

Offer Document of the Fresh Hope Investment Fund
of which The Churches of Christ Property Trust (ABN 73 068 989
953) is the controlling entity.

The Fresh Hope Investment Fund is associated with benefiting the
work and objects of Churches of Christ in New South Wales



Revision Issued # 2018

1. Introduction:

The Churches of Christ Property Trust (the “**Trust**”) was incorporated by the Churches of Christ in New South Wales Incorporation Act 1947 (“**Act**”). The Trust is the controlling entity of the Fresh Hope Investment Fund (“**Fund**”). The Fund is regulated and conducted in accordance with its Constitution. The Fund was formed for religious and charitable purposes as set out in its Constitution. The Trust is a “charitable investment fundraiser” as that term is defined in the ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (the “**2016 Instrument**”). The Fund is entitled the benefit of Banking Exemption No 1 2016. The purpose of this document is to invite the placement of funds with the Fund on the terms set out in this Offer Document. Other terms used in this document written with a capital letter have defined meanings as set out in clause 20 of this document.

2. Compliance with Exempting Legislation:

The Fund must to the extent necessary comply with all Exempting Legislation and, without limitation, must satisfy the Banking Exemption No 1 2016 and the conditions of the 2016 Instrument as pertaining to the Fund from time to time. The term of this Offer Document are subject to the mandatory terms of the Exempting Legislation and the Identification Statement. To the extent of any inconsistency between this Offer Document and the mandatory terms of the Exempting Legislation and the Identification Statement, the provisions of the mandatory terms of the Exempting Legislation and the Identification Statement shall prevail and this Offer Document shall be construed in a manner such as to satisfy those mandatory terms.

3. Identity of Charitable Investment Fundraiser:

The Trust (the “**Charitable Investment Fundraiser**”) operates from the premises of Churches of Christ in NSW at Level 1, 3 Rider Blvd, Rhodes NSW 2138 (PO Box 3561 Rhodes NSW 2138; Email: reception@freshhope.org.au)

4. Terms and Conditions of the Offer of the Charitable Investment Fundraiser:

The Fund offers to accept investments of funds (debentures) from persons ("Investors") who are either:

- (a) Affiliates of the Trust; or
- (b) Associates of the Trust;

from whom the Trust is permitted to accept investments under the Exempting Legislation on the terms and conditions of the Offer Document and without limitation on following terms and conditions:

- (i) the investments have a sole or dominant intention of furthering the religious and charitable purposes of the Fund;
 - (ii) each investment has a minimum term or call period of 31 days; and
 - (iii) subject to the provisions of the Hardship Policy, no investment may be redeemed within 31 days of the date on which it is invested;
- (c) when money held in a debenture issued by the Fund reaches its 31 day maturity, the Fund must:
- (i) roll over the Fund Investor's funds for a further period of at least 31 days; or
 - (ii) if the Fund Investor requests that the funds be rolled over for 30 days or less, or not be rolled over, repay the Fund Investor's funds in the form of cash, cheque or direct credit to an account held at an authorised deposit-taking institution (ADI) as defined in the *Banking Act*.
- (d) The Fund may, upon written request from a Fund Investor at any time, pay to the Fund Investor some or all of the funds invested in with the Fund, provided that the Fund determines it is satisfied that the Fund Investor has demonstrated that he or she is subject to exceptional circumstances that have caused financial hardship or may lead to hardship and that it is appropriate to release the funds.
- (e) The Fund will only make such a determination and release funds under subclause (d) of this clause 4 if the release is permitted in accordance with the Fund's Hardship Policy. That Policy sets out the basis upon which the Fund will determine whether exceptional circumstances exist which have led to financial hardship, or whether there are exceptional circumstances that may lead to financial hardship and which warrant the early release of a Fund Investor's funds.

- (f)** The Fund does:
- (i) not offer any investments to any person as a Retail, non-associated client;
 - (ii) not offer:
 - (A) cheque account facilities; or
 - (B) BPAY facilities.
 - (iii) not offer:
 - (A) Electronic Funds Transfer at Point of Sale (EFTPOS) facilities; or
 - (B) Automatic Teller Machine (ATM) facilities.
- (g)** Subclause (f)(ii) of this clause 4 does not preclude the Fund from making or receiving payments using such facilities.
- (h)** The Trust reserves its right to determine whether any person is an Affiliate or Associate of the Trust.

5. Statutory Disclosure:

- (a)** Pursuant to its obligations under the terms of the Banking Exemption the Fund discloses:

the Fund is not prudentially supervised by the Australian Prudential Regulation Authority. Therefore, an investor in the Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the Fund are intended to be a means for investors to support the charitable purposes of the Fund.

- (b)** Pursuant to its obligations under the terms of the ASIC Exemption Instruments:

- (i) the Fund discloses:
 - (A) that none of the following have been approved or examined by ASIC:
 - (1) the Trust as a charitable investment fundraiser;
 - (2) the debentures issued by the Trust;
 - (3) any promotional material of the Trust in relation to the Fund; and
 - (4) this Offer Document;
- (ii) the Fund discloses that it will not:
 - (A) issue a debenture to any person; or

- (B) accept an additional investment from the holder of a debenture;

unless it has made disclosure of the matters set out in 5 (b)(iii), 5(b)(iv) and 5(b)(v) of this Offer Document;
- (iii) the Fund discloses by this Offer Document the investment funds will be used to support the Fund's charitable purposes (see clauses 9, 11 and 13 of this Offer Document);
- (iv) the Fund discloses in this Offer Document how and where the Identification Statement may be viewed (see clause 17 of this Offer Document);
- (v) the Fund discloses by this Offer Document it is required by law to notify Investors, and **hereby notifies Investors:**
 - (A) that the debentures offered by the Fund are not, and their offering is not, subject to the usual protections for investors under the Corporations Act 2001 or regulation by ASIC; and
 - (B) that it does not hold an Australian financial services licence; and
- (vi) the Fund discloses that in relation to:
 - (A) the issue of debentures; and/or
 - (B) the acceptance of an additional investment from the holder of a debenture that was offered or issued in reliance on an exemption in section 5 of the 2016 Instrument or corresponding relief,

that it is required by law to notify Investors, and **hereby notifies Investors and draws to the attention of Investors:**
 - (C) the investments under this Offer Document are only intended to attract Investors whose primary purpose for making their investment is to support the Purpose;
 - (D) Fund Investors may be unable to get some or all of their money back when the Fund Investor expects or at all; and
 - (E) the investment is not comparable to investments with banks, finance companies or fund managers.

6. The Fund's Constitution:

A copy of the Constitution, of the Fund setting out of the Fund's religious and charitable purposes is available for inspection on request.

7. The Terms applying to the Investments:

The Fund offers to accept Investments of funds (debentures) from Investors in the Fund. The key terms applying to the debentures are:

- (a)** the debentures shall be unsecured;
- (b)** the debentures shall be issued for various periods as determined by the Trust from time to time by applying appropriate prudential criteria, provided the periods comply with:
 - (i)** Banking Exemption No 1 of 2016; and
 - (ii)** 2016 Instrument;and shall be for the periods of not less than thirty one (31) days,
- (c)** The Trust will determine the rate of return to debenture holders by reference to the Reserve Bank cash rate and the likely returns on investments made by the Trust
- (d)** No fees and/or costs will be payable by the holders of debentures.
- (e)** An Investor may, at the election of the Investor, place funds for periods of 31 days or more (as selected by the Investor) at the following interest rates: the Current Trust Rate or at a rate of zero percent (0%), as nominated by the Investor at the time of the making of the investment. In default of the Investor nominating an Interest Rate, interest shall be payable at the Current Trust Rate;
- (f)** The Current Trust Rate is available on request.
- (g)** The Trust will give notice of any alteration of the Current Trust Rate and any such notice will have effect at the later of:
 - (i)** 30 days after the date the notice is given; and
 - (ii)** subject to any other agreement between the Fund Investor and the Fund, where the investment is to end on an agreed date, the date following the date on which the term of the Fund Investor's investment is to end.

- (h) Interest, where applicable, will be calculated on a daily basis and paid or credited at:
 - (i) the end of the period of each investment; and
 - (ii) for investments for terms of longer than 31 days and which are current as at the end of June and/or December in any year, within seven (7) days of the end of each such applicable June and December; and
- (i) Interest will be paid in the form of a cheque or direct credit to an account held at an authorised deposit-taking institution (ADI) as defined in the Banking Act (as nominated by the Fund Investor) or otherwise credited to the Investor's account with the Fund.

8. Security for Moneys invested with the Fund:

Funds invested with the Fund are unsecured. The Fund is not offering secured debentures or any other security of any kind.

9. Intended Purpose of the Charitable Scheme:

The Fund has been established and is conducted for the Purposes. In turn the Trust accepts investments to provide a source of funds to be used for the capital purposes of the entities set out in the definition of Purposes and their respective activities; and to provide housing and car loans to Ministers of Churches of Christ in New South Wales; and loans for the purposes of the entities set out in the definition of Purposes approved by the Trust.

10. Liquidity Reserve:

A liquidity reserve of a minimum of \$500,000 is maintained to meet withdrawals by Fund Investors. The liquidity reserve is held in investments permitted by the terms of the Trustee Act.

11. Income of the Fund:

Subject to:

- (a) meeting the expenses of the Fund;
- (b) the payment of interest to those that make investments with the Fund;
- (c) the payment of interest to those that provide credit to the Trust for the purposes of the Fund; and

- (d) the creation of reserves, and the making of provisions, as the Trust determines from time to time as being appropriate,

the income of the Fund is to be applied for the Purposes and, without limitation, such of the Purposes that Conference Executive may determine from time to time by resolution.

12. Regulatory Regime:

Investors should be aware that the Fund is subject to the Exempting Legislation pertaining to the Fund and is conducted , to the extent necessary, in accordance with the applicable provisions of the Exempting Legislation.

13. Use of Funds:

Funds in the Fund not immediately required for advances or loans will be invested in the name of the Trust:

- (i) in investments and in securities authorised or deemed to be authorised by any law in force at the time in relation to the investment of funds held by trustees;
- (ii) in any security which may in the opinion of the Trust benefit the work or objects of Churches of Christ in New South Wales, its Agencies and its constituent churches (each Church of Christ) or trusts on whose behalf the monies are held by the Trust;
- (iii) in loans to Churches of Christ in New South Wales, its Agencies and its constituent churches with or without security and on such terms and conditions as may be determined from time to time by the Trust;
- (iv) in loans to any organisation where the monies will be used for the support or advancement of the work or objects of Churches of Christ in New South Wales;
- (v) in deposits with, or loans to, any authorised deposit taking institution or other corporation approved by the Trust;
- (vi) in the purchase or other acquisition of shares, units or other interests and securities other than those not permitted by any Policy of Churches of Christ in New South Wales; and
- (vii) in any other such investments as may be approved from time to time by any policy of Churches of Christ in New South Wales or resolution of the Conference Executive of Churches of Christ in New South Wales.

The Trust will not conduct any managed investment scheme.

14. Acceptance of Investments

- (a)** In order for funds to be invested with the Fund an Investor must properly complete and submit the Fund's application form and such other documents as the Fund may from time to time require and each such person must meet such requirements as the Fund from time to time stipulates (including, where a Fund Investor has an existing investment, the Funds "Application for Additional Investment").
- (b)** The Fund will acknowledge the receipt of all investments in writing. Investments are not transferable.
- (c)** Statements will be forwarded to Fund Investors following the end of June and December in each year showing interest paid during the period the subject of the statement.
- (d)** The Fund reserves the right to decline to accept any investment without assigning any reason for doing so.
- (e)** The Fund reserves the right to repay any or all funds invested with interest to the date of repayment on giving not less than 31 days' notice sent to the last known address of the Fund Investor.

15. Withdrawals:

- (a)** Subject to the terms of this document, any Fund Investor may request the withdrawal of any funds held by the Fund on behalf of that Fund Investor, in accordance with the procedures of the Fund and by means of such form of document as the Fund determines. When any funds of a Fund Investor are to be paid to the Fund Investor by the Fund the whole or part of any such payment must be in the form of cheque or direct credit to an account held at an authorised deposit-taking institution (ADI) as defined in the Banking Act nominated in writing by the Fund Investor or transferred to another account in the Fund on the written authority of the Fund Investor which may be transmitted to the Fund by facsimile or by email.
- (b)** Subject to the Fund's requirements as to the withdrawal of funds being met, and subject, in turn, to the Fund's Hardship Policy:
 - (i)** No withdrawal shall be effected within less than 31 days of a request for withdrawal;
 - (ii)** The minimum withdrawal is \$5000, or where the balance of an account is less than \$5000, the complete balance.

- (iii) No withdrawal may result in the balance remaining in the Fund on behalf of the Applicant being less than \$5,000 and if the application is to withdraw an amount which would result in less than \$5,000 remaining, the Application will be deemed to be an application to withdraw the whole of the balance in the Fund on behalf of the Applicant.
 - (iv) Withdrawals of up to \$499,990.00 require not less than 31 days' notice;
 - (v) Withdrawals of \$500,000 and above but below \$1,000,000 require not less than 60 days' notice;
 - (vi) Withdrawals of \$1,000,000 and above require not less than 90 days' notice.
 - (vii) Requests for withdrawals of investments held in multiple names must be signed by all of the relevant Fund Investors unless an express authority in other terms has been given by all of the relevant Fund Investors and which has been signed by all of the relevant Fund Investors.
- (c) All debentures may only be repaid or redeemed:
- (i) if the Trust has reasonable grounds to believe that if:
 - (A) all repayments that it may be required to pay on that day were made; and
 - (B) all repayments that may reasonably be expected to be due on each future day were made on that future day;

all holders of debentures and interests would be repaid on that day and on each future day in accordance with holders' entitlements; or
 - (ii) in the case of a holder of a debenture that is an individual, if the Trust is satisfied that the repayment would alleviate financial hardship that the holder is suffering or would suffer; or
 - (iii) on a winding up of the Fund.

16. Death

In the event of the death of a Fund Investor (the "**Deceased Investor**"), the Fund will pay the funds of the Deceased Investor, with accrued interest, to the legal personal representative of the Deceased Investor upon the Fund's requirements with respect to withdrawals of funds being met and the Fund being satisfied, in its discretion, to the right of the legal personal representative to make a withdrawal and give a proper discharge for the funds. Unless

otherwise directed, in the case of a jointly held investment, the funds in a jointly held account, with accrued interest, will be transferred to the remaining joint Fund Investor(s).

17. **Identification Statement**

The Identification Statement shall be published (and continue to be published) on the website of Churches of Christ in New South Wales (the “**Fresh Hope Website**”) which is a (and is the) charity for the purpose of the 2016 Instrument. It will be in a publicly accessible section of the Fresh Hope Website. Additionally it will be provided to any person who requests that the Trust provide a copy of the Identification Statement to that person.

18. **Offer Document**

This Offer Document will be made available to existing Fund Investors and to Investors.

19. **Audited Financial Statements of the Fund**

A copy of the audited financial statements of the Fund and the auditor’s report in relation to those audited financial statements (together the “**Statements and the Audit Report**”) will be lodged with ASIC within six (6) months of the end of each financial year and the Statements and the Audit Report as lodged with ASIC for the most recent three (3) financial years will be published on, and may be viewed by, a direct link on the publicly accessible website of the Churches of Christ in New South Wales, that is the Fresh Hope Website.

20. **Definitions**

In this document:

Affiliate has the meaning set out in the Banking Exemption.

Agencies means entities established by Churches of Christ in New South Wales or Conference Executive and includes without limitation, Conference Executive, each Conference Auxiliary, each Conference Committee and each Body of which the Trust, or Churches of Christ in New South Wales, is a member.

ASIC means the Australian Securities & Investments Commission.

ASIC Exemption Instruments means each of ASIC class Order C002/184 and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813] and each of them, to the extent, and as and when, they apply.

Associate has the meaning of the expression as set out in the 2016 Instrument.

Banking Act means the Banking Act 1959;

Banking Exemption means Banking Exemption No 1 2016 published under the Banking Act;

Body has the meaning set out in the Corporations Act 2001;

Church of Christ has the meaning set out in the Act;

Churches of Christ in New South Wales has the meaning set out in the Act;

Conference Auxiliary has the meaning set out in the Act;

Conference Committee has the meaning set out in the Act;

Conference Executive has the meaning set out in the Act;

Controlling Entity means a person or body corporate who or which is a trustee of, or otherwise concerned in the management of, a Fund.

Current Trust Rate means rate of interest as determined, from time to time, by a resolution of the Trust as being the "Current Trust Rate" expressed as an annual percentage rate calculated on daily balances.

Exempting Legislation means all legislation, regulations, legislative instruments, orders or enactments of any kind, relating to exemptions in relation to the requirements of the Banking Act, the Australian Prudential Regulation Authority and/or ASIC and without limitation includes the Banking Exemption and the ASIC Exemption Instruments;

Fund Investor means any person who has a current investment with the Fund.

Hardship Policy means the Hardship Policy of the Fund as in force from time to time.

Identification Statement means the Identification Statement in relation to the fund registered with ASIC.

Interest Rates means the rates of Interest set out in clause 7;

Investor means any person who is considering making an investment in the Fund.

Purposes means the advancing of religion and without limitation advancing and benefiting the work and objects of Churches of Christ in New South Wales, Conference Executive, Conference Committees, Conference Auxiliaries and Churches of Christ.

Retail Client has the meaning of the expression as set out in the 2016 Instrument.

Retail, non-associated client has the meaning of the expression as set out in the 2016 Instrument.

Retail Product has the meaning of the expression as set out in the Banking Exemption..

Short-term Investment Product has the meaning set out in the 2016 Instrument

Specified Periods means:

- (a) 31 days; or
- (b) any period of in excess of 31 days agreed to between the Fund and the Investors, as the case may be.

Trustee Act means the Trustee Act 1925 NSW.

21. Interpretation

In this document unless the context otherwise indicates:

- (a) references to any person shall include the legal personal representatives, executors, administrators, successors and permitted assigns of that party;
- (b) words importing the singular shall include the plural and vice versa;
- (c) words importing a gender shall include other genders;
- (d) references to a person shall be construed as references to an individual, firm, partnership, joint venture, body corporate and association (whether incorporated or not); and local authority or agency;
- (e) references to any document (including this document) are references to that document as amended, consolidated or supplemented from time to time;
- (f) headings included in this document are for convenience only and shall be disregarded in the construction of this document;
- (g) where any word or phrase is given a defined meaning in this document, any other part of speech or other grammatical form in respect of such word or phrase shall have a corresponding meaning; and
- (h) references to any statute, ordinance or other law shall include all regulations and other instruments thereunder and all consolidations, amendments, re-enactments or replacements thereof.

Date: #