

ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813

Identification Statement

This is an Identification Statement prepared by CCI Asset Management Limited ABN 65 006 685 856 (**CCIAM**) of Level 8, 485 La Trobe Street, Melbourne, VIC 3000.

CCIAM is a public company limited by shares. It was registered and incorporated under the Companies Act 1961 (Vic) (now the Corporations Act 2001) in Victoria on 30 December 1986.

The term of each Trustee's appointment is not fixed.

1 Exemptions under section 5 of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (ASIC Instrument) on which CCIAM intends to rely

CCIAM intends to issue units in two unregistered managed investment schemes:

- CCI Asset Management Income Trust ABN 36 484 293 501 (**Income Trust**); and
- CCI Asset Management Catholic Values Trust ABN 67 716 279 065 (**Catholic Values Trust**)

(together, the **Trusts**). A copy of the trust deeds governing each Trust is attached as Annexure A.

CCIAM intends to rely on the following exemptions:

- (a) exemption under section 926A(2)(a) of the Corporations Act 2001 (**Corporations Act**) from the requirement to hold an Australian financial services licence (**AFSL**) in connection with its proposed issued of interests in the Trusts and providing general advice in the Offer Document to be issued by CCIAM;
- (b) exemption under section 601QA(1)(a) of the Corporations Act from the requirement to register each Trust with ASIC as a managed investment scheme pursuant to section 601ED(5) of the Corporations Act;
- (c) exemption under section 1020F(1)(a) of the Corporations Act from the obligation to provide a product disclosure statement and comply with certain advertising restrictions in relation to the issue of units in each Trust pursuant to Divisions 2 and 4 of Part 7.9 and sections 1017B and 1017G of the Corporations Act; and
- (d) exemption under section 992B(1)(a) of the Corporations Act in relation to prohibition on hawking units in each Trust pursuant to section 992AA of the Corporations Act.

Paragraph 12 below sets out how CCIAM meets, or may be expected to meet, the conditions of the exemptions.

2 The financial products issued by CCIAM

CCIAM will issue units to persons who are wholesale clients or retail clients that are associated with CCIAM.

3 The financial year for the Trusts

The financial year of each Trust ends on 30 June.

4 Requirement for CCIAM to hold an AFSL

CCIAM will not hold an AFSL. Pursuant to the ASIC Instrument, CCIAM is exempt from the requirement to hold an AFSL to operate the Trusts, issue units in the Trusts and provide general advice that is included in an Offer Document. This is because CCIAM will be a “wholesale charitable investment fundraiser”, within the meaning of the ASIC Instrument; that is, CCIAM will not issue units to persons who are “retail, non-associated clients”, within the meaning of the ASIC Instrument.

Units will only be issued to persons who are wholesale clients, and therefore may subscribe for them without a PDS pursuant to Division 2 of Part 7.9 of the Corporations Act or who are “retail, associated clients” within the meaning of the ASIC Instrument. Most commonly, subscribers will be wholesale clients because they subscribe for units valued at \$500,000 or more or already hold units in the Trust worth at least \$500,000 at the time of the additional subscription. Subscribers who are not wholesale clients will be associated with CCIAM. No voluntary staff member will be a unitholder.

5 Charitable Purpose of the CCIAM / Trusts

CCIAM and each Trust has the following charitable purposes:

- (a) CCIAM and the CCI Asset Management Trusts are acknowledged by the Australian Taxation Office (ATO) as providing an investment service for the promotion of religious principles.
- (b) CCIAM and the Trusts promote and advance the interests, principles and values of religious associations, entities, bodies, funds, organisations or societies associated with the Roman Catholic Church.

CCIAM and each Trust has been registered with Australian Charities and Not-for-profits Commission (**ACNC**).

6 How the Charitable Purpose of each Trust will be promoted by the issue of units in the Trusts

The CCI Asset Management Trusts have been specially designed to manage the long term investment needs of Church funds and to ensure that capital resources are available for the support of day to day engagement of the Church in its pastoral missions. Investments in the trusts are confined to those that provide for and support the beliefs, traditions, practices and canonical legislation of the Roman Catholic Church.

7 Key terms of the units

The key terms of units in the Trusts include:

- (a) Applications are accepted on a daily basis;
- (b) The minimum application amount is \$250,000, and the minimum additional application amount is generally \$10,000, or such lower amount determined by CCIAM;
- (c) Quarterly distributions paid on the Income Trust and half-yearly distributions paid on the Catholic Values Trust;
- (d) Withdrawals are generally processed within seven days of receiving a withdrawal request;
- (e) CCIAM will be paid a fee of 0.65% p.a. of the net asset value (**NAV**) from the Income Trust and a fee of 0.70% p.a. of the NAV from the Catholic Values Trust; and

- (f) Apart from the fees payable out of the Trusts to CCIAM, there are no additional fees payable directly by a unitholder.

8 To whom and through what means units in the Trusts will be offered

CCIAM will issue units to persons who are associated with the Catholic Church. Most of these will be wholesale clients, but some may be retail clients. No unitholder will be a voluntary staff member.

CCIAM will ensure that all clients are associated with CCIAM by satisfying itself that each client is a charity with a charitable purpose that is the same as, or similar to, CCIAM's charitable purpose (**related charitable purpose**) or the client is a person acting as a trustee of a trust for a charity with a related charitable purpose. CCIAM does this by requesting the Client's ABN upon application of units and conducting a search on the register of the ACNC to review the Client's charitable status and constitution to confirm that the applicant:

- i) is a charitable institution; and
- ii) has the charitable purpose to promote and advance the interests, principles and values of religious associations, entities, bodies, funds, organisations or societies associated with the Roman Catholic Church.

CCIAM will also review the client's mission statement on its website to confirm its association with the Roman Catholic Church.

Investment in CCI Asset Management Trusts is offered to qualifying clients through an Offer Document available via direct sales team or our website. Investments are only available to tax exempt entities associated with the Catholic Church such as dioceses, religious institutes and charitable institutions.

9 Requirement to lodge accounts with ACNC

CCIAM must prepare financial statements for itself and each Trust that comply with Australian Accounting Standards.

CCIAM must, within 6 months after the end of each financial year, have a registered company auditor audit the financial statements for CCIAM and each Trust and provide an auditor's report for each of them.

CCIAM is required to lodge audited financial statements for itself and each Trust with the ACNC. Because CCIAM lodges these audited accounts with ACNC, CCIAM is not required to lodge them with ASIC.

The audited financial statements and auditor's report for CCIAM and each Trust for each financial year will also be published and maintained for at least 3 years on (or accessible by a direct link from) the website <https://www.cciassetmanagement.org.au/>. This is the same website where this Identification Statement is or was most recently published.

The net income of CCIAM and each Trust is distributed in accordance with their charitable purposes.

10 Does anyone other than CCIAM provide a guarantee for the benefit of investors?

There are no guarantees provided by any person, including CCIAM, to investors who invest in the Trusts are issued units.

11 *Types of assets to be held in the Trusts and the extent to which they are held outside of Australia*

The assets of the Income Trust will consist of hybrid securities, fixed interest, mortgages and cash and the assets of the Catholic Values Trust will consist of Australian and international shares, fixed interest, property and cash.

Apart from the international shares in the Catholic Values Trust, no asset in a Trust is or will be held outside of Australia. To the extent international shares are held in the Catholic Values Trust, they are held by a sub-custodian engaged by the Trust's custodian, the National Australia Bank Limited.

12 *How CCIAM meets, or may be expected to meet, the conditions of the exemptions*

CCIAM will meet the conditions by not issuing short-term investment products and adopting and implementing a compliance plan that:

- (a) identifies the conditions specified by the ASIC Instrument that CCIAM must comply with, in particular that:
 - (i) the Identification Statement is, and will be, maintained on the website <https://www.cciassetmanagement.org.au/> for a period of 5 years after the last time CCIAM will rely on the relief in the ASIC Instrument;
 - (ii) the correct name to identify CCIAM as the charitable investment fundraiser is used on any offer document;
 - (iii) an appropriate warning is placed in any offer document that CCIAM is required by law to notify investors that the units and their offering is not subject to the usual protections for investors under the Corporations Act or regulation by ASIC;
 - (iv) CCIAM must ensure that they do not cause, authorise or permit 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:
 - (A) CCIAM or either Trust;
 - (B) the units;
 - (C) any promotional material or offer document;
 - (v) CCIAM must take all reasonable steps to ensure that the information in the Identification Statement is up to date, complete and not misleading, including that CCIAM must lodge a replacement Identification Statement with ASIC in the event of a change in circumstances including but not limited to the appointment or retirement of a trustee of a Trust;
 - (vi) the required financial statements are lodged with ACNC within the correct time frame;
- (b) specifies processes for the drafting, review (including external review), approval and issue of Offer Documents and the Identification Statement including any departure from the precedent Offer Document approved by CCIAM;
- (c) sets out breach identification and breach reporting requirements and procedures required by the ASIC Instrument. These include a requirement for CCIAM to give to ASIC full particulars of a matter where CCIAM becomes aware, or has reason to believe, that CCIAM has failed, or is likely to fail, to comply with a condition in section

7 of the ASIC Instrument, CCIAM. CCIAM must give this information to ASIC within 15 business days of becoming aware of it, unless CCIAM has received written notification from ASIC that the exemptions in the ASIC Instrument continue to apply despite CCIAM not having given ASIC full particulars of the matter or CCIAM has been notified in writing by ASIC, and ASIC has not revoked this notice, that breaches of the kind need not be notified to ASIC;

- (d) provides for a compliance function that includes a Board Risk and Audit Committee, a Governance, Risk & Compliance function and an assurance review program to oversee and review the operational processes to ensure that the Offer Document and any promotional material is compliant and that the Identification Statement does not contain any material inaccuracies or omissions and that appropriate steps are taken in the event that any issues are identified;
- (e) establishes the process and protocols for CCIAM to engage the services of a party other than CCIAM's employees (or the employees of CCIAM's parent, CCI) and to provide a material benefit to that party in respect of promotion, administration and management of the assets of a Trust or giving investment advice in respect of a Trust and, in the event that a party is engaged to provide services and receive a benefit, make appropriate disclosure in the Offer Document;
- (f) records the processes for CCIAM:
 - (i) to update the Identification Statement and lodge with ASIC if there has been a material change or a material misstatement or omission is identified;
 - (ii) to prepare and lodge the required financial statements with ASIC within the required time frames.

CCIAM will not issue new units in a Trust (including under any applications for additional investments) unless CCIAM has disclosed the following to the person:

- (a) how the Trust will be used to support the charitable purpose of the Trust;
- (b) the website address where the Identification Statement may be viewed;
- (c) a statement to the effect that CCIAM is required by law to notify unitholders who are retail clients that their offering is not subject to the usual protections for investors under the Corporations Act or regulations by ASIC; and
- (d) that CCIAM does not hold an Australian financial services licence,

CCIAM will ensure that any Offer Document or promotional material for a Trust, which is given to a retail client, contains a prominent statement that CCIAM is required by law to notify the investor that:

- (a) An investment in a Trust is only intended to attract investors whose primary purpose for making their investment is to support the Catholic Church; and
- (b) Investors may be unable to get some or all of their money back when the investor expects or at all; and
- (c) An investment in a Trust is not comparable to investments with banks, finance companies or fund managers.

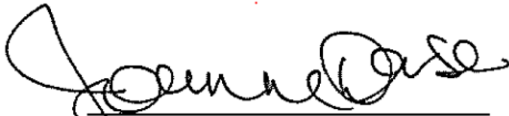
The ASIC Instrument also requires that, after 1 January 2018, no person who is a "retail, non-associated client", as defined in the ASIC Instrument, holds a short-term investment product.

Certain conditions in the ASIC Instrument, such as those in subsections 7(6)-(9), do not apply to CCIAM because all of the members in the Trusts are either wholesale clients or retail, associated clients. If CCIAM were to issue units in a Trust to a retail, non-associated client, CCIAM would have to comply with these additional conditions in order to have the benefit of the exemptions under the ASIC Instrument.

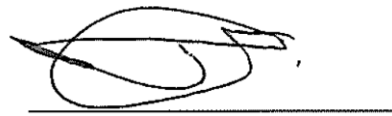
13 Consent

CCIAM consents to the disclosure by ASIC of the following documents to any third party:

- (a) this Identification Statement; and
- (b) any other information lodged by CCIAM with ASIC in connection with its application for relief pursuant to ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (LI 2016/813)



Director
Ms Jo Dawson



Company Secretary
Mr Dominic Chila

Date: 13th April 2018

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