



U Ethical Funeral Fund

Identification Statement

Issued 6 September 2021

Issuer details

Uniting Ethical Investors Limited trading as U Ethical ABN 46 102 469 821, AFSL 294147 (**U Ethical**), a public company limited by guarantee incorporated under the Corporations Act ACN 102 469 821, Level 6, 130 Lonsdale Street, Melbourne VIC 3000 is the Issuer of the U Ethical Funeral Fund (the **Fund**).

Identification of relevant exemption

U Ethical relies on the exemptions under section 5(1) of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (ASIC Instrument).

The Offer Document for the Fund includes information that meets the requirements in section 5 and the conditions in section 7 of the ASIC Instrument for the exemptions contained in section 5(1) of the ASIC Instrument to apply.

Compliance arrangements

- The Offer Document for the Fund is reviewed by external legal counsel before it is issued to ensure it contains the information required by section 7 of the ASIC Instrument.
- This Identification Statement was reviewed by external legal counsel to ensure compliance with section 7(2) of the ASIC Instrument.
- Identification Statements are published on the U Ethical website at www.uethical.com/disclosuredocuments for at least five (5) years from the date they are accepted by ASIC and relied on by U Ethical.
- The Director - Risk and Compliance of U Ethical will review any promotional material and the Offer Document before they are released to ensure that there is no reference to the charitable investment fundraiser, the Offer Document, the promotional material or interests in the Fund having been approved by ASIC.
- The Director - Risk and Compliance of U Ethical will review the Offer Document and any promotional material referring to interests in the Fund to ensure no reference to the terms "at-call" or on "deposit" or any other word or expression that is of like import to those terms.
- Application forms for the Fund will require applicants to provide a separate signed statement that they understand the disclosures required by sections 7(11) and 7(12) of the ASIC Instrument. A similar statement will be required for additional investments made on or after 1 January 2018.
- U Ethical has arrangements in place to confirm that it has reasonable grounds to believe that it is able to redeem all holders' entitlements that it is required to pay or that may reasonably be expected to fall due before it repays a holder's interest in the Fund, except in the case of winding up of the Fund.
- The Director - Risk and Compliance monitors proposed changes to the Terms and Conditions and the Identification Statement to ensure that it is up to date and does not contain any misleading statements or material omissions. If changes are to be made or it is considered that the Identification Statement inadvertently contains any misleading statement or material omission, a replacement Identification Statement will be lodged with ASIC and published on the U Ethical website at www.uethical.com/disclosuredocuments once ASIC has accepted it.
- U Ethical has arrangements in place to identify and report to ASIC a failure to comply with the conditions in section 7 of the ASIC Instrument within 15 days of becoming aware of it.
- The Company Secretary of U Ethical diarises the date when audited financial statements for the Fund are due to be lodged with the ACNC.

Product type- unit or interests in managed investment schemes

U Ethical will issue interests in a managed investment scheme known as the 'U Ethical Funeral Fund'.

Financial Year

The Financial year for the Fund is 1 July to 30 June

AFS Licence

U Ethical holds an AFS Licence 294147.

Charitable purpose

U Ethical is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC).

The charitable purpose of U Ethical is 'advancing religion'. More specifically, U Ethical's objectives are:

- To provide an investment medium for the Synod of Victoria and Tasmania parishes; congregations, presbyteries, schools, programs and agencies of the Uniting Church in Australia (the Church);
- To provide an investment medium for other non-profit organisations with a religious, charitable or educational purpose;
- To further the mission of the Church by making an annual grant to the Synod of Victoria and Tasmania;
- To make payments and provide benefits to the Uniting Church in Australia Property Trust (Victoria) and to the Uniting Church in Australia Property Trust (Tasmania) for the religious and charitable work of the Church; and
- To do all such other lawful things as are incidental or conducive to the attainment of the above objects or which may be calculated to advance directly or indirectly the interests of the Church.

The issue of interests in the Fund will promote this charitable purpose by:

- Providing an ethical investment for its investors;
- Maximising the use of financial resources within the Church by pooling those resources;
- Encouraging members, adherents, associates, parishes, agencies and programs of the Church to save and invest their funds ethically;
- Benefiting the Church as a whole by setting aside a proportion of funds raised for the provision of low interest or no interest loans to Church parishes, programs or agencies to assist the general mission of the Church; and
- Providing grants from surplus income of the Fund to assist the general mission of the Church.

Key terms

The terms of the Fund are annexed as Schedule A. In particular:

Rate of Return/Distribution

- All accounts participate in the distribution receipt of income
- there is no entitlement to income until maturity of the Fund Account at which time it will be paid along with the amount of the investment(s);
- interest is calculated on a daily basis from the date of receipt of monies by the Fund provided that investments are received before 11:00 a.m. on that day;
- interest will be calculated up to the day prior to the date of maturity; and
- the rate of income earned by the Fund will represent the proportional earnings of the underlying trust across the period. Investors will receive their proportion of the Fund's income based upon the value of their account across the period.

Fees and Costs

- Fees and costs payable by investors are the management fees as follows:
 - > Management fees – estimated to be up to 1.25% p.a. of the net asset value of the Fund, payable at the end of each month

The amount payable by investors is estimated to be up to 1.25% p.a. or \$625 for every \$50,000 invested in the Fund.

- Fees and costs are deducted from the income of the Fund before any income is allocated to investors.

Investor Information

Interests are currently offered to individuals who are members, adherents or associates of the Church and members of the public who wish to promote the religious, educational and charitable purposes of the Church by investing in the Fund.

Some of these individuals may be non-associated retail clients. However, the Fund is not a short term investment product because redemptions cannot be made on less than 31 days' notice.

Investments in the Fund will be used to support the charitable purposes of the Fund as detailed in the charitable purpose section of this Identification Statement. This Identification Statement may be viewed on the U Ethical website at www.ueethical.com/disclosuredocuments.

U Ethical is required by law to notify investors that the interests in the Fund and their offering, are not subject to the usual protections for investors under the Corporations Act or regulation by ASIC.

U Ethical is required by law to notify investors that investment in the Fund is designed for investors who wish to promote the religious, educational and charitable purposes of the Church. Investors may be unable to get back some or all of their money when expected or at all. Investment in the Fund is not comparable to investment with banks, finance companies or fund managers.

U Ethical will pay or repay any amount in relation to an interest in the Fund only by way of a transfer to an account of the deceased's estate or trust or funeral services provider with an Australian Deposit Taking Institution or trust or funeral services provider.

Interests are offered through a formal Offer Document and written application form.

Audited Financial Statements

U Ethical is a charity registered with the ACNC.

Within six (6) months after the end of the financial year, the Fund and Uniting Ethical Investors Limited will each:

- have a registered company auditor audit the financial statements and provide an auditor's report;
- lodge the audited financial statements and auditors report with ACNC; and
- have the audited financial statements and auditors report published on the U Ethical website at www.ueethical.com/disclosuredocuments for at least three (3) years following acceptance by ACNC.

U Ethical, as a reporting entity, will ensure that the financial statements comply with the accounting standards.

Asset Types

The Fund may hold a diversified combination of cash, cash securities, fixed interest securities (including debentures, corporate bonds and mortgage backed securities), hybrid securities, commercial mortgage loans and community impact investments (including loans) (through investing in the U Ethical Enhanced Income Trust - wholesale).

All assets will be held in Australia.

Consent

U Ethical consents to the examination of its application to register this Identification Statement for the Fund on request to ASIC.

Authorised Signatory

I, Leeanne Lukaitis, am authorised to sign this identification statement on behalf of U Ethical in the capacity of Company Secretary.



Leeanne Lukaitis, Company Secretary

Uniting Ethical Investors Limited

6 September 2021

Schedule A

Terms and conditions

Uniting Ethical Investors Limited ABN 46 102 469 821

Terms and conditions relating to investments in the U Ethical Funeral Fund (the **Fund**).

All investments are held in units issued by U Ethical Cash Management Trust – Wholesale. The Fund is issued, managed and administered by Uniting Ethical Investors Limited trading as U Ethical.

1. U Ethical relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 in relation to the Fund.
 - a) The investment is designed for investors who wish to promote the religious, educational and charitable purposes of The Uniting Church in Australia, Synod of Victoria and Tasmania (the Church) and for whom the considerations of profit are not of primary relevance; and
 - b) The normal protections that would apply under the Corporations Act do not apply.
2. Funds are invested in a diversified combination of cash, cash equivalents and term deposits (through investing in the U Ethical Cash Management Trust – Wholesale). Investments are not secured or guaranteed.
3. Investments are made within the Ethical Investment Policy approved by The Uniting Church in Australia, Synod of Victoria and Tasmania, details of which are available at www.uethical.com or can be provided upon request.
4. Subject to clause 5 income derived from the investments, after distributions to investors, is used for the mission of the Church.
5. Reasonable expenses incurred in administration of the Fund are deducted from income prior to distribution.
6. The investor's decision to invest funds in a Fund Account is irrevocable.
7. Investments are made into a Fund account which is an "exempt funeral investment" for the purposes of the Social Security Act and regulations (the Act) and the investment(s) are not assessable under the Assets Test. To obtain "exempt funeral investment" status these Terms and Conditions must comply with Centrelink Guidelines which prohibit transfer or redemption of the funds before maturity.
8. The total amount invested must not exceed the amount established by the Federal Government (indexed annually) or such other amount as may from time to time be allowed by the Act ("the prescribed maximum").
9. The minimum amount that may be lodged as an initial investment is \$100.
10. Upon the establishment of a Fund Account, a written advice will be issued to the investor.
11. Investors will receive a written acknowledgment for each subsequent investment. Acknowledgment of investment is not a document of title.
12. Investments are not transferrable.
13. No redemptions can be made from the Fund Account before the Funeral Account matures.
14. The Fund Account will mature on the later of 31 days from the date of opening the account and the date of the investor's death.
15. Redemptions can only be made upon maturity if U Ethical has reasonable grounds to believe that it is able to redeem all investors' entitlements that it is required to pay or that may reasonably be expected to fall due.
16. On maturity of the Fund Account, the invoice(s) for the investor's funeral expenses and/or proofs of payment of such invoices must be presented to U Ethical.
17. On receipt of the above documentation, or such other documentation that is to the satisfaction of U Ethical, an electronic funds transfer payment will be issued from the investment(s) and accumulated interest in the Fund Account for the investor's funeral expenses.
18. "Funeral expenses" mean the expenses of a funeral business or funeral contractor in relation to the conduct of the investor's funeral.

19. U Ethical will pay the residue of funds (if any), after the investor's funeral expenses have been deducted, to the estate of the investor on completion of legal formalities to the satisfaction of U Ethical.
20. If the funds in the Fund Account are insufficient to cover the investor's funeral expenses, U Ethical will in no way be liable to pay any shortfall.
21. Electronic payments will only be drawn from the Fund Account by U Ethical:
 - a) in payment of reimbursement of the investor's funeral expenses (or part thereof); and
 - b) in payment to the investor's estate of the residue (if any).
22. Investments can only be made electronically. Cash will not be accepted.
23. U Ethical reserves the right to refuse any initial investments without providing a reason.
24. There is no entitlement to interest unless the investor elects an interest bearing account.
25. If the investor elects an interest-bearing account:
 - a) there is no entitlement to interest until maturity of the Fund Account at which time it will be credited and added to the amount of the investment(s);
 - b) interest on an interest-bearing account is calculated on a daily basis from the date of receipt of monies by the Fund provided that investments are received before 11.00 a.m. on that day;
 - c) interest will be calculated up to the day prior to the date of maturity;
 - d) the rate of interest may be varied from time to time and investors will be individually notified in writing in advance of such variations. Investors may choose to receive less than that rate by giving written notice in which case the foregone interest will be used for the mission of the Church;
 - e) in the event that the investor elects an interest-bearing account, the investor acknowledges that he or she accepts responsibility for tax liability arising in respect of interest notwithstanding that, although interest is not payable until maturity, tax liability may arise each year on interest accruing.
26. Fund Accounts are only available to one investor. Joint accounts are not allowed.
27. An investor can only have one Fund Account at any one time.

6 September 2021

State of Victoria

Statutory Declaration

I, Leeanne Lukaitis of Uniting Ethical Investors Limited, Level 6, 130 Lonsdale Street, Melbourne VIC 3000, Company Secretary, do solemnly and sincerely declare that:

1. I am the Company Secretary of Uniting Ethical Investors Limited ABN 46 102 469 821.
2. Uniting Ethical Investors Limited is a charity as defined in ASIC RG 87.

I acknowledge that this declaration is true and correct, and I make it with the understanding and belief that a person who makes a false declaration is liable to the penalties of perjury.

Declared at Melbourne on this 6th day of September 2021.



Leeanne Lukaitis

I am an authorised statutory declaration witness and I sign this document in the presence of the person making the declaration:

Gilbert Cheuk Kai Lee CPA 9195184



Signature:

6 September 2021