

Stewards Foundation of Christian Brethren

ABN 57 246 942 907



ASIC RG 87
Identification Statement

Date of Issue: 31 August 2017

www.stewardsfoundation.com.au

ASIC RG 87 – IDENTIFICATION STATEMENT

1. IDENTITY & ACN OF THE CHARITABLE BODY

1.1 Stewards Foundation of Christian Brethren ABN 57 246 942 907 [“SFCB”] operate pursuant to SFCB ACT 1989 (NSW), and is relying on a continuation of relief from the licensing and fundraising provisions of the Corporations Act 2001 (Cth) pursuant to ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and Regulatory Guide 87, and pursuant to the applicable (First) exemption remaining in force under ASIC Class Order 02/184.

1.2 (a) The scheme involves the following:

- (i) Acceptance of funds on deposit from Christian Brethren Churches and individuals who are members of those churches and Brethren associated organisations.
 - (ii) Lend funds to Brethren Churches and Brethren associated organisations, none of whom would be able to borrow funds from the commercial sector. The foundation does not lend to individuals.
 - (iii) In addition to (ii) above funds are lent to establish and fund Christian Schools, retirement villages, aged care facilities within Australia all of which operate on a non-profit basis.
- (b) The Foundation does not issue any guarantees to those depositing funds. This scheme has operated since July 1965 and relies on its past record and affiliation with its network of supporting churches to continue to function. The Foundation has never defaulted on the repayment of funds to depositors. Some depositors forfeit their entitlement to income from their deposits and donate that income to the Foundation to further its charitable activities.
- (c) The Foundation invests in Australian bank term and at call deposit accounts as well as invests in mortgages from Brethren Churches and associated organisations on a secured basis.
- (d) All assets of the Foundation are held within Australia.
- (e) If the Foundation becomes aware of any false or misleading information in the identification statement, the Foundation will submit a correcting statement in accordance with enumerated paragraph 4 of the Class Order.
- (f) No Foundation material refers to ASIC having examined or approved the Foundation’s activities, as required by enumerated paragraph 3 of the Class Order and the Foundation will update its offer document to include the required statements of enumerated paragraph 2.
- (g) The Foundation will forward future financial statements to ASIC.
- (h) The Foundation consents to allow any person to examine our application on request to ASIC.

2. BRIEF DESCRIPTION OF THE CHARITABLE SCHEME

- 2.1 SFCB was established to receive, hold and invest monies to support the charitable purposes of churches and Christian organisations, and holds an Australian Financial Services Licence 458495.
- 2.2 SFCB offers a number of unsecured debenture products, and has a financial year of 1 January – 31 December.
- 2.3 The debenture products currently offered are as follows:
- a. Term Investments
 - b. Notice of Withdrawal Account
 - c. Online Savings Account (wholesale clients only)
 - d. Savings Account (wholesale clients only)
- 2.4 Debenture products are currently offered to (i) retail, non-associated clients (ii) retail associated clients, including paid church personnel (but excluding any voluntary personnel); and (iii) wholesale clients who are either associated or non-associated with SFCB. All products offered to non-associated retail clients have a minimum 31 day term and/or require a minimum of 31 days' notice for withdrawals.
- 2.5 The debenture products offered by SFCB cater for persons who wish to promote the charitable purposes, and support the work of churches and Christian organisations and for whom profit considerations are not of primary relevance in their decision to invest. Our debenture products comprise an investment medium through which an individual can invest money to generate interest income, enabling the funds to be used to finance and support churches and Christian ministry.
- 2.6 There is no minimum investment, interest is accrued daily and credited as per the terms of the specific product (monthly, at maturity or as otherwise disclosed). No account-keeping fees are charged but service or transaction fees may be charged in circumstances specified in our Account and Services Fees Schedule published on our website www.sfc.com.au.

The relevant disclosure documentation given to investors prior to investing makes it clear that the products offered are debenture products in accordance with the Corporations Act definition, and details the attendant risks and conditions of the product.

- 2.7 SFCB is also required to lodge audited financial statements with the ACNC.

3. GUARANTEES OR PROMISES MADE TO INVESTORS

- 3.1 All debenture investments made with SFCB are unsecured, and investors are advised that neither the performance of/return on investments, nor repayment of capital is guaranteed.

SFCB maintain a liquidity reserve of a minimum of 25% of total debenture investments in readily realisable investments.

4. ASSETS TO BE HELD TO SATISFY APPLICABLE LIABILITIES OF INVESTMENT ACCOUNT PRODUCT

4.1 Funds may be invested in secured or unsecured loans, securities (government and otherwise), fixed income products and real estate.

5. COUNTRIES IN WHICH ASSETS WILL BE LOCATED

5.1 Australia.

6. PROCEDURES FOR COMPLIANCE WITH CLASS ORDER 02/184 and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813

6.1 The procedures for facilitating compliance with, as per s911A(2)(l) of the Corporations Act 2001 (Cth), the applicable conditions of ASIC Class Order 02/184 and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 comprise the following:

- A current Identification Statement (reflecting the requirement of ASIC RG 87. 35-36) is lodged with ASIC at all times, in respect of all relevant products, and is available to the public via our website;
- All relevant offer documents are reviewed and signed off by external legal adviser to ensure they detail (as applicable) (i) the identity of the charitable body (ii) the terms and conditions of the offer (iii) the material benefits obtained by the charitable body or its associates in connection with the offer (iv) a statement advising investors that SFCB is required by law to advise them that the product is not subject to the normal Corporations Act requirements in respect of documentation and registration with ASIC (v) that the product has not been examined or approved by ASIC (vi) how the investment monies will be used to promote the charitable purposes of SFCB (vii) that the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of SFCB and for whom considerations of profit are not of primary relevance in the investment decision (viii) that investors may be unable to get some or all of their money back when they expect or at all; and (ix) that the investment is not comparable to investments with banks, finance companies or fund managers.
- Investor Acknowledgements will be obtained from all retail wholesale clients which confirm they have read, understood and accepted SFCB product offering and the terms and conditions applicable to our products.
- Promotional material and offer documentation is reviewed and signed off by external legal adviser to ensure it meets applicable requirements, and does not state or infer that ASIC has approved or examined such material;

- Any false or misleading material statements relating to this Identification Statement shall be rectified as soon as practicable, via the issue of a supplementary or replacement Identification Statement;
- Audited financial statements, which comply with accounting standards, and a registered auditor's report, shall be obtained annually, within 4 months of the end of SFCB financial year, and lodged with ASIC within 4 months after the end of each financial year. Such statements/report shall be made available to the public via our website for a minimum period of 3 years from date of issue; and
- SFCB will notify ASIC as soon as it becomes aware of any matter which gives SFCB reason to believe it has failed or is likely to fail to comply with any application exemption condition. Notification will occur within 15 business days as per the requirement (although generally within 10 business days, as per the AFSL requirements).

7. CONSENT

- 7.1 As per ASIC RG 87.49, we herewith provide consent to allow any persons who so request, to examine this Identification Statement.