

## IDENTIFICATION STATEMENT

### Legal Entity:

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) is a charitable investment fundraiser and relies on the exemptions 5(1) and 5(2) of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*.

The **Synod's** charitable investment fundraising activities are conducted as Anglican Funds Management (**AFM**) a business name owned by the **Synod**.

The **Synod** is an incorporated association pursuant to the *Associations Incorporation Act 1985 (SA)*.

### Address:

18 King William Road, North Adelaide SA 5006.

## CHARITABLE PURPOSE

The charitable purpose of the **Synod** is to provide for the life and growth and the order and good government of the Anglican Church of Australia (the Church) within the Diocese.

More specifically, **AFM's** objectives are:

- To provide an investment medium for associated and retail, associated clients;
- To provide an investment medium for wholesale clients with religious, charitable or educational purposes, who may not be associates of the **Synod**;
- To further the mission of the Church by making an annual grant to the **Synod**;
- To make payments and provide benefits to the **Synod** for the religious and charitable works of the Church; and
- To do all such lawful things as are incidental or conducive to the attainment of the above objectives or which may be calculated to advance directly or indirectly the interests of the Church.

The **Synod's** charitable fundraising activities promote **Synod's** charitable purposes:

By issuing **AFM** Community Fund debentures, a surplus is generated. The issue of debentures in the **AFM** Community Fund 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 **AFM** Community Fund to undertake charitable activities within their communities.

By issuing interests in the **AFM** Enhanced Income Fund managed investment scheme, an income stream is provided directly to investors for missional activities, while providing governance and stewardship of Church capital. Management fees charged on investments in the **AFM** Enhanced income Fund are applied to further the work of the **Synod**.

By issuing interests in the **AFM** Endowment Fund managed investment scheme, an income stream is provided directly to investors for missional activities, while providing governance and stewardship of Church capital. Management fees charged on investments in the **AFM** Endowment Fund are applied to further the work of the **Synod**.

## COMPLIANCE

The **Synod**, trading as **AFM**, is a charitable investment fundraiser, that raises funds to support the charitable purposes of the **Synod** by issuing debentures to retail, associated clients and to wholesale clients with religious, charitable or educational purposes (the **AFM** Community Fund) and by issuing interests in managed investment schemes to associates and to wholesale clients with religious, charitable or educational purposes (the **AFM** Enhanced Income Fund and the **AFM** 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 2021*.

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 **AFM** 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 **AFM** 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 **AFM** 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 **AFM** 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 **AFM** 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 **AFM** 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 **AFM**, 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.

#### FINANCIAL YEAR

The **Synod** has a financial year of 1 July to 30 June, which applies to the operations of the AFM Community Fund, the AFM Enhanced Income Fund and the AFM Endowment Fund.

#### 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.

#### 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.

#### AFM METHOD OF PROMOTION

Products are promoted to investors in the following ways:

- advertising on the **Synod** and **AFM** websites;
- advertising in the "Guardian", the magazine of the Anglican Diocese of Adelaide;
- sponsorship of events attended by associates;
- sponsorship of events attended by wholesale organisations with religious, charitable or educational purposes;
- advertising and promotional material and brochures, both online and in print;
- direct written correspondence;
- social media, including paid advertisements and
- word of mouth.

## The AFM COMMUNITY FUND

### METHOD OF FUNDRAISING

The **Synod** issues debentures in the AFM Community Fund to associated and to retail, associated clients and lends and invests 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 it generates from its investment activities including loans.

### KEY TERMS

The **Synod** offers several classes of debentures in its AFM Community Fund on the terms set out below.

The **Synod** has a Hardship Policy, which allows for early release of funds in the AFM Community Fund on certain grounds.

Investments in the AFM Community Fund are secured by the assets of the **Synod**. No other body provides a guarantee.

<b>Fixed term Investments</b>	<ul style="list-style-type: none"> <li>• Minimum investment \$1,000 – available to <b>Anglican associated clients</b> only</li> <li>• 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.</li> <li>• The terms offered on investments are available on the AFM website and range from 30 days to 60 months.</li> <li>• Interest rates offered on fixed term investments are reviewed regularly and published on the AFM website.</li> </ul>
<b>Fixed term Investments</b>	<ul style="list-style-type: none"> <li>• Minimum investment \$500,000 – <b>wholesale clients</b></li> <li>• 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.</li> <li>• The terms offered on investments are available on the AFM website and range from 30 days to 60 months.</li> <li>• Interest rates offered on fixed term investments are reviewed regularly and published on the AFM website.</li> </ul>
<b>Short Term Investments &lt; 30 days</b>	<p><b>Monthly Income Account</b></p> <ul style="list-style-type: none"> <li>• Minimum investment amount \$100.</li> <li>• Interest is calculated on the daily closing balance and paid monthly to the account on the last day of the month.</li> <li>• The interest rate applicable to this product is reviewed and published on the AFM website.</li> </ul>
<b>Short Term Investments &lt; 30 days</b>	<p><b>Cheque Account</b> – available to <b>Anglican associated clients</b> only</p> <ul style="list-style-type: none"> <li>• Minimum investment amount \$100.</li> <li>• Interest is calculated on the daily closing balance and paid monthly to the account on the last day of the month.</li> <li>• The interest rate applicable to this product is reviewed regularly and published on the AFM website.</li> </ul>

### INVESTORS in the AFM COMMUNITY FUND

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

1. **Associates and retail, associated clients.**
2. **Wholesale** organisations with religious, charitable or educational purposes, who may not be associates.
  - The **Synod** can be approached by this class of investor as a consequence of its promotion to other classes of investors.
  - Products offered to this class of investor are customised to meet the requirements of each client.

A product is offered to investors in the AFM Community Fund after a formal signed application is received by the **Synod** (trading as **AFM**) including an attestation as to their charitable status and that they are either a wholesale investor or an associate.

The **Synod** does not offer debentures in the AFM Community Fund to retail, non-associated clients.

The **Synod** reserves the right to refuse any initial investments without providing a reason.

## The AFM ENHANCED INCOME FUND

### METHOD OF FUNDRAISING

The **Synod** issues interests in the AFM Enhanced Income Fund managed investment scheme, to entities that are associates, and to wholesale clients with religious, charitable or educational purposes. 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.

### KEY TERMS

The **Synod** offers interests in a managed investment scheme (the AFM 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 AFM 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 AFM 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

- The AFM Enhanced Income Fund is a market-linked investment.
- Investors are allocated units in the AFM Enhanced Income Fund.
- Minimum initial investment amount **Associates \$20,000.**
- Minimum initial investment amount **Wholesale \$500,000.**
- 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 AFM Enhanced Income Fund by the number of units on issue.
- Partial redemption requests received within a month will be paid within 10 business days based on the prevailing unit price on the date of receipt of a completed redemption request.
- 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.
- Where redemption is >5% of the fund, the Head of AFM reserves the right to distribute the redemption in whole or in part in specie.
- The total return of the AFM 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 AFM product or to an account with any other financial institution or can be re-capitalised into the AFM 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 AFM 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 AFM Enhanced Income Fund depends on the current asset allocation strategy of the fund and the balances held by each underlying manager.

### INVESTORS in the AFM ENHANCED INCOME FUND

The **Synod** offers interests to the following classes of investors in the managed investment scheme the AFM Enhanced Income Fund.

1. **Associates.**
2. **Wholesale** organisations with religious, charitable or educational purposes, who may not be associates.
  - Products offered to this class of investor are customised to meet the requirements of each client.

A product is offered to investors in the AFM Enhanced Income Fund after a formal signed application is received by the **Synod** (trading as **AFM**) including an attestation as to their charitable status and that they are either a wholesale investor or an associate.

The **Synod** does not offer interests in the AFM Enhanced Income Fund to individuals or to retail, **non-associated** clients.

The **Synod** reserves the right to refuse any initial investments without providing a reason.



## THE AFM ENDOWMENT FUND

### METHOD OF FUNDRAISING

The **Synod** issues interests in the AFM Endowment Fund managed investment scheme, to entities that are associates and to wholesale clients with religious, charitable or educational purposes. These funds are invested in a balanced growth portfolio with a view to generating stable long-term returns for investors in the scheme.

### KEY TERMS

The **Synod** offers interests in a managed investment scheme (the AFM 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 AFM 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 AFM 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 60bp on an annual basis.

#### Unit allocation and pricing

- Investors are allocated units in the AFM Endowment Fund.
- Minimum initial investment amount **Associates \$1,000**.
- Minimum initial investment amount **Wholesale \$500,000**.
- 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 AFM 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 AFM 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 AFM product or to an account with any other financial institution or can be re-capitalised into the AFM 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 AFM 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 AFM Endowment Fund depends on the current asset allocation strategy of the fund and the balances held by each underlying manager.

### INVESTORS in the AFM Endowment Fund

The **Synod** offers interests to the following classes of investors in the managed investment scheme the AFM Endowment Fund.

1. **Associates.**
2. **Wholesale** organisations with religious, charitable or educational purposes, who may not be associates.
  - Products offered to this class of investor are customised to meet the requirements of each client.

A product is offered to investors in the AFM Endowment Fund after a formal signed application is received by the **Synod** (trading as **AFM**) including an attestation as to their charitable status and that they are either a wholesale investor or an associate.

The **Synod** does not offer interests in the AFM Endowment Fund to individuals or to retail, **non-associated** clients.

The **Synod** reserves the right to refuse any initial investments without providing a reason.

## ASSET TYPES

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

### ***AFM Community Fund***

- Cash deposits at Australian deposit taking institutions (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 associates to undertake charitable activities within their communities.

### ***AFM Enhanced Income Fund***

- 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.

### ***AFM Endowment Fund***

- Australian shares.
- Australian and international 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.

**DATED:** 24 July 2024



Signature

**Blaine Fitzgerald**

Print Name

**Head of Anglican Funds Management (AFM)**

Capacity