



# U Ethical Financial Services Guide

1 July 2020

**Issued by**

Uniting Ethical Investors Limited trading as U Ethical  
ABN 46 102 469 821 AFSL 294147

---

# Contents

<b>Important information</b>	<b>3</b>
<b>1. Purpose and content of this FSG</b>	<b>3</b>
<b>2. About U Ethical</b>	<b>3</b>
<b>3. Who do we act for?</b>	<b>3</b>
<b>4. Types of financial services and products provided</b>	<b>3</b>
<b>5. Are there any other documents you will receive?</b>	<b>5</b>
<b>6. Providing instructions to us</b>	<b>5</b>
<b>7. Nature of advice</b>	<b>5</b>
<b>8. Fees, Charges and Commissions</b>	<b>6</b>
<b>9. Individual fee arrangement</b>	<b>6</b>
<b>10. Disclosure of conflicts of interest</b>	<b>6</b>
<b>11. Compensation arrangements</b>	<b>6</b>
<b>12. How we deal with complaints</b>	<b>6</b>
<b>13. Privacy</b>	<b>7</b>

**Registered address**

Level 6, 130 Lonsdale Street  
Melbourne Vic 3000

**Website** [www.uethical.com](http://www.uethical.com)

**Email** [info@uethical.com](mailto:info@uethical.com)

**Telephone** 1800 996 888

**Fax** 03 9116 2150

**Office Hours**

8.30 a.m. – 5.00 p.m.  
Monday to Friday

## Important information

This FSG is issued by Uniting Ethical Investors Limited trading as U Ethical ABN 46 102 469 821 AFSL 294147.

This FSG is not intended for wholesale clients as defined by the Corporations Act 2001 (Corporations Act), or professional investors. The information contained in this FSG is general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Uniting Ethical Investors Limited provides no warranty regarding the suitability of any of the products or services described in this FSG for any person.

Investment in this product is only available to investors receiving this FSG (electronically or otherwise) within Australia. This FSG does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

## 1. Purpose and content of this FSG

This FSG is an important document. It is designed to assist you in deciding whether to use any of the financial services offered by us. We are required to give you an FSG if we provide certain financial services to you and you are a retail client. This FSG contains important information about:

- who we are;
- how you can contact us;
- what services and types of products we are authorised to provide;
- how we are remunerated for these services;
- ability to negotiate fees;
- any potential conflicts of interest we may have;
- how we deal with privacy; and
- how we deal with complaints.

This FSG is provided by Uniting Ethical Investors Limited (ABN 46 102 469 821) (**U Ethical**), a company limited by guarantee.

## 2. About U Ethical

U Ethical operates an ethical funds management business. U Ethical is an autonomous social enterprise of the Uniting Church in Australia Synod of Victoria and Tasmania (**Church**).

U Ethical holds Australian Financial Services Licence (**AFSL**) 294147 under the Corporations Act.

U Ethical is also the parent company of UCA Cash Management Fund Limited (ABN 41 075 948 444) and UCA Growth Fund Limited (ABN 39 075 948 435) (collectively, **U Ethical Companies**).

## 3. Who do we act for?

U Ethical is responsible for the financial services we provide to you under our AFSL. U Ethical also acts as an intermediary under s911A(2)(b) of the Corporations Act to enable the following entities to issue non-cash payment products, such as direct debit/credit facilities and telephone transactions:

- UCA Cash Management Fund Limited (**UCA Cash**); and
- UCA Growth Fund Limited (**UCA Growth**).

U Ethical does not act as a representative of any other licensee in relation to the services or products we provide.

## 4. Types of financial services and products provided

U Ethical is authorised to provide financial product advice for the following classes of financial products:

- basic deposit products;
- deposit products other than basic deposit products;
- non-cash payment products;
- derivatives;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes excluding investor directed portfolio services; and
- securities.

We are authorised to deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:

- deposit and payment products limited to non-cash payment products;
- interests in managed investment schemes limited to our own managed investment schemes.

We are also authorised to apply for, acquire, vary or dispose of a financial product on behalf of another person in respect of the following classes of products:

- deposit and payment products including:
  - basic deposit products;
  - deposit products other than basic deposit products; and
  - non-cash payment products;
  - derivatives;
  - debentures, stocks or bonds issued or proposed to be issued by a government;
  - interests in managed investment schemes excluding investor directed portfolio services; and
  - securities.

We are responsible for the financial services we provide to you under our AFSL, and does not act as a representative of any other licensee.

### **Registered Managed Investment Schemes**

U Ethical is authorised to operate registered managed investment schemes, which only hold financial assets, as the Responsible Entity.

U Ethical is the Responsible Entity, and manager of these registered managed investment schemes:

- U Ethical Australian Equities Trust; and
- U Ethical Cash Management Trust.

U Ethical, although a charitable body, will issue Product Disclosure Statements (**PDS**) for each of the Trusts because they are fully regulated under the Corporations Act.

### **Charitable Fundraising Exemption – U Ethical Funeral Fund**

U Ethical is also the issuer and manager of the U Ethical Funeral Fund which caters for persons who wish to promote the charitable purposes, and support the work of the Church and for whom profit considerations are not of primary relevance in their decision to invest.

U Ethical relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (ASIC Instrument) in operating the U Ethical Funeral Fund and is therefore exempt from the normal disclosure and scheme registration provisions of the Corporations Act. For this reason U Ethical is not required to issue a Product Disclosure Statement for the U Ethical Funeral Fund and ASIC has not approved or examined U Ethical, the interests in the Fund or the Fund's Offer Document. An Identification Statement for the Funeral Fund (as accepted by ASIC under the ASIC Instrument) is available on U Ethical's website.

The U Ethical Funeral Fund is not prudentially supervised by the Australian Prudential Regulation Authority (**APRA**). Therefore, an investor in the U Ethical Funeral Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the U Ethical Funeral Fund are intended to be a way for investors to support the charitable purposes of the Church.

### **Charitable Fundraising Exemption – U Ethical Portfolios**

U Ethical also provides general financial product advice and dealing by arranging services to clients in relation to investments in the following:

- U Ethical Enhanced Cash Portfolio
- U Ethical Growth Portfolio
- U Ethical Australian Equities Portfolio, (collectively referred to as the **Charitable Portfolios**).

The Charitable Portfolios are also issued under ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

Investments in the U Ethical Enhanced Cash Portfolio represent debentures issued by UCA Cash Management Fund Limited and investments in the U Ethical Growth Portfolio and U Ethical Australian Equities Portfolio represent debentures issued by UCA Growth Fund Limited. These debentures represent a liability of the respective company to investors that must be satisfied out of that company's assets but investors do not have a beneficial entitlement to the assets of these companies.

Please note that the U Ethical Companies are charitable bodies under the ASIC Instrument and therefore exempt from the normal disclosure, fundraising and licensing provisions of the Corporations Act. For this reason the U Ethical Companies are not required to issue a Product Disclosure Statement for the Charitable Portfolios and ASIC has not approved or examined the U Ethical Companies, the debentures relating to the Portfolios or the Portfolios' Offer Documents. An Identification Statement for each of the Portfolios (as accepted by ASIC under the ASIC Instrument) is available on U Ethical's website.

The Charitable Portfolios are not prudentially supervised by APRA. Therefore, an investor in the Portfolios will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the Portfolios are intended to be a means for investors to support the charitable purposes of the Portfolios.

## **5. Are there any other documents you will receive?**

If you would like to invest in the U Ethical Australian Equities Trust, U Ethical Cash Management Trust, U Ethical Funeral Fund (**Retail Funds**), or any other funds that we make available for direct investment by retail clients, you will also receive a Product Disclosure Statement (**PDS**) or Offer Document.

A PDS or Offer Document is designed to assist you to make an informed decision about the product. The PDS or Offer Document includes information about the product, costs and details of other fees and charges which may apply, including (if applicable) any fees, commission or other benefits, investment strategies, risks, taxes, dispute resolution and cooling-off rights amongst other things.

You can download a copy of the relevant documents from our website or contact our team.

## **6. Providing instructions to us**

To acquire our products, use our services, change your investment or personal details or conduct transactions, you need to instruct us in writing.

Some products and services may have their own rules on how to provide instructions or carry out certain instructions. Please refer to the relevant PDS or Offer Document for details.

## **7. Nature of advice**

Any advice provided by U Ethical to retail clients is limited to general financial product advice which we provide, for example, in our PDSs, investment newsletters, investor reports and website material. This information generally relates to product features, managing risk and return, investment market commentaries and economic overviews.

We do not provide personal financial product advice to retail clients. Before making any investment decision, we strongly recommend that you take all reasonable steps to fully understand U Ethical products and services and seek independent financial advice before using the services or investing in products provided by U Ethical and U Ethical Companies.

As such, where we provide you with general advice, we will also generally provide you with a general advice warning. The general advice warning will be given in the same manner as the advice is provided (i.e. in writing or verbally).

## 8. Fees, Charges and Commissions

If you acquire one of our products or services, we will receive fees and other benefits. Applicable fees and costs are detailed in the PDS or Offer Document of the Retail Funds. Further information are set out in the relevant Additional Information Booklet where it is applicable.

You may request, within a reasonable time of receiving this FSG and before any financial services are provided, particulars of remuneration or other benefits relating to our financial services.

Our remuneration is generally calculated by applying a management fee percentage to the value of the net assets in each product.

U Ethical employees may receive both base salary and performance pay in accordance with our remuneration policy, approved by the Board in June 2020. U Ethical directors receive salaries only.

## 9. Individual fee arrangement

From time to time, we may negotiate management fees with some wholesale clients (as defined by the Corporations Act 2001). This is dependent on certain factors, such as amount invested. We reserve the right to change the amount of any individual fee arrangement (subject to the particular fund's constitutions and any applicable law) without the investors' consent.

## 10. Disclosure of conflicts of interest

Potential conflicts may occasionally arise between the interests of investors, ourselves and our related parties and other parties (including service providers appointed by us). We have statutory and common law duties to manage conflicts of interest, act in the interest of investors and, if there is a conflict, give priority to investors' interests and/or duties (as applicable). We have policies, procedures and processes in place to manage conflicts of interest.

## 11. Compensation arrangements

In accordance with the Corporations Act requirements and U Ethical's AFSL requirements, we maintain professional indemnity insurance to cover the financial services and products we provide under our AFSL and by U Ethical Companies, having regard to the nature of our business and the potential for compensation claims. We review our insurance coverage and policies annually.

## 12. How we deal with complaints

As part of our commitment to provide quality services to our clients, we aim to resolve all complaints quickly and fairly through our internal dispute resolution process.

Our policy is to acknowledge any complaint within five business days of receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 days (or 30 days in relation to privacy complaints).

If you have a particular complaint regarding your financial product or investment, please do not hesitate to contact us on 1800 996 888 or by writing to:

**Complaints Handling Officer**

U Ethical,

Level 6, 130 Lonsdale Street,

Melbourne Vic 3000,

Email: [info@uethical.com](mailto:info@uethical.com).

If you are not satisfied with our response or how the complaint has been handled, you can refer the matter to the Australian Financial Complaints Authority (**AFCA**). You can contact AFCA on 1800 931 678, or by writing to:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

### 13. Privacy

U Ethical is committed to compliance with the Privacy Act 1988 (**Privacy Act**) and the Australian Privacy Principles, and providing you with financial products and services in a manner which ensures your right to privacy is respected.

We have developed a Privacy Policy which embodies our legal obligations in respect of your privacy. Our privacy policy can be obtained by contacting us directly or by visiting our website [www.uethical.com](http://www.uethical.com).

For complaints concerning privacy matters which have not been resolved to your satisfaction, you can then lodge your complaint with the Office of the Australian Information Commissioner at <http://www.oaic.gov.au>.