



# U Ethical Growth Portfolio

## Additional Information Booklet

Issued 27 September 2023

**U Ethical Growth Portfolio Issued by** UCA Growth Fund Limited  
ABN 39 075 948 435

**Manager and administrator Uniting Ethical Investors Limited trading as U Ethical** ABN 46 102 469 821 AFSL 294147

The information in this Additional Information Booklet dated 27 September 2023 forms part of the Offer Document for the U Ethical Growth Portfolio dated 27 September 2023.

---

## Contents

<b>Additional Information Booklet .....</b>	<b>1</b>
<b>Important information for investors .....</b>	<b>3</b>
<b>Section 1: About U Ethical.....</b>	<b>4</b>
<b>Section 2: How the Portfolio works .....</b>	<b>4</b>
<b>Section 3: Benefits of investing in the Growth Portfolio .....</b>	<b>5</b>
<b>Section 4: Risks of investing in the Growth Portfolio.....</b>	<b>6</b>
<b>Section 5: How we invest your money.....</b>	<b>6</b>
<b>Section 6: Fees and costs.....</b>	<b>6</b>
<b>Section 7: Taxation .....</b>	<b>8</b>
<b>Section 8: How to apply .....</b>	<b>8</b>
<b>Section 9: Other information .....</b>	<b>8</b>

**Registered address**

Level 6, 130 Lonsdale Street  
Melbourne Vic 3000

**Website** [www.uethical.com](http://www.uethical.com)

**Email** [info@uethical.com](mailto:info@uethical.com)

**Telephone** 1800 996 888

**Office Hours**

8.30 a.m. – 5.00 p.m.  
Monday to Friday

## Important information for investors

This Additional Information Booklet and the corresponding Offer Document dated XX September 2023 provide a summary of key information relating to the U Ethical Growth Portfolio (the Portfolio). References to 'you' or 'your' are to investors (and, when the context requires, prospective investors) in the Portfolio. You should consider the information in this Additional Information Booklet (AIB) together with the Offer Document and the Financial Services Guide before making a decision to invest in debentures relating to the Portfolio. A reference to the Offer Document includes, unless the context requires otherwise, a reference to both the Offer Document and the Additional Information Booklet.

The Offer Documents and the Additional Information Booklet are available on U Ethical's website or by contacting U Ethical directly to request a copy free of charge. The information contained in this Additional Information Booklet and the Offer Document are subject to change and information that is not materially adverse may be updated without notice. However, information about non-materially adverse updates can be obtained by going to the website or contacting U Ethical directly. You may request a paper copy of these updates at any time free of charge. You must ensure that you have read this Additional Information Booklet and the Offer Document at the date of your application.

The information in this Additional Information Booklet is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser.

The issuer is required by law to notify investors that the offering of debentures relating to the Portfolio and the debentures themselves are not subject to the usual protections under the Corporations Act or regulation by ASIC. ASIC has not approved or examined the issuer, the debentures relating to the Portfolio or this Additional Information Booklet. U Ethical will provide audited financial accounts to the Australian Charities and Not-for-profits Commission (ACNC) each year for UCA Growth Fund Limited (UCA Growth).

UCA Growth is not prudentially supervised by the Australian Prudential Regulation Authority (APRA). Therefore, an investor in the Portfolio will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. UCA Growth is listed as a religious charitable development fund in APRA's Banking Exemption. Investments in the Portfolio are intended to be a means for investors to support the charitable purposes of UCA Growth.

This Additional Information Booklet has been prepared by U Ethical, on behalf of UCA Growth.

### **Restriction of offer**

This Additional Information Booklet is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this Additional Information Booklet outside Australia may be restricted by the laws of places where it is distributed, and therefore persons into whose possession this Additional Information Booklet comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

### **Disclosure of any relevant conflicts of interest**

U Ethical operates under the umbrella of The Uniting Church in Australia, Synod of Victoria and Tasmania, and does not have any relationships or associations otherwise which might influence the services it provides.

## Section 1: About U Ethical

U Ethical is a public company limited by guarantee that operates a funds management business. It is wholly owned by The Uniting Church in Australia Property Trust (Victoria) ABN 39 703 442 583 and The Uniting Church in Australia Property Trust (Tas.) ABN 88 774 033 774 (the Church), and holds AFS licence 294147. The scope includes the funds management activities of the following companies:

- UCA Cash Management Fund Limited ABN 41 075 948 444; and
  - UCA Growth Fund Limited ABN 39 075 948 435 (UCA Growth)
- (together, the U Ethical Companies).

U Ethical is the vehicle through which the ethical funds management business is conducted, whereas the U Ethical Companies provide two of the investment vehicles operated by U Ethical.

At the date of this Additional Information Booklet, the directors of U Ethical are also directors of the U Ethical Companies.

### The Portfolio

Investment in the Portfolio is via unitised debentures issued to the investor by UCA Growth. Investors in debentures relating to the Portfolio do not have a beneficial entitlement to the assets of the Portfolio.

UCA Growth relies on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813. The terms and conditions of the debentures relating to the Portfolio are outlined in the Offer Document. An up-to-date copy of the terms and conditions for the Portfolio can be obtained from the U Ethical website.

## Section 2: How the Portfolio works

### Valuation and unit price calculation for the U Ethical Growth Portfolio

Valuations are performed on the U Ethical Growth Portfolio every business day. The value of the Portfolio is the total market value of all its assets less its total liabilities including accrued liabilities.

Investors in the Portfolio are issued unitised debentures relating to the Portfolio. Each unit has a unit price which is calculated by dividing the total net assets of the Portfolio by the number of units on issue. For example, if \$1,000,000 of net assets is held and there are 1,000,000 units on issue, the unit price would be \$1.

The close-of-business unit price will be used for valid application or redemption requests received before 1.00 p.m. on a business day. Valid application or redemption requests received after 1.00 p.m. (or on a day other than a business day) are processed using the close-of-business price for the next business day. Applications will only be processed if accompanied by payment.

Transactions are suspended bi-annually to allow for completion of distributions to existing investors.

You can obtain further information about U Ethical's discretionary unit pricing policy by visiting the U Ethical website.

### Interest/income instructions

Distributions from the U Ethical Growth Portfolio can be reinvested in the Portfolio, paid to a valid nominated Australian bank account, or invested in the U Ethical Cash Management Trust - Wholesale.

## Section 3: Benefits of investing in the Growth Portfolio

### Key features of the Portfolio

	U Ethical Growth Portfolio	Transaction method
Investment type	Unitised	N/A
Initial minimum investment*	\$500,000 or \$1,000	DD
Regular investments	Yes	DD
Additional investments	No minimum	**EFT, DD or BPAY
Distribution reinvestment	Yes	N/A
Minimum balance	\$100	N/A
Redemptions – minimum	No minimum	EFT
Switches – minimum	No minimum	N/A

\* To invest in the Portfolio, an investor must either have an initial minimum investment of \$500,000 or \$1,000 for investors affiliated with UCA Growth or The Uniting Church in Australia.

\*\*BPAY up to \$1million. EFT amounts greater than \$1million

DD = Direct Debit, EFT = Electronic Funds Transfer

### Key features – All investments unless otherwise stated

<b>Transaction processing</b>	Valid requests received before 1.00 p.m. will be processed on the same business day. Valid requests received after 1.00 p.m. will be processed the next business day.
<b>Switching</b>	Switching your investment between funds within the same account. All or part of your investment subject to a minimum balance of \$1000.
<b>Income distribution</b>	Within one (1) month after 30 June and 31 December each year, proportionate to the number of units held on distribution date. Investors have the option to reinvest income, or the income can be credited to an investor's nominated Australian bank account.
<b>Investment confirmations</b>	Confirmation of initial and all additional debenture investments will be sent any time the Corporations Act requires it to be sent.
<b>Regular reporting</b>	Debenture statements will be sent every six months (within one (1) month after 30 June and 31 December each year) detailing income distributions, account balances and transaction summaries.
<b>Unit price</b>	Visit the U Ethical website or the Investor portal for application and redemption unit prices, or contact U Ethical directly. Prices are normally updated every business day.
<b>ASIC reporting</b>	Certain financial information about U Ethical is lodged with ASIC and is available for inspection.
<b>Ethical Investment Policy</b>	Investment strategies and screening in accordance with U Ethical's ethical investment policy (EIP) and ethical investment and stewardship approach (EISA) are employed to assist U Ethical in selecting appropriate investments within the underlying trusts. The application of the EIP and the EISA varies depending on asset class. A copy of the policy and approach can be obtained from U Ethical's website or by contacting U Ethical directly.

## Section 4: Risks of investing in the Growth Portfolio

All investments involve risk. Selecting the right investment is important. U Ethical offers a range of investment options that cater for investors with different risk tolerances.

There are many types of risk as explained in the Offer Document. The Portfolio is suitable for investors seeking a high-risk investment over a long-term investment horizon. As the Portfolio's investment strategy is high-risk, it is expected to produce a higher return relative to lower risk investments. U Ethical does not guarantee a return on the Portfolio's investments. There is also no guarantee that past returns achieved by the Portfolio will continue into the future.

## Section 5: How we invest your money

U Ethical determines the parameters for the investment decisions of the Portfolio. Details about the current investment mandate of the Portfolio are provided in Section 5 of the Offer Document.

The investment strategy is in accordance with U Ethical's ethical investment policy (EIP) and its ethical investment and stewardship approach (EISA), both of which can be found on our website.

The application of the EIP and EISA includes negative screening, positive screening and active stewardship. The application of the EIP and the EISA varies depending on asset class. Please refer to the EIP and EISA for details of the negative and positive screening criteria, the application of the EIP to specific asset classes and the definitions relevant to the negative and positive screening.

## Section 6: Fees and costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better investor services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.\*

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged in relation to your investment in a Portfolio.

UCA Growth does not pay any performance-related fees or commissions to financial advisers or to U Ethical or its staff.

Type of fee or cost	Amount <sup>1</sup>
Fees when money moves in and out of the Portfolio	
<b>Establishment fee</b> – The fee to open an account	Nil
<b>Contribution fee</b> – The fee on each amount contributed to an investment	Nil
<b>Redemption fee</b> – The fee on each amount redeemed from an investment	Nil
<b>Termination fee</b> – The fee to close an account	Nil

<p><b>Management costs<sup>1</sup></b>  The fees and costs for managing your investment</p> <ul style="list-style-type: none"> <li>– Management fee – estimated to be up to 0.80% p.a. of the net asset value of the Portfolio</li> </ul>	<p>Estimated to be up to 0.80% p.a. or \$400 for every \$50,000 you have invested</p>
<p><b>Service Fees<sup>2</sup></b>  Buy/sell spread</p> <ul style="list-style-type: none"> <li>– U Ethical Growth Portfolio 0.20%/0.20%</li> </ul>	<p>Estimated to be up to \$100 for every \$50,000 you invest or redeem</p>

### Footnotes

1. Unless otherwise stated, fees and costs disclosed in this section are inclusive of the net effect of GST, if applicable.
2. The buy/sell spread is set up to 0.20 per cent. This cost is passed on to investors when an investment or redemption is made in the Portfolio. It is estimated to be \$100 for every \$50,000 invested or redeemed.

### Additional explanation of fees and costs

U Ethical retains the right to increase the management fee to a maximum of 1 per cent per annum without notice or approval from investors.

### Example of annual fees and costs for the Portfolio

This table gives an example of how the fees and costs in the Portfolio can affect your investment over a one year period. You should use this table to compare this product with other products.

<b>Example for the U Ethical Growth Portfolio: Balance of \$50,000 with total contributions of \$5,000 during the year.</b>		
<b>Contribution fees</b>	Nil	For every \$5,000 invested there will be a \$0 charge.
<b>Plus Management costs</b>	Up to 0.80% p.a.	And for every \$50,000 invested you will be charged up to \$400 each year.
<b>Equals total cost of Portfolio</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged up to \$400.*

\*Fees and charges are deducted from income prior to distributions and not deducted from investment capital.

This example assumes management costs are calculated on the balance of \$50,000 with the \$5,000 contribution occurring at the end of the first year. Therefore, management costs are calculated on a \$50,000 balance only. It assumes no market movement on the value of the assets and no reinvestment of income or redemptions made during the year. This example does not capture the impact of the buy/sell spread.

### Management fees

The management fee, and any expenses that are reimbursed to U Ethical, are deducted before income is distributed. Therefore, fees and expenses will not appear as a deduction on income distribution statements.

There are no transaction fees or charges other than the buy/sell spread referred to in the unit price calculation for the U Ethical Growth Portfolio. The buy/sell spread is rounded to the nearest cent and this cost is associated with the acquisition and disposal of assets when units are acquired or redeemed.

The maximum management fee is 1.00 per cent per annum of the value of the U Ethical Growth Portfolio's net assets, payable at the end of each calendar month.

### GST

Goods and services tax (GST) is not payable on the issue or redemption or transfer of investments in the Portfolios, as these are input taxed financial supplies for GST purposes. When the fees and costs are shown in this section (unless otherwise stated) the net cost of GST is included. If the GST rate or arrangements change, the total amount payable may change even though fees due to U Ethical are not increased.

## Section 7: Taxation

### Taxation position of the Portfolio

The Portfolio is Income Tax Exempt.

### Australian Business Number (ABN)

Investors are required to quote their ABN which must be Income Tax Exempt Charity (ITEC) endorsed.

### Imputation credits of the Portfolio

Imputation credits form part of the Portfolio's assets from the date the underlying securities held by the Portfolio are quoted ex-dividend. As investors must be tax exempt, the Portfolio claims the imputation credits from the Australian Taxation Office. The cash equivalent of the imputation credits is passed on to investors in their income distributions. Imputation credits are included in the assets of the Portfolio for the purpose of calculating the unit prices of the Portfolio until they have been distributed. However, imputation credits on buybacks are not distributed and are retained as assets of the Portfolio.

The realised capital gains for the Portfolio are retained as assets of the Portfolio and are not distributed.

## Section 8: How to apply

Before completing the Application Form, which can be found on our website, please ensure you have read and understood this Additional Information Booklet along with the Offer Document.

1. Complete all relevant sections of the Application Form. You must sign the Application Form before submission. If you have any questions regarding the completion of the Application Form please contact U Ethical for more information. The Application Form is to be signed by all authorised signatories.
2. Submit the completed online Application Form ensuring you have provided all supporting identification documents as required.

Applicants investing in debentures relating to the Portfolio must:

- hold an Endorsement for Charity Tax Concessions; and
- have an ABN which must be provided that includes an Income Tax Exemption Registration.

Applications must be signed by authorised representatives and signatories must be nominated to transact on the account.

## Section 9: Other information

### Changed details

U Ethical must be advised in writing when you change your name, authorised signatory/ies, address or bank account details.

### Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) imposes stringent obligations on financial services businesses to ascertain and verify the identity of their clients. The AML Act requires U Ethical to comply with client identification and verification procedures. Depending on the circumstances, U Ethical may need to obtain from you certain additional documents or information. You will be informed what information or documents are required, if any, when the need arises. U Ethical may also be required to disclose information in respect of an application and/or subsequent transactions to regulatory and/or law enforcement agencies including the Australian Transaction Reports and Analysis Centre (AUSTRAC).

### Privacy

U Ethical is committed to compliance with the Privacy Act and the Australian Privacy Principles, and providing you with products and services in a manner which ensures your right to privacy is respected.

U Ethical collects personal information for the purposes of processing applications, providing you with the products offered in the relevant Offer Document and Additional Information Booklet and in order to manage your investment.



We only collect, use and retain personal information which is necessary to provide you with access to, and information about, our services. If you wish to access or update information we hold about you, please ask us and we will make arrangements for you to do so.

Queries about privacy should be directed in the first instance to the Privacy Officer, U Ethical at the address provided at the front of this Additional Information Booklet.

**A copy of our privacy policy is available from us. Please contact us if you have any concerns.**

For complaints concerning privacy matters which have not been resolved to your satisfaction, you can then lodge your complaint with the Office of the Australian Information Commissioner via their online Privacy Complaint Form, available at <http://www.oaic.gov.au/privacy/making-a-privacy-complaint>.

### **Custodian**

The Northern Trust Company (acting through its Australian branch) (Northern Trust) has been appointed to hold the assets of the Portfolios (excluding commercial mortgage loans and community impact investments (including loans)) relating to the Portfolio under a Master Custody Agreement. As Custodian, Northern Trust will safe-keep these assets, collect the income and act on directions from U Ethical to settle trades. Northern Trust does not make investment decisions in respect of the assets it holds and does not receive the personal information of any investor. U Ethical performs internal custody for commercial mortgage loans and community impact investments (including loans).

### **Unit registry services**

OneVue Fund Services Pty Ltd has been appointed to perform the functions of unit registry and limited client services. OneVue's unit registry services supports the custodian and Responsible Entity on a daily basis. OneVue acts only on instruction from U Ethical.

### **Consent to be named**

The following parties have given written consent (which has not been withdrawn at the date of this Additional Information Booklet) to being named in the form and context in which they are named, in this Additional Information Booklet:

- The Uniting Church in Australia Property Trust (Victoria);
- The Uniting Church in Australia Property Trust (Tas.);
- The Uniting Church in Australia, Synod of Victoria and Tasmania;
- The Northern Trust Company; and
- OneVue Fund Services Pty Ltd.

Each party named above who have consented to be named in this Additional Information Booklet:

- has not authorised or caused the issue of the Additional Information Booklet;
- does not make or purport to make any statement in the Additional Information Booklet (or any statement on which the statement in the Additional Information Booklet is based) other than as specified; and
- to the maximum extent permitted by law, takes no responsibility for any part of the Additional Information Booklet other than the reference to their name in a statement included in the Additional Information Booklet with their consent as specified.