

IDENTIFICATION STATEMENT

ACC Directorate

"ACC ACCumulator"

This identification statement is issued by ACC Directorate pursuant to ASIC Regulatory Guide 87 ("RG 87") and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 ("Instrument").

1. Identity of the charitable body

- 1.1 ACC Directorate (ABN 65 004 617 467) ("ACCD") is a public company limited by guarantee and incorporated under the *Corporations Act 2001*(Cth)("the Act") with Australian Company Number 004 617 467. ACCD is also a charity registered with the Australian Charities and Not for Profits Commission ("ACNC").
- 1.2 The Registered Company Address is Suite 408, Level 4, 12 Century Circuit, Baulkham Hills NSW 2153.

2. Charitable Purpose

- 2.1 Funds raised through the issue of ACC Accumulator debentures will be utilised to support the advancement of the Christian religion and the relief of human suffering through the work and mission of the ACC Movement generally, in accordance with the objects of the ACCD as set out in its constitution.
- 2.2 Investor funds will not be matched to any particular ACCD asset or pool of ACCD assets but will be applied in the general business operations of ACCD to further ACCD's charitable objects and to generate revenues to pay the amounts due under the debentures.

3. Exemptions

- 3.1 ACCD intends to rely on subsection 5(1)(b) of the *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813* for the issue of ACC ACCumulator, namely:
 - (a) the exemption from the requirement to have a trust deed and trustee (Ch 2L); and
 - (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).
- 3.2 ACCD is not required to hold an Australian Financial Services Licence because it does not carry on a financial services business on the basis that:
 - (a) the self-dealing exemption under s766C(4) of the Act which deems the issue of securities by an entity (including debentures) as not being a financial service; and

- (b) to the extent that ACCD provides any general advice - regulation 7.1.33H of the Corporations Regulations 2001 which deems the advice as not being a financial service.

3.3 ACC ACCumulator is managed by ACS Financial Pty Ltd (ACN 062 448 122) ("ACS Financial"), a wholly owned subsidiary of ACCD, under a management agreement with ACCD. ACS Financial provides marketing, investment management and administration services in the capacity of an outsourced service provider in respect of ACC ACCumulator debenture products. ACS Financial holds an Australian Financial Services Licence (No. 247388) authorising it to provide financial product advice and dealing activities in relation to securities (which includes debentures). ACCD is not an authorised representative of ACS Financial.

4. Key Terms

- 4.1 ACCD's fundraising activities relate solely to the issues of unsecured debentures known as "ACC ACCumulator" to support ACCD's charitable purposes.
- 4.2 ACCD undertakes to repay as an unsecured debt funds invested in ACC ACCumulator debenture products. The investments are backed by the assets of the ACCD, although as the debentures are unsecured, interest payments and repayment of principal is not guaranteed by ACCD or any other person or entity.
- 4.3 The offer of ACC ACCumulator debentures is intended for investors who wish to promote the broad Christian mission of ACCD and accordingly are willing to earn a rate of return on their investment that is potentially below the market for comparable investment products.
- 4.4 Funds invested in ACC ACCumulator debenture products are invested in accordance with ACCD's investment policy as approved from time to time. Currently, between 40% and 80% of funds raised by the issue of ACC ACCumulator debentures is invested as loan funds advanced to ACCD Churches, and to associated or affiliated entities on commercial terms. The balance of between 20% and 60% of funds raised is maintained in a liquidity portfolio, ensuring sufficient liquidity to meet investor redemptions and interest payment obligations. The liquidity portfolio is limited to cash and bank deposits. Both the loan portfolio and the liquidity portfolio are invested in assets located entirely within Australia. No assets are held outside Australia.
- 4.5 ACCD may change or add to the terms and conditions of ACC ACCumulator debentures at any time by prior written notice to the investor.
- 4.6 ACC ACCumulator debentures are not transferrable or assignable.

Investment products

- 4.7 ACCD offers the following ACC ACCumulator debenture products:
 - (a) Term Investments – where investors can specify a fixed term of maturity of the investment (i.e. 90, 180, 270, 365, 545, 730 days); and

- (b) Notice Investments – where investors must provide a minimum of 31-days' notice to redeem their investment, unless they are a retail, associated client or a non-retail non-associated client (i.e. wholesale investor).

Minimum investment

- 4.8 The minimum initial investment is \$1,000.

Interest rates

- 4.9 ACC Accumulator debenture products are interest-bearing investment products.
- 4.10 Interest rates for each of the ACC ACCumulator debenture products are set by ACS Financial. ACS Financial reviews the interest rates offered by financial institutions from time to time against changes in the official cash rate or movements in rates by the major banks. Following such reviews, ACCD may adjust the rates offered on debentures to ensure they remain competitive in the market place. Interest rates are published on ACS Financial's website.
- 4.11 Interest is calculated daily on amounts invested. Interest on Notice Investments is paid monthly in arrears. Interest on Term Investment products is paid quarterly or as agreed.
- 4.12 Investors can forgo interest payments on ACC ACCumulator debenture products and have it paid instead to ACCD to support its charitable purpose.

Fees and charges

- 4.13 No fees and costs are payable by holders of ACC ACCumulator debentures. However, ACCD can charge a break fee for Term Investments which are terminated prior to the maturity of the term investment. ACCD does not charge the break fee in hardship situations.
- 4.14 ACCD pays ACS Financial a management fee to promote, administer and manage ACC ACCumulator debenture products and can appoint and remunerate other service providers to assist with the management of ACC ACCumulator debenture products.

5. Investor types

- 5.1 ACCD intends to offer ACC ACCumulator debenture products to (as defined in the Instrument):
 - (a) Retail, non-associated clients – these will generally be Church parishioners;
 - (b) Retail, associated clients – these will generally be Churches, organisation and persons associated with ACCD; and
 - (c) Non-retail non-associated clients i.e. wholesale investors.
- 5.2 ACCD intends to offer ACC ACCumulator debenture products to ACCD Churches, ministries, organisations (e.g. schools) and persons (e.g. Pastors) that are affiliated with ACCD and would come within the definition of retail, associated client.

- 5.3 ACCD also intends to offer ACC ACCumulator debenture products to retail, non-associated clients that are generally churchgoers of its Churches.
- 5.4 ACCD may also from time to time offer ACC ACCumulator debenture products to non-retail non-associated clients.
- 5.5 Prospective investors in ACC ACCumulator debenture products are provided with an application form and an offer document "Investor Guide" containing the relevant terms of the investment. All prospective investors are also required to provide a signed Investor Acknowledgement Statement before an application is accepted and the debentures issued. The application form is then assessed to determine whether the client is a:
- (a) Retail, non-associated client;
 - (b) Retail, associated client; or
 - (c) Non-retail non-associated client.
- 5.6 ACCD will treat a prospective investor as a retail, non-associated client until it is satisfied that the investor is eligible for one of the other client categories.
- 5.7 ACCD does intend to make offers of ACC ACCumulator debenture products to voluntary staff members. Voluntary staff members will be treated as retail, non-associated clients.
- 5.8 ACC ACCumulator debenture products are marketed by ACS Financial through printed and online material through its website: www.ascfinancial.com.au and by word of mouth.

6. Compliance

- 6.1 ACCD ensures compliance with the conditions of the relevant exemptions by:
- (a) Lodging this Identification Statement with the Australian Securities and Investments Commission (ASIC) and publishing it on ACS Financial's website: www.ascfinancial.com.au;
 - (b) Regularly reviewing its Identification Statement, offer documents (if any), promotional material to ensure they are up to date, complete and not misleading, and that any updated Identification Statement is lodged with ASIC.
 - (c) Not offering short-term investment products to clients that are retail, non-associated clients.
 - (d) Ensuring that all ACC ACCumulator debentures issued by are held on terms that they may only be repaid or redeemed in the following circumstances:
 - (i) if ACCD believes on reasonable grounds that if all holders of debentures that it may be required to make on that day were made and all repayments and redemptions that may reasonably be expected to be due on each future day made on that future day, all holders of

- debentures would be repaid or redeemed on that day and on each future day in accordance with the holders' entitlements;
- (ii) where the person is an individual - ACCD is satisfied that to do so would alleviate financial hardship that the holder is suffering or would suffer; and
 - (iii) on winding up of ACC Directorate;
- (e) Where debentures are issued to retail, non-associated clients, ACCD ensures repayments or redemptions are only made by a transfer to an account of the person held with an Australian ADI or by cheque payable only to the person;
 - (f) ACCD does not refer to ACC ACCumulator debenture products as "at call" or "deposit" products or other terms of like import;
 - (g) None of ACCD itself, its products, its promotional material or offer documents has been examined or approved by ASIC, nor does ACCD or any of the above documents state or imply that ACCD, its promotional material or offer documents have been examined or approved by ASIC.
 - (h) ACCD does not issue any debentures to a person as a retail client or accept additional investments from a person that holds a debenture unless it has disclosed the following information to the person:
 - (i) the investment funds will be used to support the charitable purposes of ACCD;
 - (ii) this Identification Statement may be viewed on ACS Financial's website;
 - (iii) ACCD is required by law to notify investors that its products are not subject to the normal Corporations Act protections for investors under the Corporations Act or regulation by ASIC;
 - (iv) ACCD does not hold an AFSL;
 - (v) the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of ACCD;
 - (vi) investors may be unable to get some or all of their money back when the investor expects or at all; and
 - (vii) the investment is not comparable to investments with banks, finance companies or fund managers,
 - (i) ACCD does not issue any debentures to a person as a retail client or accept additional investments from a person that holds a debenture unless the person has signed and provided a separate statement to ACCD stating that the person understands the above disclosures.

7. Breach Reporting

- 7.1 ACCD will comply with the breach reporting requirements outlined in paragraphs 5(3)(b)(i)-(iii) of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813, including the requirement to give the Australian Securities and Investments Commission full details of any

breach of the conditions of the Instrument within 15 days of becoming aware of the matter.

- 7.2 ACCD will take reasonable steps to ensure that the information in the identification statement is up to date, complete and not misleading at all times.

8. Financial Year

- 8.1 The financial year for ACCD is from 1 January to 31 December each year. Audited Financial Statements are required to be lodged with the ACNC before 30 June each year.

9. Audited Financial Reports

- 9.1 The ACCD is required to lodge audited financial statements with the ACNC.
- 9.2 The ACCD must ensure that its financial statements comply with the accounting standards. ACCD must, within 6 months after the end of its financial year ensure that its audited financial statements and auditor's report are lodged with ACNC and are published and maintained for at least three years at the website accessible by a direct link from the web address where the relevant identification is or was most recently published.

10. Guarantees

- 10.1 No person guarantees or promises to holders of ACC ACCumulator debentures repayments of initial investments or interest. No person other than ACCD have any obligation to debenture holders.

11. Sponsor

- 11.1 No Sponsor is involved in the acceptance of this Identification Statement.

Dated: 15 May 2018

Signed:



Name: Jon Holloway
CEO