



**U Ethical International Equities Trust -
Wholesale**

**U Ethical Australian Equities Trust -
Wholesale**

**U Ethical Diversified Income Trust -
Wholesale**

**U Ethical Enhanced Income Trust -
Wholesale**

**U Ethical Cash Management Trust -
Wholesale**

Information Memorandum

26 September 2023

Issued by

Uniting Ethical Investors Limited trading as U Ethical
ABN 46 102 469 821 AFSL 294147

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This Information Memorandum (IM) contains significant information you need to make a decision to invest in one or more of the trusts named in this IM (Trusts). You should consider the information in this IM in reference to the relevant trust before making a decision to invest in the trust/s. The information in this IM is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances. Information in this IM is relevant to all trusts unless stated otherwise.

Investments in the trusts can only be made by wholesale investors receiving the IM (including an electronic version) in Australia, and to certain wholesale investors in those countries where the offer to invest and investment in the trusts is lawful in both that country and Australia. If you receive this IM outside Australia, you should seek professional advice about restrictions on investing in the trusts. The trusts have not been and are not required to be registered as managed investment schemes and this IM has not been and is not required to be lodged with the Australian Securities and Investments Commission (ASIC).

The information in this IM is not intended to be relied upon as investment or tax advice. To the maximum extent permitted by law, U Ethical does not accept any liability or responsibility for any loss or damage (without limitation) arising from reliance placed on the information contained in this IM. An investment in any unit trust is subject to risks of potential loss of income and the potential loss of capital. U Ethical does not guarantee any particular rate of return or the performance of the trusts nor the repayment of capital or any particular tax treatment of any unitholder.

You should conduct your own due diligence prior to submitting an application to invest in the trust/s. By submitting an application to invest in the trust/s you confirm that you have conducted your own due diligence and have placed no reliance on any information, statements or data provided in this IM.

In this IM, a "Business Day" means any day other than a Saturday, Sunday or public holiday on which the banks in Victoria are generally open for business and all times are Melbourne time.

1. About U Ethical

U Ethical is the trustee and investment manager of the trusts. As the trustee, we are responsible for overseeing the operations of the trusts. As the investment manager, we are responsible for selecting and managing the assets of the trusts.

U Ethical is a public company limited by guarantee and an autonomous social enterprise of the Uniting Church with an independent board. Our oldest funds were established in 1985.

2. How the trusts work

When you invest in the trusts, your money is pooled together with the money of other investors and invested in accordance with the relevant trust's investment strategy.

2.1 Units and unit prices

Application and redemption prices are available on our website or by contacting us during business hours.

2.1.1 Cash Management Trust (Wholesale) only

When you invest in the trust, you will be issued with units representing the value of your investment. The application and redemption prices of the trust are normally \$1.00 and this price is not expected to change. However, the unit price is not guaranteed and a decline in the asset value of the trust's underlying investments could cause the unit price to fall below \$1. In the normal course of events we would expect that the capital proceeds upon redemption to be equal to the cost of acquiring units in the trust (excluding fees and costs). However, there is no guarantee of the return of capital or income of the trust.

2.1.2 All other trusts in this IM

You will be issued with units representing the value of your investment which have a unit price. Unit prices reflect the market value of the assets of a trust and consequently will rise or fall as the market value of the assets in the trust rises or falls. The unit price is calculated by dividing the total net assets by the number of units on issue. For example, if \$100,000,000 of net assets is held and there are 100,000,000 units on issue, the unit price would be \$1.

2.2 How to invest

You can make an initial investment in a trust by applying directly through our website or via a platform. All relevant information can be found on our website.

2.3 Minimum investment

The minimum initial investment is \$500,000 per trust. Additional investments of at least \$10,000 per trust can be lodged at any time thereafter.

2.4 Payment methods

Payment should be made via the BPay facility. Cheques and cash are not accepted. Investments of \$1,000,000 or more should be made via electronic funds transfer, details will be forward to you directly as part of your welcome pack.

2.5 How to redeem

You can redeem some or all of your investment at any time, as long as the redemption request is for at least \$5,000 per Trust, by sending us a correctly completed redemption form which can be found on our website. For institutional investors please contact us for alternative options. If your redemption request results in your remaining investment in a trust falling below \$250,000, we may require you to redeem your entire balance in that trust.

Redemptions from the trusts can only be paid directly to a nominated Australian bank account in the same name as the investor. You can usually expect to receive the proceeds within seven (7) business days after receipt and acceptance of your redemption request. However, in January and July when distributions are being processed, this may extend to ten (10) Business Days.

2.6 Restrictions on redemptions

There may be circumstances when redemptions from a trust are suspended, for example when the trust is illiquid (as defined by the Corporations Act 2001). During such periods, your ability to redeem may be restricted and you may have to wait before you can redeem some or all of your investment.

2.7 Processing

Valid application and redemption requests, including cleared funds for applications, received before 11.00am for the Cash Management Trust (Wholesale) and 1.00pm for all other trusts on a Business Day are processed at the price applicable and effective on the day all requirements are met. Application and redemption requests received after 11.00am for the Cash Management Trust (Wholesale) and 1.00pm for all other trusts are taken as being received on the following Business Day. Unit prices, which reflect the net asset value of the trusts' investments, are calculated each Business Day after all relevant securities markets close.

If an invalid or incomplete application or redemption request is received, it will be processed on the day we receive the correct documentation and cleared funds. The cut-off times noted above apply.

You will receive a written acknowledgment for each application and redemption.

Applications and redemptions are suspended for a brief period half-yearly for completion of distributions to existing unitholders.

2.8 Valuation

Valuations are performed on the trusts every Business Day in line with the Victorian public holidays. The value of a trust is the total market value of all the assets less the total liabilities including accrued liabilities.

2.9 Distributions

2.9.1 Cash Management Trust (Wholesale) only

Generally, income distribution periods end on 30 September, 31 December, 31 March and 30 June, with income distributed to unitholders within one month.

2.9.2 All other trusts in this IM

Generally, income distribution periods end on 31 December and 30 June, with income distributed to unitholders within one month. The distribution per unit will be notified upon payment.

The income of a trust may include interest, dividends and net capital gains from the sale of investments. Expenses are deducted to calculate net income. Any net realised capital gains will be distributed proportionately to investors who hold units on 30 June following the realisation of the gain. Any unrealised capital gains will not be distributed but will be reflected in the unit price.

At your request, the income distribution may be:

- Reinvested in the relevant trust,
- Credited to your nominated Australian bank account.

If no preference is indicated on your application form or if we do not have valid Australian bank account details, income distributions will be reinvested.

The material relating to how a trust works may change between the time you read this IM and the day when you acquire the product.

3. Benefits of investing in the trusts

3.1 Significant features

The trusts are designed to meet the needs of investors seeking competitive financial returns. They provide exposure to various assets classes subject to U Ethical's ethical investment policy (EIP) and ethical investment and stewardship approach (EISA), both of which are available on our website.

The application of the EIP and the EISA varies depending on asset class. Please see section 5 below, 'How we invest your money' and the EIP for more details. We highly recommend that you read the EIP before deciding to invest.

3.2 Significant benefits

Income: Investors have the potential to receive regular income in the form of half-yearly distributions.

Liquidity: Some or all of the underlying investments are liquid so investors can generally redeem investments at any point in time.

Professional funds management: Investing is complex and time consuming and the trusts offer investors access to the expertise and experience of a professional investment manager.

Portfolio diversity: The trusts enable investors to obtain exposure to a greater number and diversity of investments than would typically be possible for a sole investor. Please refer to the EIP and EISA for further details.

Risk management: The trusts provide investors with the opportunity to diversify, and hence manage, the risks involved in investing in a trust's assets.

Reinvestment of distributions: Investors have the ability to automatically reinvest income distributions in the relevant trust with no entry or transaction costs.

Regular reporting: You will receive statements every six months (31 December and 30 June) detailing income distributions, account balances and transaction summaries and, with the exception of the Cash Management Trust (Wholesale), quarterly reports will be sent to you.

Reliable client service: We endeavour to provide superior and personalised service to all trust investors.

The material relating to the benefits of investing in a trust and its key features may change between the time you read this IM and the day when you acquire the product.

4. Risks of investing in the trusts

All investments carry some level of risk. The likely investment return and risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the portfolio of assets that make up the scheme. Those assets with potentially higher long-term returns may also have a higher risk of losing money in the shorter term.

Risk can be managed but cannot be completely eliminated. It is important to understand that:

- The value of some investments will rise and fall
- The level of investment returns will vary, and future returns may differ from past returns
- Returns are not guaranteed and there is a risk income distribution will not be received and that investors may lose some of their money, and
- Laws affecting investments in a managed investment scheme may change over time.

The appropriate level of risk for each investor will vary and depend on a range of factors including the investor's overall portfolio allocations, investment objectives, liabilities, investment time frame and risk tolerance.

The risks of the trusts vary and may include, but are not limited to:

4.1 Risks specific to the Trusts' assets

Company specific risk: Investments in a company's securities will be subject to the risks to which that company is itself exposed. They include changes in management, actions of competitors and regulators, changes in technology and market trends.

Concentration risk: If a trust holds a concentrated portfolio, returns may be dependent upon the performance of individual companies or investments. The concentrated exposure may lead to increased volatility in the unit price and increased risk of poor performance.

Counterparty risk: There is a risk that a trust may incur a loss arising from the failure of another party to a contract (the counterparty) to meet its obligations. Counterparty risk arises primarily from investments in cash, derivatives and currency transactions. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations.

Credit risk: The issuer of a security owned by a trust or a borrower from a trust may not meet its obligations to make a payment of interest, a repayment of principle or some other financial obligation.

Derivatives risk: The value of a derivative is derived from the value of an underlying asset and can be highly volatile. Changes in the value of derivatives may occur due to a range of factors that include rises or falls in the value of the derivative in line with movements in the value of the underlying asset, potential liquidity of the derivative and counterparty credit risk.

Interest rate risk: The returns from an investment may be adversely impacted by changes in interest rates.

4.2 Risks specific to the Trusts' investment strategy

Currency risk: For unhedged investments in international assets, a rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. Companies that the Trust invests in may earn revenue in foreign currencies, which may not hedge their currency exposures. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. Adverse movements in the Australian dollar relative to other currencies may negatively impact investment values and returns. It is not our intention to hedge foreign currency exposures arising from investments in overseas markets.

Investment selection risk: The specific investments selected by U Ethical may not perform as expected, which can have an impact on performance.

Liquidity risk: Investments may be or may become illiquid due to unforeseen financial or economic events, in which case redemptions could be temporarily suspended. In such circumstances, a trust may be unable to liquidate sufficient assets to meet its obligations, including payment of redemptions within required timeframes, or it may be required to sell assets at a substantial loss in order to do so.

Macro-economic risk: The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the factors which may negatively influence financial markets, assets and individual companies.

Market risk: There is a risk that the market price of assets will fluctuate. This may be as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, pandemic outbreaks, and environmental and technological issues.

Performance risk: There is a risk that a trust may not achieve its investment objectives.

Pooled investment scheme risk: The market prices at which inflows are invested, or at which assets are sold to fulfil outflows, may differ from the prices used to calculate entry and exit unit prices. Where the Trust invests in cash or cash equivalent assets, the interest rates at which inflows are invested may differ from the interest rates generated by existing assets, or the interest rates generated by assets which must be sold to fulfil outflows may differ from the interest rates generated by the remaining assets. Investors may therefore be impacted by other investors entering and exiting. The impact will depend on the size of inflows or outflows relative to the assets, and on the price and interest rate (where the Trust invests in cash or cash-equivalent assets) volatility of the securities in which a trust invests. Inflows and outflows may also affect the taxable income distributed to an investor during a financial year.

4.3 General risks

Conflicts of interest risk: U Ethical and its various service providers may from time-to-time act as issuer, investment manager, custodian, unit registry, broker, administrator, distributor or dealer to other parties or trusts that have similar objectives to those of the trusts. Such conflicts of interest include but are not limited to: management of multiple accounts with varying fee arrangements, trade allocation, proxy voting and staff personal trading. It is possible that either U Ethical or its service providers may have potential conflicts of interest with the trusts. U Ethical may invest in, directly or indirectly, or manage or advise other trusts which invest in assets which may also be purchased by the trusts. Neither U Ethical nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities to the trusts. U Ethical maintains a conflicts of interest and related party transactions policy to ensure that it manages its obligations to the trusts such that all conflicts (if any) are resolved fairly.

Operational risk: This includes those risks which arise from carrying on an investment management business. The operation of the trusts requires U Ethical, the custodian and other service providers to implement sophisticated systems and procedures. Inadequacies with these systems and procedures or the people operating them could lead to a problem with a trust's operation and result in a decrease in the value of units.

Personnel risk: The skill and performance of U Ethical as investment manager can have a significant impact (both directly and indirectly) on investment returns. Changes in U Ethical's key personnel and resources may also have a material impact on investment returns.

Regulatory risk: There is a risk that a change in laws and regulations governing a security, sector or financial markets could have an adverse impact on a trust or on a trust's investments. A change in laws or regulations can increase the costs of operating a business and/or change the competitive landscape.

Trust risk: This refers to specific risks associated with a trust, such as termination and changes to fees and expenses. The performance of a trust or the security of an investor's capital is not guaranteed. There is no guarantee that the investment strategy of a trust will be managed successfully, or will meet its objectives. Failure to do so could negatively impact the performance of a trust. An investment in a trust is governed by the terms of the trust's constitution and this IM, each as amended from time to time. U Ethical may elect, in accordance with a trust's constitution and the Corporations Act 2001, to terminate a trust for any reason.

The material relating to the risks of investing in a trust may change between the time you read this IM and the day when you acquire the product. The trusts you choose to invest in may affect the risk profile of your investment portfolio.

5. How we invest your money

Warning: before deciding whether to invest in a trust, you should consider the likely investment return of the trust, the risk involved in investing in the trust, and your investment time frame.

5.1 Our approach to labour standards and environmental, social and governance (ESG)

We take labour standards, and environmental, social and governance considerations into account, as well as key financial criteria, when selecting, retaining or realising investments of the Trusts. The application of the EIP varies according to asset class.

Asset class	Negative screening	Positive screening	ESG integration	Active stewardship
Cash, cash equivalents and term deposits	Limited	No	No	Limited
Fixed income	Yes	Limited	Limited	Limited
Australian equities	Yes	Yes	Yes	Yes
International equities	Yes	Yes	Yes	Limited

Our negative screening approach means we do not invest in companies and issuers directly deriving revenue or earnings from the activities listed below. This is either zero tolerance or where revenue or earnings exceed a materiality threshold of 5% of the total.

Cash, cash equivalents and term deposits are only exposed to the financial services sector (predominantly banks) and given the nature of the underlying investments this limits full application of negative screening. The focus on screening for these issuers is on issuer controversies and overall ESG profiles.

Please refer to the definitions relevant for negative screening and materiality included in the EIP.

Zero tolerance:

- Defence and weapons—controversial and nuclear weapons
- Tobacco production
- Nuclear power

5% materiality threshold:

- Fossil fuels—coal mining, oil and gas production, power generation and equity ownership
- Uranium mining
- Defence and weapons—civilian and conventional weapons
- Predatory lending
- Gambling
- Adult entertainment
- Animal cruelty and exploitation
- Alcohol production

Our positive screening seeks to invest in companies that align with our ethical investment philosophy. For Australian and international equities, we utilise the MSCI ESG Sustainable Impact Metrics (SIM) framework for this process. The EIP provides further details on positive screening criteria and definitions. Positive screening is not relevant for cash, cash equivalents and term deposits.

For fixed income, we positively screen for green, social, sustainable and sustainability-linked bonds and loans that target identifiable environmental, social or sustainability impact from the issuance and use of proceeds. Please refer to the definition of this screening included in the EIP. However, any allocation to these securities is subject to other portfolio construction, investment performance and risk management criteria. Positive screening is not relevant for cash, cash equivalents and term deposits.

The investment process integrates ESG considerations with the aim of both minimising investment risk exposure and identifying investment opportunities. A qualitative and quantitative ESG analysis is conducted across all new holdings prior to investment. Company controversies and overall ESG profiles are monitored on an ongoing basis. Further details can be found in the EISA. ESG factors vary according to industry and company or issuer. For Australian and international equity holdings, the ESG profiles may affect portfolio weightings and the prioritisation of active stewardship activities.

5.2 Investment style

Trust	5.1a International Equities Trust (Wholesale)	5.1b Australian Equities Trust (Wholesale)	5.1c Diversified Income Trust (Wholesale)	5.1d Enhanced Income Trust (Wholesale)	5.1e Cash Management Trust (Wholesale)
Investment aim	To achieve competitive risk adjusted returns over the medium to long term in accordance with U Ethical's EIP and EISA	To achieve competitive risk adjusted returns over the medium to long term in accordance with U Ethical's EIP and EISA	To generate income in excess of short-term interest rates in accordance with U Ethical's EIP and EISA	To generate income and preserve capital in accordance with U Ethical's EIP and EISA	To generate income and maintain capital stability in accordance with U Ethical's EIP and EISA
Investment objective	Outperform benchmark after fees over rolling 5 year periods	Outperform benchmark after fees over rolling 5 year periods	Outperform benchmark after fees over rolling 3 year periods	Outperform benchmark after fees over rolling 2 year periods	Outperform benchmark after fees over rolling 1 year periods
Benchmark	MSCI World Ex Australia TR Index (AUD)	S&P / ASX 300 Accumulation Index	3 month BBSW +2.5%	3 month BBSW +1%	Reserve Bank of Australia cash rate
Minimum suggested investment time frame	At least 7 to 10 years	At least 7 to 10 years	At least 3 to 5 years	At least 2 years	At least 6 months
Asset classes and allocation ranges	Asset class Range	Asset class Range	Asset class Range	Asset class Range	Asset class Range
	International equities 90 – 100%	Australian equities 90 – 100%	Fixed income 50 – 100%	Cash 0 – 100%	Cash, cash equivalents and term deposits 100%
Cash and cash equivalents 0 – 10%	Cash and cash equivalents 0 – 10%	Cash 0 – 50%	Fixed income 0 – 100%		
Risk level*	High	High	Medium	Low	Very low

Trust	5.1a International Equities Trust (Wholesale)	5.1b Australian Equities Trust (Wholesale)	5.1c Diversified Income Trust (Wholesale)	5.1d Enhanced Income Trust (Wholesale)	5.1e Cash Management Trust (Wholesale)
Investment strategy	The Trust provides exposure to a high conviction portfolio of international equities subject to U Ethical's ethical investment policy as it applies to the asset class. Each company must attain a minimum environmental, social and governance (ESG) rating, while the overall Trust seeks a higher alignment to United Nations Sustainable Development Goals (SDGs) compared to the benchmark. Financial evaluation is focussed on quality and value.	The Trust provides exposure to a diversified portfolio of Australian equities subject to U Ethical's ethical investment policy as it applies to the asset class. Financial evaluation is focussed on quality and value.	The Trust provides exposure to a diversified portfolio of income generating investments subject to U Ethical's ethical investment policy as it applies to the asset class. Investments may include cash, term deposits, government and corporate bonds, fixed and floating rate notes, asset backed securities, mortgages and mortgage backed securities, community loans, preference shares, hybrid securities and convertible securities. Derivatives are used for the purposes of hedging, transactional efficiency or tactical investment.	The Trust provides exposure to a diversified portfolio of income generating investments subject to U Ethical's ethical investment policy as it applies to the asset class. Investments may include cash, term deposits, government and corporate bonds, fixed and floating rate notes, asset backed securities, mortgages and mortgage backed securities, community loans, preference shares, hybrid securities and convertible securities. Derivatives are used for the purposes of hedging, transactional efficiency or tactical investment.	The Trust provides exposure to a diversified portfolio of cash, cash equivalents, commercial paper and term deposits subject to U Ethical's ethical investment policy as it applies to the asset class
Significant benefits	Refer section 3.2	Refer section 3.2	Refer section 3.2	Refer section 3.2	Refer section 3.2
Significant risks – risks specific to the Trusts' assets (refer section 4.1)	Company specific risk Concentration risk (as the Trust will hold 20-50 investments) Counterparty risk Derivative risk	Company specific risk Concentration risk (as the Trust will hold 20-40 investments) Counterparty risk Derivative risk	Company specific risk Counterparty risk Credit risk Derivative risk Interest rate risk	Company specific risk Counterparty risk Credit risk Derivative risk Interest rate risk	Company specific risk Counterparty risk Credit risk Interest rate risk

Trust	5.1a International Equities Trust (Wholesale)	5.1b Australian Equities Trust (Wholesale)	5.1c Diversified Income Trust (Wholesale)	5.1d Enhanced Income Trust (Wholesale)	5.1e Cash Management Trust (Wholesale)
Significant risks – Risks specific to the Trusts' investment strategy (refer section 4.2)	Currency risk Investment selection risk Liquidity risk Macro-economic risk Market risk Performance risk Pooled investment scheme risk	Currency risk Investment selection risk Liquidity risk Macro-economic risk Market risk Performance risk Pooled investment scheme risk	Investment selection risk Liquidity risk Macro-economic risk Market risk Performance risk Pooled investment scheme risk	Investment selection risk Liquidity risk Macro-economic risk Market risk Performance risk Pooled investment scheme risk	Investment selection risk Liquidity risk Macro-economic risk Performance risk Pooled investment scheme risk
Significant risks – general risks (refer section 4.3)	Conflicts of interest risk Operational risk resulting in a decrease in the value of units. Personnel risk Regulatory risk Trust risk	Conflicts of interest risk Operational risk resulting in a decrease in the value of units Personnel risk Regulatory risk Trust risk	Conflicts of interest risk Operational risk resulting in a decrease in the value of units Personnel risk Regulatory risk Trust risk	Conflicts of interest risk Operational risk resulting in a decrease in the value of units. Personnel risk Regulatory risk Trust risk	Conflicts of interest risk Operational risk resulting in the assets of the Trust not performing as expected Personnel risk Regulatory risk Trust risk

* The risk level is not a complete assessment of all forms of risk. You should consider all forms of risk in assessing whether a trust will meet your investment objectives.

5.3 Changes to a trust's details

U Ethical may make changes to a trust from time-to-time, including changes to the types of investments, and in some cases without prior notice to investors. U Ethical will notify investors of any material changes in the next scheduled communication or as otherwise required by law.

The material relating to how we invest your money may change between the time you read this IM and the day when you acquire the product.

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 fund 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 trustee or your financial adviser for more information.

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) has a managed investment fee calculator to help you check out different fee options.

The table below shows the direct and indirect fees and costs that you may be charged by a trust.

Type of fee or cost ¹ Fees when your money moves in and out of the Trust	6.1a International Equities Trust (Wholesale)	6.1b Australian Equities Trust (Wholesale)	6.1c Diversified Income Trust (Wholesale)	6.1d Enhanced Income Trust (Wholesale)	6.1e Cash Management Trust (Wholesale)
Establishment fee – the fee to open your investment	Nil	Nil	Nil	Nil	Nil
Contribution fee – the fee on each amount contributed to your investment	Nil	Nil	Nil	Nil	Nil
Redemption fee – the fee to withdraw your investment	Nil	Nil	Nil	Nil	Nil
Switch fee – the fee to switch between investment products	Nil	Nil	Nil	Nil	Nil
Exit fee	Nil	Nil	Nil	Nil	Nil
Management costs² The fees and costs for managing your investments - Management fees ³ – as a percentage of the net asset value of the trust - Indirect costs estimated to be 0% p.a. for all trusts	(up to) 0.9% pa or \$450 for every \$50,000 invested in the trust	(up to)0.8% pa or \$400 for every \$50,000 invested in the trust	(up to)0.7% pa or \$350 for every \$50,000 invested in the trust	(up to)0.7% pa or \$350 for every \$50,000 invested in the trust	(up to)0.3% pa or \$150 for every \$50,000 invested in the trust
Buy/sell spread	0.25%/0.25% \$125 for every \$50,000 invested in the trust	0.25%/0.25% \$125 for every \$50,000 invested in the trust	0.20%/0.20% \$100 for every \$50,000 invested in the trust	0.05%/0.05% \$25 for every \$50,000 invested in the trust	Not applicable

Notes

1. Unless otherwise stated, fees and costs disclosed in this section are inclusive of the net effect of GST, if applicable.
2. The total management cost comprises a management fee and any indirect costs. Indirect costs are estimates based on the previous financial year and may vary each year. The total management costs are calculated daily and payable at the end of each calendar month based on the trust's net asset value.
3. Management fees may be negotiated with some wholesale clients (as defined by the Corporations Act).

6.6 Additional information about fees and costs

Management costs are deducted from the income of a trust and will be retained by us to meet management and operational costs, charges, expenses and outgoings, and to make annual community contributions from our operating surplus.

The management costs are deducted before income is distributed to investors. Therefore, management costs will not appear as a deduction on income distribution statements.

6.7 Transactional and operational costs

Transactional and operational costs include costs such as brokerage, mortgage legal fees, stamp duty and other taxes, and settlement and clearing costs.

A trust's buy/sell spread covers the transactional and operational costs involved in facilitating applications and redemptions. The spread is borne by investors when an application or redemption is made so that other investors in a trust do not bear these costs.

6.8 Performance fees and commissions

The trusts do not charge performance fees nor do they pay any commissions to financial advisers.

6.9 Changes in fees

Fees may increase or decrease for a number of reasons including changes in the market or regulatory environments or from changes in costs. We may change fees without your consent but will provide you with at least 30 days' written notice of any fee increase.

6.10 GST

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

6.11 Example of annual fees and costs of the Trust

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

Example: balance of \$500,000 with a contribution of \$5,000 during the year *		
Contribution fees	Nil	For every additional \$50,000 you put in you will be charged \$0
Plus— Management costs	Example 0.9% pa	And for every \$500,000 you have in the Trust, you will be charged \$4,500 each year
Equals— Total cost		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$50,000 during that year, you would be charged \$4,500

*This example assumes management costs of 0.9% are calculated on the balance of \$500,000 with the \$50,000 additional investment occurring at the end of the first year. Therefore, management costs are calculated on a \$500,000 balance only. It assumes no market movement in the value of the assets, no reinvestment of income and no redemptions are made during the year. This example does not capture the impact of the buy/sell spread.

The material relating to fees and costs may change between the time you read this IM and the day when you acquire the product.

7. How the trusts are taxed

Warning: Investing in the trusts is likely to have tax consequences. Before investing in a trust you are strongly advised to seek your own professional tax advice about the tax consequences that may apply to you based on your particular circumstances.

The taxation information assumes the trusts are not assessed as an Attribution Managed Investment Trust (AMIT). Should the trusts qualify and elect to become an AMIT, the section below entitled 'Attribution Managed Investment Trust' will apply.

The taxation information contained in this IM reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the courts, as at the date of issue of this IM. Taxation laws are subject to continual change and there are reviews in progress that may impact the taxation of trusts and investors.

The trusts do not pay any tax liability on your behalf. The trusts generally distribute all taxable income each financial year so that they are not subject to tax. As an investor, you will be assessed for tax on your share of the net income and net capital gains generated by a trust. Depending on your particular circumstances, you may also be liable to pay capital gains tax when you redeem units in a trust.

7.1 Taxation position of the trusts

The trusts distribute all taxable income (including capital gains and tax credits, if any) to investors each half year. As such the trusts are not subject to income tax. If for any reason there is income to which no investor is presently entitled, the trusts would be taxed at the highest marginal tax rate in respect of this income.

7.2 Taxation of distributions

Distributions from the trusts may include income (e.g., interest, franked or unfranked dividends or tax deferred), capital gains and/or tax credits.

You should declare distributions received on your tax return, even if they are reinvested or credited to another account.

At the end of each financial year, you will receive a tax statement that provides a consolidated view of all the income distributed, the tax components and a guide to help transfer this information into your tax return.

7.3 Tax implications of redemptions, transfers or switches

Australian residents are generally subject to capital gains tax on gains when they redeem any investment, invest in another trust or transfer units to someone else.

When you redeem, transfer or switch an investment you will need to include any capital gain or loss that is realised in your tax return. We can send you a history of all your transactions to assist in calculating any such gains or losses.

7.4 Attribution of Managed Investment Trusts

Legislation to establish a new tax system for managed investment trusts (MITs) was enacted in May 2016. Eligible MITs can elect to become an Attribution MIT (AMIT) by irrevocable choice. The AMIT regime enables a registered scheme's taxable income to be allocated to unitholders based on 'attribution' rather than present entitlement.

We, as trustee of the trusts, elect the trusts we operate into the AMIT regime where they qualify, and will therefore attribute the taxable income of the trusts to investors according to 'trust components' on a fair and reasonable basis consistent with their interests.

We will provide you with an annual statement detailing the trust components attributed to you within three months of the end of the financial year.

Reforms to the taxation of trusts are generally ongoing. You should seek your own advice and monitor the progress of announcements and proposed legislative changes on the potential impact.

7.5 Tax File Number (TFN) or Australian Business Number (ABN)

You may choose whether to provide your TFN or ABN or an appropriate exemption to us. If you do not provide a TFN or ABN, or do not have an appropriate exemption, we are required to withhold tax at the highest marginal tax rate, as well as the Medicare levy, from income distributions.

7.6 Non-resident investors

If you are not an Australian resident for tax purposes, we will withhold tax from distributions paid. The applicable rate of tax will vary depending on a number of factors, such as the type of distribution and your country of residence for tax purposes. Non-residents may be entitled to a credit for Australian income tax paid by us in respect of the tax liability.

7.7 Foreign Account Tax Compliance Act

Under the US Foreign Account Tax Compliance Act (FATCA), U Ethical is deemed to be a 'foreign financial institution' and is required to obtain and disclose information about certain US and US-owned investors. We may ask you to provide certain information about yourself in order to comply with our FATCA obligations (FATCA Information).

To the extent that all FATCA Information is provided, imposition of US withholding tax on payments of US income or gross proceeds from the sale of particular US securities will not apply to the trusts. Although we attempt to

take all reasonable steps to comply with our FATCA obligations and to avoid the imposition of US withholding tax, this outcome is not guaranteed.

Under the terms of the intergovernmental agreement between the US and Australian governments, we may provide FATCA information to the Australian Taxation Office. We may use your personal information in order to comply with FATCA requirements and may contact you if we require additional information to comply with our FATCA obligations.

7.8 Common Reporting Standard

The Australian Government introduced the Organisation for Economic Co-operation and Development's Common Reporting Standard (CRS) from 1 July 2017.

CRS is a broad framework for the collection, reporting and exchange of financial account information between revenue authorities across all jurisdictions. Like FATCA, the CRS requires financial institutions (including U Ethical) to collect and report to the Australian Taxation Office financial account information on non-residents, which the Australian Taxation Office will then exchange with the foreign tax authorities of those non-residents.

We may therefore collect and use your personal information, or contact you for additional information, in order to comply with the CRS.

7.9 Manager's tax indemnity

In the event that we incur a liability for any kind of tax or impost on account of an investor, we have broad powers of recoupment from income due to the investor. In the event that we are required under any statutory or common law to pay tax in our capacity as operator of a trust, we are empowered to pay the tax from the assets of the trust.

The material relating to how a trust is taxed may change between the time you read this IM and the day when you acquire the product.

8. How to apply

8.1 Applications

You can make an initial investment by completing the application form which can be found on our web site. Before completing the application form, please ensure you have read this IM. Please:

1. Complete and sign all relevant sections of the application and client identification forms before submission. If you have any questions regarding the completion of the forms, please speak to us or to your licensed financial adviser for more information.
2. Submit your completed application form as per the instructions together with supporting identification documents.

8.2 Signatures to account

The application and client identification forms must be signed as per below.

Type of investor	Application form details	Signatures
Individual	Individual details plus TFN or withholding tax exemption	Individual and/or power of attorney
Joint investors	Details for both investors plus TFNs or withholding tax exemption	Both investors and/or power of attorney
Corporate	Company details including ABN	Either two directors, a director and company secretary, or a director (if signing as a sole director)
Partnership	Details of all principals, partnership name and ABN (Example: John Smith and David Jones)	Partner(s)

Type of investor	Application form details	Signatures
Trust or superannuation fund	Trustee details, trust/superannuation fund name and ABN (Example: Trustee name ITF XYZ Trust or XYZ Superannuation Fund)	Trustee

As trustee, we may reject any application at our sole discretion, without giving reasons, and will return any monies received with the rejected application within five (5) Business Days from the date the application was rejected.

8.3 Cooling-off period

There are no cooling-off periods for monies invested in the trusts.

8.4 Complaints resolution

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have quickly and fairly. Any complaints or concerns should be directed to the complaints handling officer by contacting us directly or in writing addressed to U Ethical, Level 6, 130 Lonsdale Street, Melbourne Vic 3000, or info@uethical.com.

We aim to resolve your concerns at the time your complaint is received or, if not possible, within five (5) Business Days. Some matters may take a longer period to investigate and for a decision on what action is to be taken. This can take up to 30 days.

The material relating to how to apply, investor enquiries and complaints may change between the time you read this IM and the day when you acquire the product.

9. Other information

9.1 Additional disclosure information

The trusts are not subject to regular reporting and continuous disclosure obligations as they are not required to be registered with ASIC.

9.2 Changed details

You must advise us in writing of any changes to your account. The below forms can be located on our website.

- Change of name: This can be done via the change of name form.
- Change of details: Including; contact; tax status; distribution preference and bank account details.

It is a legal requirement that you provide us with supporting documentation in order for any change to your name or bank account details to take place.

9.3 IM changes

We may change information in this IM as required. Where these changes are not materially adverse, this updated information will be available on our website or by contacting us on 1800 996 888. A paper copy of this updated information will be provided to you free of charge on request.

If we make a materially adverse change, we will issue a replacement IM. If there is a material increase in fees, we will give you at least 30 days prior notice in writing.

9.4 No representation or guarantee

We make no representation nor give any guarantee as to the future performance or success of, the rate of income from or capital return from, the recovery of money invested in, or the income tax or other taxation consequences of, any investment in the Trust, whether made on the basis of this IM or otherwise.

9.5 Unregistered scheme

The trusts are unregistered managed investment schemes which are governed by their constitutions and some provisions of the Corporations Act 2001 (Cth), but not by Chapter 5C of the Corporations Act 2001 (Cth).

The constitutions set out rules covering the trusts and the rights of unitholders in the trusts. We may vary the constitutions without your consent. You may request a copy of the constitutions free of charge by contacting us.

9.6 Investor rights

The rights of an investor in the trusts are governed by the trusts' constitutions and applicable legislation. You do not have the right to participate in the management or operation of the trusts. Under the trusts' constitutions, your liability is limited to the amount that you have invested in a trust.

9.7 Roles and responsibilities of agents

You may wish to appoint someone else, such as your financial adviser, a relative or your solicitor, to look after your investment on your behalf. Your appointed representative can do everything that you can do with your investment except appoint another authorised representative.

If your authorised representative is your financial adviser, their authority is limited in that they cannot change the account name or alter payment/distribution bank account details.

To cancel your authorised representative, you must give us at least seven (7) Business Days' written notice.

You release and indemnify us from and against all liability that may be suffered by you or by us, or brought against us in respect of any acts or omission of your authorised representative, whether authorised by you or not.

9.8 Related party transactions and conflicts of interest

The trusts may invest in other products managed by us. Any fees charged by these products are rebated or offset so there is no double-counting of fees.

Our directors, our team members, and entities associated with them, and some of the products we manage may be investors in other products we manage. These transactions are carried out on the same terms and conditions as for other investors in the products.

We are engaged solely in investment management for a wide range of clients, and advice to a limited number of large wholesale clients.

All team members, and where applicable, directors must comply with our policies including code of ethics and conduct policy, conflicts of interest and related party transactions policy and securities trading policy. These policies are designed to mitigate and manage any actual or perceived conflicts of interest.

9.9 Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) imposes stringent obligations on financial services providers to ascertain and verify the identity of their clients. The AML Act requires us to comply with client identification and verification procedures. Depending on the circumstances, we 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. We 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).

9.10 Privacy

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

We collect personal information for the purposes of processing applications, providing you with the products offered in the relevant disclosure document and in order to manage your investment. We may provide that information to any of the organisations that are used in the ordinary administration and management of the business or the trusts, including providers of clerical, administration, investment management or custodial services, settlement agents, unit registry services, clearing houses, and credit agencies and if required to do so by law. You may contact us at any time with questions or concerns about privacy, or to access, correct or update personal information held.

Queries about privacy should be directed in the first instance to U Ethical's director risk and compliance or the Office of the Australian Information Commissioner who also deals with certain complaints relating to privacy concerns.

For a copy of our privacy policy, please download the policy from our website.

9.11 Custodian

The Northern Trust Company has been appointed to hold the assets of the trusts under a master custody agreement. As custodian, Northern Trust will safe keep the assets of the trusts, collect the income of the trusts and act on our directions to settle the trusts' trades. Northern Trust does not make investment decisions in respect of the trusts' assets it holds.

9.12 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 support the custodian and Responsible Entity on a daily basis. OneVue acts only on instruction from U Ethical.

9.13 Consent to be named

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

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

Each party named above:

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