSA is an activity of the Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc.
ABN 63 198 215 958 ARBN 655 122 133



Enhanced Income Fund

AFSA Enhanced Income Fund

Community Fund

Term Investments
Monthly Income Account
Online Transactions
Cheque Accounts
Electronic Planned Giving
Loans

Endowment Fund

AFSA Endowment Fund

Contact Details

Phone 08 8305 9305
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