



Endowment **Fund**

Customer Information Statement

Issued 1 July 2024 (Anglican)

Anglican Funds Management

Anglican Funds Management (AFM) is an activity of the Synod of the Diocese of the Anglican Church of Adelaide Incorporated ABN 63 198 215 958 ARBN 655 122 133.

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Important Information

The AFM Endowment Fund is a charitable scheme under an Instrument issued by the *Australian Securities and Investments Commission (ASIC) (Instrument 2016/813)*.

The ASIC Instrument provides an exemption from various fundraising, managed investment and licensing provisions of the *Corporations Act 2001 (the Act)* for Religious, Educational, Community and other Charitable Organisations.

The Fund is intended to attract investors whose primary purpose for making their investment is to promote the religious, charitable or educational purposes of the Church, Charity or Educational Institution and for whom performance considerations are not of primary importance in their decision to invest.

The Fund 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 Fund is not subject to the same *Corporations Act 2001 (Cth)* disclosure requirements which 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.

AFM 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*).

The Customer Information Statement is not a Product Disclosure Statement governed by the Act. However, the content has been prepared having regard to the content requirements for a Product Disclosure Statement under the Act. Neither Anglican Funds Management nor the AFM Endowment Fund are prudentially supervised by APRA. Contributions to the AFM Endowment Fund do not receive the benefit of the Financial Claims Scheme or the deposit or protection provisions in the *Banking Act 1959*.

By issuing interests in its Managed Investment Scheme, the AFM Endowment Fund, the Synod promotes the charitable purposes of the Anglican Church by providing an income stream directly to missional activities, while providing governance and stewardship of church capital.

The Customer Information Statement for this Fund 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.

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The AFM Endowment Fund

About Us

Anglican Funds Management (AFM) is a surplus for purpose social enterprise organisation, providing benefit to the Anglican Community. The fund invests in line with Biblical and ESG (Environmental, Social, Governance) considerations. Currently AFM manages more than \$320m on behalf of Associated Anglican and Non-Associated Wholesale organisations with religious, charitable or educational purposes.

Financial surpluses generated by AFM 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 Investor Relations team is directly accessible to our investors, share your Christian values, and have all had significant professional experience in the funds management and finance industries.

Fund Overview

AFM's Endowment Fund is a medium risk fund, which suits the long-term investment needs for our Investors who wish to:

- Receive a regular income
- Preserve the real value of their capital
- Invest with ESG (Environmental, Social, Governance) considerations.

Managed with a University Endowment Style and distribution methodology, the fund aims, over the longer term, to produce a distribution of 5.0% pa. Distributions are paid semi-annually, and over a rolling five-year timeframe, produce a combined return of income and capital growth, after fees, of 5.0% pa above CPI.

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

Performance, fund size, allocations can be sourced from our website:

www.anglicanfundsmanagement.com.au

The AFM Endowment Fund • Key Features at a Glance

Minimum Initial Investment	Start from as little as \$1,000 for Associated Anglican Entities only.
Additional Investments	There is no minimum amount
Income Distributions	Income is paid semi-annually, at the end of each February and August. Distributions can either be paid to an account held at AFM or any other Financial Institution, or be recapitalised into the investment account
Customer Communication	Semi-Annual Investor Statements issued
Distribution Methodology	University Endowment Style
Unit Pricing	At each month end—last day of the month
Unit Allocation	First day of each month
Redemptions	Paid within 5 business days of the end of month of receipt. Full withdrawals paid within 14 days.
Transaction Fees	Nil
Management Fee	1% pa charged at the fund level before returns are calculated, with fee rebates for larger balances (see page 9)
Investment Term	While there is no investment term, it is suggested that this fund is suitable for investors with a time horizon of more than five years
Risk Type	Medium – The AFM Endowment Fund is a Balanced Growth Fund
Investment Style	The Endowment Fund is invested in a diverse range of asset class sector funds, including exposure to Australian and International Shares, Fixed Income, Listed Real Assets and Cash. These funds are actively managed and constructed with a multi-manager approach via Russell Investments.
Who can Invest?	Anglican Parish, Anglican Diocese, Anglican Schools, Anglican Entities.
How to Apply	<ul style="list-style-type: none"> • Complete the application form found here. • We require a copy of minutes from Governing Council meeting, approving initial Investment. • Certification requirements of AML/CTF rules. • (Form) ID - Anglican Parish client, (Form) ID - Anglican Entity client • All signatories (individuals) require a (Form) certification form completed. • Send completed forms to: enquiries@anglicanfundsmangement.com.au • And post originals to 18 King William Road, North Adelaide SA, 5006.

Investing in the Endowment Fund

Investment Objective

The objective of the AFM Endowment Fund is to outperform the benchmark over a 5-year period net of fees. The Fund has a primary aim of producing a longer-term investment vehicle providing both growth and distributions for your organisations cause,

The target benchmark performance aims to outperform the CPI by 5%, net of fees.

The Endowment fund operates with characteristics of University Endowment style, it primarily invests in listed assets.

Based on the University Style for model, fund distributions may fluctuate based on fund performance, however over time the model seeks to distribute above 5% PA paid semi-annually, and over a rolling five-year timeframe. Returns above the annual distribution provide stability and growth to the fund unit holders, seeking performance in excess of Inflation.

Investors may consider the Endowment Fund based on the following characteristics:

- Receive a regular income
- Preserve the real value of their capital
- Invest with Biblical & ESG considerations

AFM does not guarantee the frequency or level of any returns. However it does aim to make bi-annual distributions to investors but does not guarantee that it will always be able to do so.

It is suggested that the fund is suitable for investors with a time horizon of 5 years or more.

Asset Allocation

The Fund is a Balanced Growth Fund, with a Target asset allocation of 70% Growth Assets and 30% Defensive Assets.

In line with the investment policy the fund has a target frequency of loss (negative performance) of one in every five years. Investors must understand

the funds potential loss due to market fluctuations. The fund manages risk exposure through prudent investment management and diversification by investing in different asset classes.

Growth Asset Class

Australian & International Shares, Property & Infrastructure.

Defensive Asset Class

Cash, Fixed Interest, Hybrids

Who can invest

Investment in the AFM Endowment Fund is open to Anglican Entities, and wholesale clients with religious, charitable or educational purposes. Investment is not available to individuals.

Applications to Invest

Investment in the AFM Endowment Fund can only be made on the AFM Endowment Fund Application Form.

If the applicant is an Anglican Parish of the Diocese of Adelaide, additional information in relation to the source of the funds, and any special conditions or restrictions on capital redemptions must also be supplied.

The funds to be invested must be transferred into the AFM Nominated Monthly Income Account, and be available as cleared funds by the unit pricing date in order to be fully invested.

Investments can only be made by a negotiable instrument such as a cheque or funds transfer.

Cash investments are not accepted.

Allocation of Units

Units in the AFM Endowment Fund are allocated effective on the first day of the month following receipt of the cleared funds, at the unit price struck at the preceding month end.

Funds received prior to unit allocation, are held in a nominated AFM Monthly Income Account.

On the date of allocation, the amount of funds

received are divided by the declared unit price in order to determine the number of units to be allocated to your Endowment Fund investment account.

The allocation of a unit in the AFM Endowment Fund does not provide the unit holder any direct ownership or interest in any of the individual underlying assets of the fund.

Where the calculation of the number of units results in a fraction of units, the number of units issued is rounded to the nearest fourth decimal place.

These units are subject to the market valuation of the investment portfolio owned by the fund including any undistributed income the fund is holding.

Worked Example: Allocation of Units

An application is received on the 2nd of May, along with a cheque for an amount of \$100,000. The following occurs:

1. Cheque is deposited in an AFM Nominated Monthly Income Account.
2. Between the 1st June and the 5th June:
 - The unit price for the AFM Endowment Fund is declared (eg \$1.25c/unit). **Buy Price**
 - An amount of \$100,000 is invested in the Endowment Fund.
 - The investor receives an allocation of 80,000 units in the AFM Endowment Fund, (ie $\$100,000 \div \1.25).

Redemptions

Withdrawals are made in writing on the **(Form)** AFM Endowment Fund Redemption Form and must be signed by the account's authorised signatories.

Anglican Parishes of the Diocese of Adelaide who hold restricted investments within the AFM Endowment Fund must also supply information showing that the redemption is allowed within the terms of the restriction placed on the Endowment

Account. Parishes will also require a copy of Parish minutes to approve redemptions via a resolution.

There are no entry or exit fees for the fund.

Normally a request for partial withdrawal from the fund will be processed and paid within five business days of the month end after a valid and approved written notice has been received by the Manager of the Fund (unless otherwise negotiated with the Manager). Full redemptions may take up to 14 days.

Funds redeemed from the AFM Endowment Fund can be paid directly by funds transfer to any AFM account, or to any external financial institution.

Worked Example: Redemptions

Your account has 15,000 units and you supply a valid notice of withdrawal, which is received on 2nd of March for \$10,000 to be transferred to an AFM Monthly Income Account. The following occurs within the first 5 business days of April:

1. The unit price for the AFM Endowment Fund is declared (eg \$1.3602).
2. The redemption amount is divided by the declared unit price to determine the number of units to redeem from the investment account.
3. $\$10,000 \div \$1.3602 = 7,351.86$ units redeemed.
4. The funds are transferred to the nominated account.
5. The unit balance of your account is adjusted: $15,000 - 7,351.86 = 7,648.14$ units.

Withdrawals and Fund Liquidity

The Funds withdrawal process is designed to safeguard its liquidity levels and to protect the interest of all its investors.

Valuations

The investment is valued by multiplying the number of units held in your investment account by the prevailing unit price.

The unit price is calculated to reflect the market valuation of the net assets held by the AFM Endowment Fund, including any undistributed income, in proportion to the total number of units on issue to the fund's investors.

The value of the investment will therefore rise and fall in relation to the rise and fall of the Fund's declared unit price.

As the unit price incorporates any undistributed income, investors who redeem their investments will also receive their share of any undistributed surpluses held in the Fund.

Worked Example: Investment Valuations

Say that the Fund holds \$10,000 in net assets and \$1,250 in income held as cash. Investors hold 9,500 units in the Fund, of which you hold 500 units in your investment:

1. The total value of the Fund is:
 $\$10,000 + \$1,250 = \$11,250$.
2. Dividing this value by the total units on issue gives the unit price that AFM issues at the end of the month:
3. $\$11,250 \div 9,500 = \1.1842 .
4. Multiplying the declared unit price by your individual unit holding gives your investment value:
5. $\$1.1842 \times 500 = \592.10 .

Return on the Investment

The return on an investment in the Fund is derived in two ways – through capital growth given through movements in a unit price, and through income distributions.

Capital Growth

The Fund invests in tradable assets such as Australian and International Shares, Australian Fixed Interest Securities, Property and Infrastructure, and Cash. The Fund makes notional capital gains and losses whenever the value of these assets rise and fall, and realised capital gains and losses whenever these assets are traded in the market.

Many assets held in the Fund also pay income, either through dividends or interest payments. The value of this income is included in the capital value of the Fund.

The assets of the Fund, including any income held, are revalued monthly, and a unit price is calculated.

The unit price is issued as soon as practicable after the first business day of the month.

Investors receive capital growth in the underlying assets of the Fund through the movement in the unit price. Therefore, even though the value of your investment may increase or decrease as the market value of the Fund's assets changes, the number of units held in your investment account remains constant. The number of units held in your account changes only when you make a withdrawal or an additional investment, in which case units are sold from or allocated to your investment account at the prevailing unit price in order to satisfy the request.

Distributions

The Fund declares semi-annual distributions on a cents per unit basis, declared on 30 June and 31 December each year and anticipated to be paid on 31 August and 28 February respectively. The declared distributions are announced on the relevant semi-annual statement, preceding payment.

The rate of distribution is set at an amount guided by a methodology modeled in line with a University Endowment style, this formula has aims to produce the investment objective of providing a stable disbursement of income, simultaneously seeking to maintain real value of the capital invested, in perpetuity.

Investors are required to have an account balance as at 31/5 or 30/11 to participate in the distribution.

Investors can elect to either reinvest their distribution, or receive it as a payment made into their nominated AFM Community Fund, or bank account, that must be open as at the day of the initial distribution.

Worked Example: Distributions

Your account has 15,000 units and you receive a statement for 30 June announcing a distribution of 3.5c per unit:

1. Your distribution will be:
 $15,000 \text{ units} \times 3.5\text{c} = \525.00
2. On the date of the distribution (in the case of this example, 31 August), \$525.00 is paid to you or reinvested into your Endowment Fund as per your instructions.

Statements and Reporting

Statements are issued semi-annually for the six-month periods to June 30 and December 31. The AFM Endowment Fund aims to make these statements available online as soon as possible after the unit price for that month is issued and audited.

Unit prices for the Fund are calculated monthly, and upon request a monthly statement can be provided.

Fees Explained

Management fees are paid at the fund level before returns are calculated. They are determined on the following basis:

Fee discounts are effected by way of a monthly rebate to the investment account.

Fund Balance	Fee (% pa)
\$0-\$5m	1%
Each dollar above \$5m	0.75%
Each dollar above \$10m	0.60%
Balances over \$15m	By negotiation

Fund Governance and Structure

Governance Structure

AFM Board

The AFM Board have oversight of the Fund operations and meet on a regular basis to oversee the Funds stability and performance.

Investment Committee

The Investment Committee is a sub-committee of the AFM Board, and monitors Investment Managers of the Fund according to the Investment Policy adopted by the AFM Board.

The AFM Endowment Fund is managed by Russell Investments via an 'Outsourced Chief Investment Officer (OCIO) model; also referred to as implemented consulting. Russell Investments is responsible for providing investment advice as well as the implementation and ongoing management of the Endowment Fund.

The Endowment Fund is invested in a diverse range of asset class sector funds, including exposure to Australian and International Shares, Fixed Income, Listed Real Assets and Cash. These funds are actively managed and are constructed with a multi-manager approach seeking to outperform the market.

Investment Policy

The Fund has been designed to meet the investment needs of organisations who have a long-term investment perspective.

The AFM Endowment Fund is open to Anglican Entities, and Wholesale Clients with Religious, Charitable or Educational purposes.

Over a rolling five-year timeframe, the Fund aims to produce income of 5.0% pa, paid semi-annually, and produce a combined return of income and capital growth, after fees, of 5.0% pa above CPI.

Ethical Investment Policy of the Diocese

The AFM Investment Policy integrates Environmental, Social, and Governance (ESG) criteria in alignment with the values and considerations of the Anglican Church. This policy ensures that investments are made responsibly, reflecting the church's commitment to ethical stewardship.

Key components of the policy include stringent parameters for selecting investments, which are carefully evaluated by asset managers.

To ensure adherence to these guidelines, the Investment Committee regularly reviews the portfolio construction. Additionally, AFM employs an external asset consultant to provide expert advice and oversight, further enhancing the rigor of the investment process.

AFM's policy specifically aims to exclude investments associated with harmful practices. These include :

- The manufacture, sales, or distribution of armaments;
- The manufacture, sales, or supply of gambling services;
- Excessive pollution of the atmosphere;
- Repressive regimes;
- Unfair exploitation of employees and disadvantaged individuals;
- Tobacco production or other products that damage human health.

While AFM strives to avoid investments linked to these harmful practices, it acknowledges that absolute divestment from companies engaged in these activities cannot be guaranteed. The policy represents AFM's commitment to ethical investment practices, balancing financial returns with social and environmental responsibility.

Additional Information

Authority to Act

Investors must nominate signatories who are authorised to deal with their 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

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

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

Identification 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 AFM you may already have provided sufficient identification.

Identification forms are available on the Anglican Funds Management (AFM) website:

www.anglicanfundsmanagement.com.au

Privacy Statement

Our Privacy Policy governs access to and usage of all information collected by AFM. 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 AFM 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 AFM, or unless required to do so by law.

Rights Reserved by the AFM Board

The AFM 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 AFM Endowment Fund may be modified by the provision of one month's written notice to investors.

Steps to Follow

Step 1

Read this Customer Information Statement 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 Customer Information Statement and other information such as our ASIC Identification Statement and our Financial Statements regarding the Endowment Fund before proceeding. Please consider if this Fund is suitable and aligned to the objectives and governance requirements before proceeding.

Step 2

Complete the Application form

To make an investment, please complete the [Application Form](#).

New Investors will be required to contact our office to ensure eligibility to participate in the Fund.

AFM will require Proof of Identification Forms to be completed for the entity and each Signatory. These forms are found on our website.

Please attach an extract of the Governing 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 (Particularly applicable to Adelaide Anglican Parishes).

Investments can only be made by a negotiable instrument such as a cheque or funds transfer. Cash investments are not accepted.

Step 3

Lodge your application.

Please see the instructions on the [Application Form](#) for details about lodging the form with us:

Please note the minimum initial investment is \$1,000 for Anglican entities.

AFM 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.

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

Account Name: Anglican Funds Management

BSB: 705-077

Account Number: 00000058

Reference your entity name

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 of account signatory *

Email of account signatory *

Postal Address

3. Restrictions

General Purpose Fund Building Fund

Other - Please attach documentation

7. Authorisation

I/We confirm that the terms and conditions of the attached *Endowment Fund Customer Information Statement* have been read and understood.
I/We authorise Anglican Funds Management 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

Signature

Date

4. Investment Amount

\$ to be funded by

Existing AFM Account Or Cheque

BSB Account Number

5. Signatories

Please attach a completed identification form for each authorised signatory.

Any One to Sign Any Two to sign

Please supply a Company Identification form if application is a Company

6. Distribution Instructions

Reinvest

Transfer to AFM account

Transfer to bank account nominated below

Name of Financial Institution

Account Name

Branch

BSB Account Number

For assistance in completing this form please contact AFM:

P National 1300 059 305 | Direct 08 8305 9305
E enquiries@anglicanfundsmanagement.com.au

* Mandatory

Please return the completed form to:

E enquiries@anglicanfundsmanagement.com.au
M Anglican Funds Management
18 King William Road,
North Adelaide SA, Australia 5006