

IDENTIFICATION STATEMENT
CHURCHES OF CHRIST FINANCIAL SERVICES LTD

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| <p>Identification Information</p> <p>Instrument 2016/813 S 7(2)(a)</p> | <p>Churches of Christ Financial Services Ltd (ABN 86 165 535 866) of First Floor, 582 Heidelberg Road Fairfield VIC 3078 ("CCFS") is a company limited by guarantee incorporated under the Corporations Act (2001)(Cth), Australian Company Number 165 535 866.</p> <p>CCFS is also registered as a charity on the register maintained by the Australian Charities and Not for Profits Commission and endorsed for charitable tax concessions under the Income Tax Assessment Act 1997.</p> |
| <p>Compliance</p> <p>Instrument 2016/813 S 7(2)(a) and (b)</p> | <p>(a) CCFS intends to rely on the exemptions set out in paragraph 5(1)(b) of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 ('Instrument 2016/813'), namely: the exemption from the requirement to have a trust deed and trustee (Ch 2L); and</p> <p>(b) the exemption from the requirement to issue a prospectus and comply with certain fundraising requirements, including the prohibition on securities hawking (Parts 6D.2 & 6D.3).</p> <p>CCFS has adequate resources to ensure compliance with its obligations. CCFS has documented procedures setting out the requirements of section 7 of Instrument 2016/813 which will be implemented under the supervision of the CCFS CFO who will ensure staff are appropriately trained and supervised, and that breaches are reported. The CFO had over 7 years' experience at the Victorian State Government Department of Treasury, Victorian State Super, VicSuper and State Trustees. Other members of the executive management team also have accounting and/or banking qualifications and experience in conjunction with broad business experience and qualifications, and are FINSIA fellows or members. The other two members of the executive team also have substantial financial services experience. The CEO has managed the exempt activities of Properties Corporation under ASIC Class Order 02/184 since 2005. The National Relationship Manager has 14 years' previous experience in corporate banking, credit and commercial banking.</p> <p>The CCFS Board monitors the operation of the investment program through a number of measures including an Audit, Risk and Compliance Board sub-committee. This ensures that it complies with the requirements of Instrument 2016/813 by means of a standing agenda item at board meetings pursuant to which the CFO tables minutes of the sub-committee which receives and discusses a compliance report, for the Board's information and action as required. Banking and finance</p> |

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| | expertise is a required aspect of the Board's collective skills matrix. |
| Method of Fundraising Instrument 2016/813 S 7(2)(c) | CCFS will raise investment funds by the issue of unsecured debentures. |
| Financial Year Instrument 2016/813 S 7(2)(d) | The CCFS financial year commences on 1 July and ends on the following 30 June. |
| AFS Licence Instrument 2016/813 S 7(2)(e) | CCFS is required to hold an Australian Financial Services Licence (AFS Licence) to provide activities as a retail charitable investment fundraiser. CCFS's AFS Licence number is 502160. |
| Charitable Purpose Instrument 2016/813 S 7(2)(e) and (f) | <p>The principal purpose for which CCFS is established is to operate as an income tax exempt entity for the advancement of the Christian religion by the provision of financial and ancillary services to religious and other organisations and related persons. (CCFS Constitution cl 1.3(a))</p> <p>The issue of debentures by CCFS will promote this charitable purpose because it will allow investors who wish to promote the charitable purposes of CCFS and for who financial profit is to promote the development of CCFS and related organisations within the Churches of Christ.</p> <p>Funds raised by the issue of debentures may be advanced by way of loan to affiliated churches or other agencies of the Churches of Christ such as governing, administrative or welfare bodies, for church building or development or other purposes associated with the advancement of religion or other charitable purposes.</p> |
| Key Terms Instrument 2016/813 S 7(2)(g) | <p>CCFS's fundraising activities relate to the issue of the unsecured debentures as described below to support CCFS's charitable purposes:</p> <p><i>Investments for retail, non-associate clients¹</i></p> <p>Access 31. A non-transactional account that requires 31 days' notice for the withdrawal of funds. Funds can be re-invested or withdrawn. If withdrawn, funds can only be paid to an investor's nominated account with another Authorised Deposit-taking Institution.</p> |

¹ A "non-associate" is a person, group or entity that is not an 'associate' within the meaning of the definition section 4 of Instrument 2016/813.

- **Term investments** are offered for periods of between 31 days and 2 year fixed term periods. Interest rates are subject to change with prior notice given to investors. The periods for which term investments are offered may change from time to time.
- **Church Builder Interest Offset Investment.** This investment offers the functionality of the Access 31 investments with the interest accruing on the balance donated to the church or ministry of the investor's choice. No account keeping or transaction fees apply.

Investments for Churches and Ministries (retail, associated and wholesale clients)

- **Easy Access Investment** (with the addition of cheque facilities) are offered to associates on the same terms as Access 31 for non-associates, except that associates need not provide prior notice to withdraw funds from their account. No account keeping or transaction fees are applicable. Charges by third parties (such as bank dishonour fees) may be passed on to the debenture holder. Interest rates are subject to change with due notice to investors.
- **Term Investments** are offered to associates on the same terms as for non-associates, that is, they are offered for periods of between 31 days and 2 year fixed term periods. No account keeping or transaction fees are applicable. Charges by third parties (such as bank dishonour fees) may be passed on to the debenture holder.
- **Online Accumulator Investment** offers online-only access, linked to an Easy Access investment product. No account keeping or transaction fees are applicable. Charges by third parties (such as bank dishonour fees) may be passed on to the debenture holder.
- **Ministers Expense Account** is an Easy Access investment product that is required to be operated in accordance with Minister's conditions of employment at the time. No account keeping or transaction fees are applicable. Charges by third parties (such as bank dishonour fees) may be passed on to the debenture holder.
- **The Long Service Leave (LSL) Accumulator Account** is an investment intended to assist associated employers to meet their long services leave obligations. No account keeping or transaction fees are applicable. Charges by third parties (such as bank dishonour fees) may be passed on to the debenture holder.

Minimum investment

CCFS investment product contain no minimum initial investment amount.

Interest rates

CCFS's debenture products are interest-bearing investment products.

Interest is calculated daily on amounts invested in relation to all of CCFS's investment products. Interest is paid in the following ways:

- All investment products (other than Term Investments) – interest is paid 6 monthly.
- Term Investments – interest is paid at maturity or at pre-determined intervals as agreed during the term of the investment.

Interest rates for CCFS's debenture products are set by CCFS and published on its website. Interest rates can change at any time and are reviewed periodically and benchmarked against the official cash rate as required so as to balance:

- a desire to provide a return to investors as a means of supporting their ministry objectives;
- the funding needs of upcoming church development projects; and
- the rates being offered by competitors in the banking, mutual-banking and church fund sector.

Fees and charges

CCFS's philosophy regarding fees reflects its purpose of supporting churches, ministries and associates through the provision of financial services. Third party fees are passed on to the debenture holder but CCFS otherwise seeks to provide fee-free or low-fee products and services. As detailed above, the Easy Access, Access 31, Online Accumulator, LSL Accumulator, Interest Offset and Term Investment products do not have account keeping fees. CCFS may charge account-keeping, transaction, or other fees in future, after providing investors reasonable notice, if commercial considerations make it necessary.

Repayments and redemptions

All of the above debenture products issued by CCFS are held on terms that they may only be repaid or redeemed:

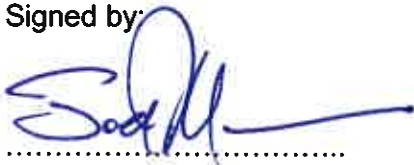
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| | <ul style="list-style-type: none"> • if CCFS has reasonable grounds to believe that if: <ul style="list-style-type: none"> ○ all repayments and redemptions that CCFS may be required to pay on that day were made; and ○ all repayments and redemptions that may reasonably be expected to be due on each future day were made on that future day; <p>all holders of CCFS debentures would be repaid or redeemed on that day and on each future day in accordance with holders' entitlements;</p> <ul style="list-style-type: none"> • where the holder of a CCFS debenture is an individual <ul style="list-style-type: none"> - if CCFS is satisfied that the repayment or redemption would alleviate financial hardship that the holder is suffering or would suffer; and • if CCFS is wound up. |
| <p>Disclosure requirements</p> <p>Instrument 2016/813 S 7(10) to (13).</p> | <p><i>Promotional material or offer document</i></p> <p>CCFS has not caused, authorised or permitted the issue of any promotional material or offer document that states or implies that any of the following has been approved or examined by ASIC:</p> <ul style="list-style-type: none"> • CCFS; • the debentures CCFS offers or issues; or • any promotional material or offer document associated with CCFS debentures. <p><i>Additional requirements for retail clients</i></p> <p>CCFS cannot issue a debenture to a retail client (or accept an additional investment from the holder of a debenture that is offered in reliance of Instrument 2016/813), unless it has first disclosed the following information:</p> <ul style="list-style-type: none"> • funds raised by the issue of debentures supports CCFS's charitable purpose of advancing the Christian religion by advancing by way of loans to affiliated churches or other agencies of the Churches of Christ; • that CCFS's identification statement can be viewed at https://www.cfsaustralia.org.au/resources/; and • that CCFS is required by law to notify holders of debentures and their offering is not subject to the usual protections for investors under the Corporations Act or regulation by ASIC. |

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| | <p>Each offer document and all promotional material to be provided to a retail client in connection with the issue of a debenture (or the acceptance of an additional investment from the holder of a debenture that is offered in reliance of Instrument 2016/813), contains a prominent statement that CCFS is required by law to notify investors that:</p> <ul style="list-style-type: none"> • the investment is only intended to attract investors whose primary purpose for making the investment is to support the Christian religion by the provision of financial and ancillary services to affiliated churches or other agencies of the Churches of Christ; • investors may not be able to get some or all of their money back when the investor expects or at all; and • investing in CCFS debentures is not comparable to investments with banks, finance companies or fund managers. <p><i>Duties to ensure investors understand</i></p> <p>Where the investor is a retail non-associated client, CCFS does not issue a debenture to the investor (or accept an additional investment from the holder of a debenture that is offered in reliance of Instrument 2016/813), unless the person has provided CCFS a separate signed statement that they understand the disclosures required to be made by CCFS in this section.</p> |
| <p>Investors</p> <p>Instrument 2016/813 S 7(2)(h)</p> | <p>CCFS debentures will be offered through the CCFS website (www.ccfssaustralia.org.au) to associated retail clients, non-associated retail clients and to non-retail non-associated clients (i.e. wholesale clients) that are:</p> <ul style="list-style-type: none"> • individuals that wish to support the charitable purposes of CCFS; • Churches and Ministries associated with CCFS (these include governing, administrative and welfare bodies operated within the broader organisational structure); and • Church-based enterprises (that is, not for profit enterprises, generally operated by a church but separate from the church itself, such as child care, aged care, cafes and op shop activities). <p>CCFS intends to make offers of debenture products to voluntary staff members. Voluntary staff members will be treated as a retail, associated clients where CCFS can confirm they hold a formally recognised office or position with a Churches of Christ affiliated church or organisation such as:</p> <ul style="list-style-type: none"> • Chair; • Treasurer; |

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| | <ul style="list-style-type: none"> • Secretary; • Director/Elder; • Other formally appointed volunteers as evidenced by a specified time commitment and position description. |
| <p>Audited Financial Reports</p> <p>Instrument 2016/813 S 7(2)(i), 7(16) and (17)</p> | <p>CCFS is required to lodge audited financial reports with the Australian Charities and Not for Profits Commission (ACNC).</p> <p>CCFS is a reporting entity for the purpose of paragraph 7(16) of Instrument 2016/813 and its financial statements must comply with the accounting standards.</p> <p>CCFS's financial year ends on 30 June each year. Within 6 months after 30 June each year, CCFS must:</p> <ul style="list-style-type: none"> • have a registered company auditor audit its financial statements and provide an auditor's report; • give the audited financial statements and auditor's report to the ACNC; and • publish, and maintain for at least 3 years, the audited financial statements and auditor's report at a web address accessible by a direct link from the web address where the relevant identification statement is or was most recently published. CCFS's audited financial statements are located at: https://www.ccfsaustralia.org.au/resources/. |
| <p>Guarantees or obligations</p> <p>Instrument 2016/813 S 7(2)(j)</p> | <p>CCFS debentures are unsecured and no guarantees or other obligations to holders of CCFS debenture investments by persons other than CCFS apply.</p> |
| <p>Asset Types</p> <p>Instrument 2016/813 S 7(2)(k)</p> | <p>Funds raised by the issue of debentures are invested as secured loans to churches and church agencies, to finance the purchase, development and maintenance of properties for charitable purposes. Lending rates are based on the BBSY benchmark with a margin added for the risk profile of the loan. The risk profile is influenced by LVRs, serviceability, strength of church leadership and management capacity and compliance with the state organisation's requirements. Liquidity is maintained by ensuring a proportion of funds are retained in interest-bearing deposits with, or any notes or debt instruments issued by, an Authorised Deposit-taking Institution. The benchmark rate used for lending purposes is subject to change.</p> <p>CCFS will invest in cash and secured loans in accordance with an investment mandate approved by the CCFS Investment Management sub-committee and monitored by the CFO.</p> |

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| | All assets CCFS holds or will hold from funds raised by the issue of debentures are or will be located in Australia. |
| Sponsor Instrument 2016/813 S 7(2)(l) | No Sponsor is involved in the acceptance of this Identification Statement. |

Signed by:



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Joel Plotnek, Managing Director
for and on behalf of
Churches of Christ Financial Services Ltd

Date:

14, 10, 2019
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