



U Ethical Australian Equities Trust - Wholesale

Information Memorandum

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Issued by

Uniting Ethical Investors Limited trading as U Ethical
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This Information Memorandum (IM) contains significant information you need to make a decision to invest in the Trust. You should consider the information in this IM before making a decision to invest in the Trust. The information in this IM is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances.

Investments in the Trust can only be made by wholesale investors receiving the IM (including an electronic version) in Australia, and to certain wholesale investors in those countries where the offer to invest and investment in the Trust is lawful in both that country and Australia. If you receive this IM outside Australia, you should seek professional advice about restrictions on investing in the Trust. The Trust has not been and is not required to be registered as a managed investment scheme and this IM has not been and is not required to be lodged with the Australian Securities and Investments Commission (ASIC).

The information in this IM is not intended to be relied upon as investment or tax advice. To the maximum extent permitted by law, U Ethical does not accept any liability or responsibility for any loss or damage (without limitation) arising from reliance placed on the information contained in this IM. An investment in any unit trust, such as this Trust, is subject to risks of potential loss of income and the potential loss of capital. U Ethical does not guarantee any particular rate of return or the performance of the Trust nor the repayment of capital or any particular tax treatment of any investor.

You should conduct your own due diligence prior to submitting an application to invest in the Trust. By submitting an application to invest in the Trust you confirm that you have conducted your own due diligence and have placed no reliance on any information, statements or data provided in this IM.

1. About U Ethical

U Ethical is the trustee and investment manager of the Trust. As the trustee, we are responsible for overseeing the operations of the Trust. As the investment manager, we are responsible for selecting and managing the assets of the Trust.

U Ethical is a public company limited by guarantee and an autonomous social enterprise of the Uniting Church with an independent board. We are an investment manager with a difference. We believe in creating a better world by investing with purpose—today and into the future. Our oldest funds were established in 1985 and over recent years, we have grown steadily to become one of the largest ethical investment managers in Australia.

2. How the U Ethical Australian Equities Trust – Wholesale (the Trust) works

When you invest in the Trust, your money is pooled together with the money of other investors and invested in accordance with the Trust's investment strategy.

Units and unit prices

You will be issued with units representing the value of your investment. Unit prices reflect the market value of the assets of the Trust and consequently will rise or fall as the market value of the assets in the Trust rises or falls.

How to invest

You can make an investment in the Trust by sending us a correctly completed application form together with the required supporting identification documentation.

Minimum investment

The minimum initial investment is \$500,000. Additional investments of at least \$10,000 can be lodged at any time.

Payment methods

Payment by electronic funds transfer or by cheque is acceptable. We can also establish a direct debit from a nominated Australian bank account. Cash is not accepted.

How to redeem

You can redeem some or all of your investment at any time, as long as the redemption request is for at least \$5,000, by sending us a correctly completed redemption form. If your redemption request results in your remaining investment in the Trust falling below \$250,000, we may require you to redeem your entire balance. Redemptions from the Trust will be paid directly to your nominated Australian bank account. You can usually

expect to receive the proceeds within 7 business days after receipt and acceptance of your redemption request. However, in January and July when distributions are being processed, this may extend to 10 business days.

Restrictions on redemptions

There may be circumstances when redemptions from the Trust are suspended, for example when the Trust is illiquid (as defined by the Corporations Act 2001). During such periods, your ability to redeem may be restricted and you may have to wait before you can redeem some or all of your investment.

Processing

Valid application and redemption requests, including cleared funds for applications, received before 2.00 pm Melbourne time on a business day in Victoria are processed the next business day at the price applicable on the day of receipt of the request. Application and redemption requests received after 2.00 pm are taken as being received on the following business day. Unit prices, which reflect the net asset value of the Trust's investments, are calculated each business day after all relevant securities markets close.

If an invalid or incomplete application or redemption request is received, it will be processed on the day we receive the correct documentation. The cut-off times noted above apply.

You will receive a written acknowledgment for each application and redemption.

Applications and redemptions are suspended for a brief period half-yearly for completion of distributions to existing unitholders.

Valuation and unit price calculation

Valuations are performed on the Trust every business day. The value of the Trust is the total market value of all the assets less the total liabilities including accrued liabilities.

Investors in the Trust are issued units which have a unit price. The unit price is calculated by dividing the total net assets by the number of units on issue. For example, if \$1,000,000 of net assets is held and there are 1,000,000 units on issue, the unit price would be \$1.

You can obtain further information about our unit pricing policy by contacting us. Application and redemption prices are available on our website or by contacting us during business hours.

Distributions

The income of the Trust may include dividends, interest and net capital gains from the sale of investments. Income distributions are generally made half-yearly on 31 December and 30 June. Expenses are deducted to calculate net income. The distribution per unit will be notified upon payment. Net realised capital gains will be distributed proportionately to investors who hold units on 30 June following the realisation of the gain. Unrealised capital gains will not be distributed, but will be reflected in the unit price.

At your request, the income distribution may be:

- Reinvested in the Trust,
- Credited to a U Ethical cash product account nominated by you, or
- Credited to your nominated Australian bank account

The material relating to how the Trust works may change between the time you read this IM and the day when you acquire the product.

3. Benefits of investing in the Trust

Significant features

The Trust is designed to meet the needs of investors seeking to create positive impact alongside competitive financial returns. It provides exposure to a diversified portfolio of Australian equities subject to U Ethical's ethical investment policy. A copy of the policy is available on our website. Financial evaluation is focussed on quality and value. Financial returns are expected in the form of moderate income and long-term capital growth.

Significant benefits

Ethical investment - Investments are managed in accordance with a comprehensive ethical investment policy.

Liquidity – The underlying investments are liquid so investors can generally redeem investments at any point in time.

Professional funds management – Investing is complex and time consuming and the Trust offers investors access to the expertise and experience of a professional investment manager.

Portfolio diversity – The Trust enables investors to obtain exposure to a greater number and diversity of ethically screened companies (both by industry sector and geography) than would typically be possible for a sole investor.

Risk management – The Trust provides investors with the opportunity to diversify, and hence manage, the risks involved in investing in Australian equities.

Income – Investors have the potential to receive regular income in the form of half-yearly distributions.

Reinvestment of distributions – Investors have the ability to automatically reinvest income distributions in the Trust with no entry or transaction costs.

Regular reporting – Quarterly reports on the Trust will be sent to you and you will receive statements every six months (31 December and 30 June) detailing income distributions, account balances and transaction summaries.

Reliable client service – We endeavour to provide superior and personalised service to all Trust investors.

The material relating to the benefits of investing in the Trust and its key features may change between the time you read this IM and the day when you acquire the product.

4. Risks of investing in the Trust

All investments carry some level of risk. The likely investment return and risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the portfolio of assets that make up the scheme. Those assets with potentially higher long-term returns may also have a higher risk of losing money in the shorter term.

Risk can be managed but it cannot be completely eliminated. It is important to understand that:

- **The value of investments will rise and fall;**
- **The level of investment returns will vary, and future returns may differ from past returns;**
- **Returns are not guaranteed and there is a risk income distributions will not be received and that investors may lose some of their money; and**
- **Laws affecting investments in a managed investment scheme may change over time.**

The appropriate level of risk for each investor will vary and depend on a range of factors including the investor's overall portfolio allocations, investment objectives, liabilities, investment time frame and risk tolerance.

The risks of the Trust include, but are not limited to:

Company specific risk: Investments in a company's securities will be subject to the risks to which that company is itself exposed. They include changes in management, actions of competitors and regulators, changes in technology and market trends.

Concentration risk: As the Trust will hold a concentrated portfolio of 20 to 40 investments, returns may be dependent upon the performance of individual companies. The concentrated exposure may lead to increased volatility in the unit price and increased risk of poor performance.

Conflicts of interest risk: U Ethical and its various service providers may from time to time act as issuer, investment manager, custodian, unit registry, broker, administrator, distributor or dealer to other parties or trusts that have similar objectives to those of the Trust. Such conflicts of interest include but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, proxy voting and staff personal trading. It is possible that either U Ethical or its service providers may have potential conflicts of interest with the Trust. U Ethical may invest in, directly or indirectly, or manage or advise other trusts which invest in assets which may also be purchased by the Trust. Neither U Ethical nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities to the Trust. U Ethical maintains a conflicts of interest and related party transactions policy to ensure that it manages its obligations to the Trust such that all conflicts (if any) are resolved fairly.

Counterparty risk: There is a risk that the Trust may incur a loss arising from the failure of another party to a contract (the counterparty) to meet its obligations. Counterparty risk arises primarily from investments in cash, derivatives and currency transactions. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations.

Currency risk: The companies the Trust invests in may earn revenue in foreign currencies and may or may not choose to hedge their foreign currency exposures. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. Adverse movements in the Australian dollar relative to other currencies may negatively impact investment values and returns.

Derivatives risk: The value of a derivative is derived from the value of an underlying asset and can be highly volatile. Changes in the value of derivatives may occur due to a range of factors that include rises or falls in the value of the derivative in line with movements in the value of the underlying asset, potential liquidity of the derivative and counterparty credit risk.

Liquidity risk: Whilst the Trust is exposed to listed entities which are generally considered to be liquid investments, under extreme market conditions there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Trust may be unable to liquidate sufficient assets to meet its obligations, including payment of redemptions, within required timeframes or it may be required to sell assets at a substantial loss in order to do so.

Market risk: There is a risk that the market price of the Trust's assets will fluctuate. This may be as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks, and environmental and technological issues.

Operational risk: Operational risk includes those risks which arise from carrying on an investment management business. The operation of the Trust requires U Ethical, the custodian and other service providers to implement sophisticated systems and procedures. Inadequacies with these systems and procedures or the people operating them could lead to a problem with the Trust's operation and result in a decrease in the value of units.

Performance risk: There is a risk that the Trust may not achieve its investment objectives.

Personnel risk: The skill and performance of U Ethical as investment manager can have a significant impact (both directly and indirectly) on the investment returns of the Trust. Changes in key personnel and resources of U Ethical may also have a material impact on investment returns of the Trust.

Pooled investment scheme risk: The market prices at which the Trust is able to invest inflows, or sell assets to fulfil outflows, may differ from the prices used to calculate entry and exit unit prices. Investors in the Trust may therefore be impacted by other investors entering and exiting the Trust. The impact will depend on the size of inflows or outflows relative to the Trust, and on the price volatility of the securities in which the Trust invests. Inflows and outflows may also affect the taxable income distributed to an investor during a financial year.

Regulatory risk: There is a risk that a change in laws and regulations governing a security, sector or financial markets could have an adverse impact on the Trust or on the Trust's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

Trust risk: Trust risk refers to specific risks associated with the Trust, such as termination and changes to fees and expenses. The performance of the Trust or the security of an investor's capital is not guaranteed. There is no guarantee that the investment strategy of the Trust will be managed successfully, or will meet its objectives. Failure to do so could negatively impact the performance of the Trust. An investment in the Trust is governed by the terms of the Trust's constitution and this IM, each as amended from time to time. U Ethical may elect, in accordance with the Trust's constitution and the Corporations Act 2001, to terminate the Trust for any reason.

The material relating to the risks of investing in the Trust may change between the time you read this IM and the day when you acquire the product.

5. How we invest your money

Warning: before deciding whether to invest in the Trust, you should consider the likely investment return of the Trust, the risk involved in investing in the Trust, and your investment time frame.

Investment style

Investment return objective	To achieve competitive risk adjusted returns over the medium to long term while limiting harm and creating positive impact through the implementation of U Ethical's ethical investment policy	
Benchmark	S&P / ASX 300 Accumulation Index	
Minimum suggested time frame for holding investment	At least 7 to 10 years	
Asset classes and asset allocation ranges	Asset class	Asset allocation range
	Australian equities	90 – 100%
	Cash and cash equivalents	0 – 10%
	–	–
Risk level*	High	
Investment strategy and ethical investment policy	The Trust provides exposure to a diversified portfolio of Australian equities subject to U Ethical's ethical investment policy. Financial evaluation is focussed on quality and value..	
Changes to the Trust's details	U Ethical may make changes to the Trust from time-to-time, including changes to the types of investments, and in some cases without prior notice to investors. U Ethical will notify investors of any material changes in the next scheduled communication or as otherwise required by law.	

* The risk level is not a complete assessment of all forms of risk. You should consider all forms of risk in assessing whether the Trust will meet your investment objectives.

The material relating to how we invest your money may change between the time you read this IM and the day when you acquire the product.

6. Fees and Costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2 per cent of your fund balance rather than 1 per cent could reduce your final return by up to 20 per cent over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better investor services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser for more information.*

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

The table below shows the direct and indirect fees and costs that you may be charged by the Trust.

Type of fee or cost	Amount ¹
Fees when money moves in and out of the Trust	
Establishment fee – The fee to open an account	Nil
Contribution fee – The fee on each amount contributed to an investment	Nil
Redemption fee – The fee on each amount redeemed from an investment	Nil
Exit fee	Nil
Management Costs^{2,3} The fees and costs for managing your investments	Estimated to be up to 0.80% pa or \$400 for every \$50,000 invested in the Trust
<ul style="list-style-type: none"> › Management fees⁴ – estimated to be up to 0.75% p.a. of the net asset value of the Trust. › Recoverable expenses – estimated to be up to 0.05% p.a. of the net asset value of the Trust. 	Calculated daily and payable at the end of each calendar month
Transactional and operational cost Buy/sell spread 0.25%/0.25%	Estimated to be \$125 for every \$50,000 invested or redeemed
	Paid on investment and redemption

Notes

1. Unless otherwise stated, fees and costs disclosed in this section are inclusive of the net effect of GST, if applicable.
2. The total management cost comprises a management fee and any recoverable expenses.
3. The management fee and recoverable expenses are payable at the end of each month based on the Trust's net asset value.
4. Management fees may be negotiated with some wholesale clients (as defined by the Corporations Act).

Additional information about fees and costs

Fees and costs are deducted from the income of the Trust and will be retained by us to meet management and operational costs, charges, expenses and outgoings, and to make annual charitable grants from our operating surplus.

The management costs are deducted before income is distributed to investors. Therefore, fees and costs will not appear as a deduction on income distribution statements.

Transactional and operational costs

Transactional and operational costs include costs such as brokerage, stamp duty and other taxes, and settlement and clearing costs.

The Trust's buy/sell spread of 0.25 per cent covers the transactional and operational costs involved in facilitating applications and redemptions. The spread is borne by investors when an application or redemption is made so that other investors in the Trust do not bear these costs. The spread is \$125 for every \$50,000 invested or redeemed.

Performance fees and commissions

The Trust does not charge a performance fee nor does it pay any commissions to financial advisers.

Changes in fees

Fees may increase or decrease for a number of reasons including changes in the market or regulatory environments or from changes in costs. We may change fees without your consent, but will provide you with at least 30 days' written notice of any fee increase.

GST

Goods and services tax (GST) is not payable on the issue, redemption, or transfer of investments in the Trust, as these are input taxed financial supplies for GST purposes. The fees and costs shown in this section, unless

otherwise stated, are inclusive of the net cost of GST. If the GST rate or arrangements change, the total amount payable may change even though those fees due to U Ethical are not increased.

Example of annual fees and costs of the Trust

This table gives an example of how the fees and costs for the Trust can affect your investment over a one year period. You should use this table to compare the product with other managed investment products.

Example: balance of \$500,000 with a contribution of \$50,000 during the year *		
Contribution fees	Nil	For every additional \$50,000 you put in you will be charged \$0
Plus Management costs	Up to 0.80% p.a.	And for every \$500,000 you have in the Trust, you will be charged up to \$4,000 each year
Equals Total cost of Trust		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$50,000 during that year, you would be charged up to \$4,000.

* This example assumes management costs are calculated on the balance of \$500,000 with the \$50,000 additional investment occurring at the end of the first year. Therefore management costs are calculated on a \$500,000 balance only. It assumes no market movement in the value of the assets, no reinvestment of income and no redemptions are made during the year. This example does not capture the impact of the buy/sell spread.

The material relating to fees and costs may change between the time you read this IM and the day when you acquire the product.

7. How the Trust is taxed

Warning: Investing in the Trust is likely to have tax consequences. Before investing in the Trust you are strongly advised to seek your own professional tax advice about the tax consequences that may apply to you based on your particular circumstances.

The taxation information contained in this IM reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the courts, as at the date of issue of this IM. Taxation laws are subject to continual change and there are reviews in progress that may impact the taxation of trusts and investors.

The Trust does not pay any tax liability on your behalf. The Trust generally distributes all taxable income each financial year so that it is not subject to tax. As an investor, you will be assessed for tax on your share of the net income and net capital gains generated by the Trust. Depending on your particular circumstances, you may also be liable to pay capital gains tax when you redeem units in the Trust.

Taxation position of the Trust

The Trust distributes all taxable income (including capital gains and tax credits, if any) to investors each half year. As such the Trust is not subject to income tax. If for any reason there is income to which no investor is presently entitled, the Trust would be taxed at the highest marginal tax rate in respect of this income.

Taxation of distributions

Distributions from the Trust may include income (eg interest, franked or unfranked dividends or tax deferred), capital gains and/or tax credits.

You should declare distributions received on your tax return, even if they are reinvested or credited to another account.

At the end of each financial year, you will receive a Tax Statement that provides a consolidated view of all the income distributed, the tax components and a guide to help transfer this information into your tax return.

Tax implications of redemptions, transfers or switches

Australian residents are generally subject to capital gains tax on gains when they redeem any investment, invest in another Trust or transfer units to someone else.

When you redeem, transfer or switch an investment you will need to include any capital gain or loss that is realised in your tax return. We can send you a history of all your transactions to assist in calculating any such gains or losses.

Attribution of Managed Investment Trusts

Legislation to establish a new tax system for managed investment trusts (MITs) was enacted in May 2016. Eligible MITs can elect to become an Attribution MIT (AMIT) by irrevocable choice. The AMIT regime enables a registered scheme's taxable income to be allocated to unitholders based on 'attribution' rather than present entitlement.

We, as trustee of the Trust, elect the trusts we operate into the AMIT regime and will therefore attribute the taxable income of the Trust to investors according to 'trust components' on a fair and reasonable basis consistent with their interests.

We will provide you with an annual statement detailing the trust components attributed to you within three months of the end of the financial year.

Reforms to the taxation of trusts are generally ongoing. You should seek your own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

Tax File Number (TFN) or Australian Business Number (ABN)

You may choose whether to provide your TFN or ABN or an appropriate exemption to us. If you do not provide a TFN or ABN, or do not have an appropriate exemption, we are required to withhold tax at the highest marginal tax rate, as well as the Medicare levy, from income distributions.

Non-resident investors

If you are not an Australian resident for tax purposes, we will withhold tax from distributions paid. The applicable rate of tax will vary depending on a number of factors, such as the type of distribution and your country of residence for tax purposes. Non-residents may be entitled to a credit for Australian income tax paid by us in respect of the tax liability.

Foreign Account Tax Compliance Act

Under the US Foreign Account Tax Compliance Act (FATCA), U Ethical is deemed to be a 'foreign financial institution' and is required to obtain and disclose information about certain US and US-owned investors. We may ask you to provide certain information about yourself in order to comply with our FATCA obligations (FATCA Information).

To the extent that all FATCA Information is provided, imposition of US withholding tax on payments of US income or gross proceeds from the sale of particular US securities will not apply to the Trust. Although we attempt to take all reasonable steps to comply with our FATCA obligations and to avoid the imposition of US withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the US and Australian governments, we may provide FATCA information to the Australian Taxation Office. We may use your personal information in order to comply with FATCA, and may contact you if we require additional information to comply with our FATCA obligations.

Common Reporting Standard

The Australian Government introduced the OECD Common Reporting Standard (CRS) from 1 July 2017.

CRS is a broad framework for the collection, reporting and exchange of financial account information between revenue authorities across all jurisdictions. Like FATCA, the CRS requires financial institutions (including U Ethical) to collect and report to the Australian Taxation Office financial account information on non-residents, which the Australian Taxation Office will then exchange with the foreign tax authorities of those non-residents.

We may therefore collect and use your personal information, or contact you for additional information, in order to comply with the CRS.

Manager's tax indemnity

In the event that we incur a liability for any kind of tax or impost on account of an investor, we have broad powers of recoupment from income due to the investor. In the event that we are required under any statutory or common law to pay tax in our capacity as operator of the Trust, we are empowered to pay the tax from the assets of the Trust.

The material relating to how the Trust is taxed may change between the time you read this IM and the day when you acquire the product.

8. How to apply

Applications

You can make an initial investment by completing the application form available with this IM. Before completing the application form, please ensure you have read this IM. Please:

1. Complete all relevant sections of the application form. You must sign the application form before submission. If you have any questions regarding the completion of the application form, please speak to your licensed financial adviser or to us for more information.
2. Mail or submit your completed application form together with supporting identification documents and a completed direct debit request form or a cheque (minimum initial investment of \$500,000) to: U Ethical, Level 5, 130 Little Collins Street, Melbourne Vic 3000.

Payment by electronic funds transfer or cheque is acceptable. Please note that we do not accept cash payments. Cheques should be:

- i. Made payable to "U Ethical", and
- ii. Crossed "Not Negotiable".

Signatures to account

The Application Form must be signed and authorised signatories must be provided as specified below. All signatories must provide certified identification documents before an account can be opened.

Specific requirements

Type of investor	Application form details	Signatures
Individual (including children)	Individual details plus TFN or withholding tax exemption	Individual and/or power of attorney
Joint investors	Details for both investors plus TFNs or withholding tax exemption	Both investors and/or power of attorney
Adult(s) investing for a child	Adult's details and child's name plus adult's TFN (Example: John Smith ITF (in trust for) Junior Smith)	Adult
Corporate	Company details including ABN	Either two directors, a director and company secretary, or a director (if signing as a sole director)
Partnership	Details of all principals, partnership name and ABN (Example: John Smith and David Jones)	Partner(s)
Trust or superannuation fund	Trustee details, trust/superannuation fund name and ABN (Example: Trustee name ITF XYZ Trust or XYZ Superannuation Fund)	Trustee

The Trustee may reject any application at its sole discretion, without giving reasons, and will return any monies received with the rejected application within five (5) business days from the date the application was rejected.

Cooling-off rights

There are no cooling-off rights for monies invested in this Trust.

Complaints resolution

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have quickly and fairly. Any complaints or concerns should be directed to the Complaints Handling Officer by contacting us directly or in writing addressed to U Ethical, Level 5, 130 Little Collins Street, Melbourne Vic 3000, or info@uethical.com.

We aim to resolve your concerns at the time your complaint is received or, if not possible, within five business days. Some matters may take a longer period to investigate and for a decision on what action is to be taken. This can take up to 45 days.

The material relating to how to apply, investor enquiries and complaints may change between the time you read this IM and the day when you acquire the product.

9. Other information

Additional disclosure information

The Trust is not subject to regular reporting and continuous disclosure obligations as it is not required to be registered with ASIC.

Changed details

You must advise us in writing of any changes to your name, address or bank account details. It is a legal requirement that you provide us with supporting documentation in order for any change to your name or bank account details to take place.

IM changes

We may change information in this IM as required. Where these changes are not materially adverse, this updated information will be available at www.ueethical.com or by contacting us on 1800 996 888. A paper copy of this updated information will be provided to you free of charge on request.

If we make a materially adverse change, we will issue a replacement IM. If there is a material increase in fees, we will give you at least 30 days prior notice in writing.

No representation or guarantee

We make no representation nor give any guarantee as to the future performance or success of, the rate of income from or capital return from, the recovery of money invested in, or the income tax or other taxation consequences of, any investment in the Trust, whether made on the basis of this IM or otherwise.

Unregistered scheme

The Trust is an unregistered managed investment scheme which is governed by its Constitution and some provisions of the Corporations Act 2001 (Cth), but is not governed by Chapter 5C of the Corporations Act 2001 (Cth).

Investor rights

The rights of an investor in the Trust is governed by the Trust's Constitution and applicable legislation. You do not have the right to participate in the management or operation of the Trust. Under the Trust's Constitution, your liability is limited to the amount that you have invested in the Trust.

The Trust Deed

The Trust is governed by a Trust Deed that sets out rules covering the Trust and the rights of holders of units in the Trust. We may vary the Trust Deed without your consent. You may request a copy of the Trust Deed free of charge by contacting us.

Roles and responsibilities of agents

You may wish to appoint someone else, such as your financial adviser, a relative or your solicitor, to look after your investment on your behalf. Your appointed agent can do everything that you can do with your investment except appoint another authorised agent.

If your authorised agent is your financial adviser, their authority is limited in that they cannot change the account name or alter payment/distribution bank account details.

To cancel your authorised agent, you must give us at least 7 business days' written notice.

You release and indemnify us from and against all liability that may be suffered by you or by us, or brought against us in respect of any acts or omission of your authorised agent, whether authorised by you or not.

Related party transactions and conflicts of interest

The Trust may invest in other products managed by us. Any fees charged by these products are rebated or offset so there is no double-counting of fees.

Our directors, our employees, and entities associated with them, and some of the products we manage may be investors in other products we manage. These transactions are carried out on the same terms and conditions as for other investors in the products.

We are engaged solely in investment management for a wide range of clients, and advice to a limited number of large wholesale clients.

We have no affiliation with any broking house and no soft-dollar arrangements in place with any broker.

All employees and where applicable directors must comply with our policies including Code of Ethics and Conduct Policy, Conflicts of Interest and Related Party Transactions Policy and Securities Trading Policy. These policies are designed to mitigate and manage any actual or perceived conflicts of interest.

Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) imposes stringent obligations on financial services providers to ascertain and verify the identity of their clients. The AML Act requires us to comply with client identification and verification procedures. Depending on the circumstances, we may need to obtain from you certain additional documents or information. You will be informed what information or documents are required, if any, when the need arises. We may also be required to disclose information in respect of an application and/or subsequent transactions to regulatory and/or law enforcement agencies including the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Privacy

We are committed to compliance with the Privacy Act 1988 and the Australian Privacy Principles, and in providing you with products and services in a manner which ensures your right to privacy is respected.

We collect personal information for the purposes of processing applications, providing you with the products offered in the relevant disclosure document and in order to manage your investment. We may provide that information to any of the organisations that are used in the ordinary administration and management of the business or the Trust, including providers of clerical, administration, investment management or custodial services, settlement agents, clearing houses, and credit agencies and if required to do so by law. You may contact us at any time with questions or concerns about privacy, or to access, correct or update personal information held.

Queries about privacy should be directed in the first instance to U Ethical's Investment Operations Manager. The Office of the Australian Information Commissioner also deals with certain complaints relating to privacy concerns.

For a copy of our Privacy Policy, please contact us or download the policy from our website.

Custodian

The Northern Trust Company has been appointed to hold the assets of the Trust under a master custody agreement. As custodian, Northern Trust will safe-keep the assets of the Trust, collect the income of the Trust and act on our directions to settle the Trust's trades. Northern Trust does not make investment decisions in respect of the Trust's assets it holds.

Consent to be named

The following parties have given written consent (which has not been withdrawn at the date of this IM) to being named in the form and context in which they are named, in this IM:

- The Uniting Church in Australia, Synod of Victoria and Tasmania; and
- The Northern Trust Company.

Each party named above:

- Has not authorised or caused the issue of this IM;
- Does not make or purport to make any statement in the IM (or any statement on which a statement in the IM is based) other than as specified; and
- To the maximum extent permitted by law, takes no responsibility for any part of the IM other than the reference to their name in a statement included in the IM with their consent as specified.