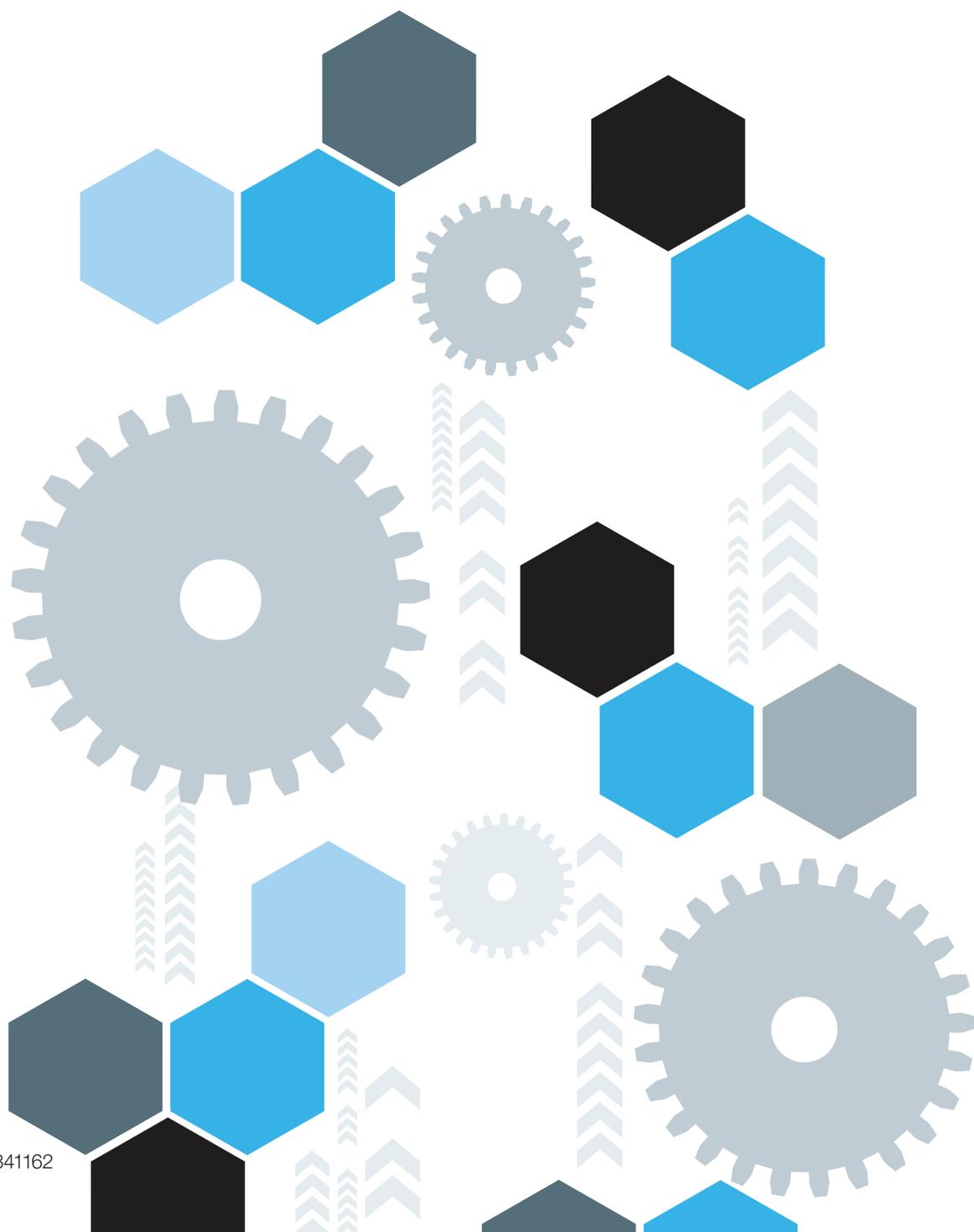


# JBWere Charitable Endowment Fund Information Memorandum

JBWere

**October 2015**



# Introducing JBWere Philanthropic Services

JBWere Philanthropic Services is a dedicated specialist team established in 2001 to encourage, support and assist the broader community by providing professional strategic advice to individuals, families, companies and for-purpose organisations.

Our team works with a diverse group of donors, from private individuals to some of Australia's most experienced philanthropic families. We also assist Australian charitable and other 'for purpose' organisations to effectively manage their resources to maximise the impact of the wide range of services they provide to the Australian community.

We can be contacted for any queries you may have regarding philanthropic options available to you or any aspect relating to the JBWere Charitable Endowment Fund (CEF). See the Corporate Directory on the back cover for contact details.

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# JBWere Charitable Endowment Fund – Overview

The JBWere Charitable Endowment Fund (CEF) is a flexible, professionally managed tax-effective structure that individuals, families and businesses can use to manage their long-term charitable giving. The CEF was established to encourage greater philanthropy in Australia by providing a simple, efficient structure for long term giving. The CEF allows you to provide enduring gifts to charitable organisations without the administrative burden of establishing and managing a private charitable foundation. National Australia Trustees Limited (NATL), a fully owned subsidiary of the National Australia Bank (NAB), has been appointed to act as Trustee and Custodian to the CEF.

## Benefits of the CEF

Some benefits of a JBWere CEF management account include:

- Easy to establish
- Easy to manage
- Full tax deductibility of donations\*
- Ability to involve your family in philanthropic giving
- Flexibility in giving
- Naming rights
- Splitting the timing of your donation and your giving
- Efficient accumulation of assets in a tax-effective environment
- Estate planning opportunities
- Portability

The following table is a summary of the CEF. You should read the entire Information Memorandum for more information.

\*As taxation laws can be complex and changes can be made by governments, it is recommended that you seek your own advice from your own professional tax adviser before deciding to donate to the CEF.

## Key features

<b>Establishment</b>	A CEF management account is created when you make a minimum initial donation. No separate Australian Taxation Office (ATO) or regulatory approval is required.
<b>Initial donation</b>	The minimum Initial Donation is \$20,000 or such other amount as agreed to by NATL at its discretion. (See 'Donating to the CEF' on page 5 for more details).
<b>Additional donations</b>	You can make Additional Donations to the CEF as often as you wish. The minimum Additional Donation is \$5,000. (See 'Additional Donations to the CEF' on page 6 for more details).
<b>Management</b>	National Australia Trustees Limited (NATL) is the Trustee of the CEF and provides trusteeship, governance, custodial and administration services to the CEF. JBWere manages all the investment related aspects of the CEF on behalf of the Trustee. (See 'Investment, trusteeship, governance, custody and administration' on page 7 for more details).
<b>Investment</b>	The funds donated to the CEF are managed by the JBWere Charitable Endowment Fund Investment Committee, which consists of experienced investment and philanthropic professionals who specialise in investment management for the charitable and philanthropic sector. (See 'Investing your donations' on page 7 for more details). The CEF aims to achieve a return of at least Consumer Price Index (CPI) inflation + 4% per annum over rolling 7 year periods.
<b>Fees</b>	Annual management fee of 1.13% per annum (plus GST) calculated and deducted monthly. The fee is split as follows: <ul style="list-style-type: none"> <li>• 0.83% pa (plus GST) to NATL for trustee, governance, custodial and administration services</li> <li>• 0.30% pa (plus GST) to JBWere for investment management services.</li> </ul>
<b>Naming</b>	You can request a name for the CEF management account. You also can elect to have grants to Eligible Charitable Organisations attributed to this name as part of the CEF, or you can remain anonymous. (See 'Naming a CEF management account' on page 6 for more details).
<b>Taxation†</b>	You are entitled to claim a tax deduction for your Initial and Additional Donations to the CEF provided the deduction does not add to or create a tax loss for you. You may however elect to spread the deduction over a period of up to five years. Any other person making donations to the CEF is entitled to claim a tax deduction for their donations provided the deduction does not add to or create a tax loss. Earnings within the CEF are exempt from Australian income and capital gains tax. (See 'Tax deductibility' on page 5 for more details).
<b>Grant making</b>	You are able to request that the Trustee make grants from your CEF management account to your preferred Charitable Organisation(s). However, to ensure compliance with all relevant laws governing the CEF, all grants must be decided by the Trustee and can only be made to 'Eligible Charitable Organisations'. Accordingly, the ultimate decision on which Charitable Organisations will receive grants from the CEF rests with the Trustee, and the Trustee is not obliged to make any grants as requested by a donor. (See 'Grant making' on page 8 for more details). A minimum of 4% of the value of the account must be distributed on an annual basis.
<b>Grants advice</b>	You have access to the Philanthropic Services team to assist with any grant requests you may wish to make.
<b>Giving in perpetuity</b>	Because a CEF management account can continue indefinitely, it allows you to create a legacy of giving for decades to come.
<b>Portability</b>	In accordance with the Public Ancillary Fund Guidelines 2011, the CEF allows portability in certain circumstances where it is approved by the Australian Taxation office (ATO) and the Trustee.
<b>Risks associated with donating to the CEF</b>	Once made, your donations are irrevocable and unable to be refunded to you. In addition, the value of investments in a CEF Management Account may diminish subject to market conditions and the performance of the Manager. See page 11 for more details.

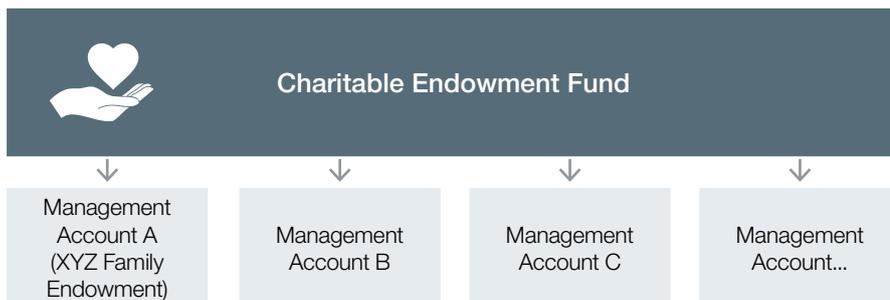
† As at the date of this Information Memorandum. You should obtain advice from your own professional tax advisor before deciding whether to donate to the CEF.

# How it Works

The CEF is a public ancillary fund established in perpetuity and endorsed by the Australian Taxation Office (ATO) as a Deductible Gift Recipient (DGR Item 2) and a Tax Concession Charity (TCC).

The Trustee of the CEF creates individual management accounts attributed to each donor (a 'CEF management account'). The accounts are management accounts for administration and are not separate parts of the whole trust fund.

## CEF structure



You are able to ask the Trustee to make grants from the CEF management account to your preferred Charitable Organisation(s), each of which must be an 'Eligible Charitable Organisation' (see page 13 for definition) for the purpose of the Trust Deed of the CEF in order to receive grants. The ultimate decision, however, rests with the Trustee of the CEF.

The CEF creates an opportunity for your donations to grow through investments after annual grants, enabling you to continue to make grants to Eligible Charitable Organisations on an ongoing and sustainable basis. Because a CEF management account can continue indefinitely, it allows you to create a legacy of giving that can last for generations.

## Creating a lasting endowment

<b>Create</b>	Make a minimum Initial Donation of \$20,000 and return the completed Donation Form. The Trustee will create a CEF management account attributed to you after it has verified your Donation Form
<b>Deduct</b>	Once your donation is accepted, the Trustee will issue a receipt for you to claim your tax deduction for the donation you have made
<b>Investment</b>	The funds in the CEF are invested in investments selected by JBWere
<b>Request annually</b>	You can make requests annually to the Trustee regarding the Charitable Organisations to which you wish the CEF to make grants
<b>Grant</b>	The Trustee makes grants to Eligible Charitable Organisations

## Donating to the CEF

With an Initial Donation of \$20,000 or more, the Trustee will create a CEF management account. You may donate by completing a Donation Form and making a donation by cheque or Electronic Funds Transfer (EFT).

Cheques should be made payable to 'NATL ATF JBWERE Charitable Endowment Fund'.

For EFT, please send funds to:

**Account Name:** NATL ATF JBWERE Charitable Endowment Fund.

**BSB:** 082-001

**Account Number:** 17363-2284.

For EFT please also note down the CEF management account name in the 'description' section of the transfer (abbreviate if necessary).

Additional Donations of \$5,000 or more can be made whenever you wish in the same manner as above.

Once your Initial Donation is accepted and a CEF management account is created, your Initial Donation and subsequent Additional Donations to the CEF are irrevocable and cannot be refunded or withdrawn.

You must be at least 18 years of age to make a donation.

## Tax deductibility

Under the law as we understand it, as at the date of this Information Memorandum, donations to the CEF will entitle you to claim a tax deduction. You may elect to spread that deduction over a period of up to five years. When you make a donation to the CEF, a receipt will be issued and forwarded to you by the Trustee (see 'Taxation considerations' on page 12 for more details).

You should obtain advice from your own professional tax advisor before deciding whether to donate to the CEF.

## Naming a CEF management account

As a donor, you may request a name for a CEF management account. In doing so, for compliance reasons, avoid using the terms 'fund', 'trust', 'sub-fund' or 'foundation'. We suggest you use one of the following terms:

- gift
- charitable gift
- bequest
- account
- legacy
- donation
- endowment, or
- benefaction.

For example, a CEF management account may be named as the 'XYZ Family Endowment'.

## When to lodge your Donation Form

A Donation Form can be submitted at any time. A CEF management account cannot be created until after the Trustee has verified that the Charitable Organisations you request to receive grants from the CEF are eligible to receive grants under the CEF Trust Deed (see 'To which organisations can the CEF make grants?' on page 8 for more details). For planning purposes, please keep in mind that where the Charitable Organisations you request are not already known to the Trustee to be an Eligible Charitable Organisation, this process may take up to three weeks.

If you wish to donate to the CEF before the end of the financial year, we recommend you submit your Donation Form before 31 May. If a donation is received after this date, it is not possible to give an assurance that your donation will be accepted by 30 June of that year.

## Keeping you informed

You will receive a confirmation advice and receipt for claiming your tax deduction for your Initial Donation (see 'Tax deductibility' on page 5 for more details).

We will send you an update every six months which will include:

- a summary of news and events from the not-for-profit industry
- a profile of an organisation that receives distributions from the CEF, and
- the investment performance of the CEF

By each October, you will receive a statement in respect of the CEF management account created with your donation. This statement will contain:

- a list of all donations attributed to the CEF management account
- details regarding the grants to Eligible Charitable Organisations that were attributed to the CEF management account, and
- the Net Capital Balance in the CEF management account.

Each year we will send you a reminder to consider making additional donations to the CEF prior to the end of the financial year.

## Succession options

When completing the Donation Form, you may select one of four options for the management of the CEF management account attributed to you, in the event of your death, incapacity or other legal disability:

### (a) Make grants in perpetuity

You may make a request to the Trustee that the specific Charitable Organisations you have most recently requested continue to receive grants from the CEF management account in perpetuity.

### (b) Grant remaining capital

You may request to grant the remaining capital in your CEF management account to your most recently requested Charitable Organisation and close the account.

### (c) Nominate a successor

You may nominate an alternate person to take your role of requesting Charitable Organisations to which you wish the CEF to make grants. If you choose this option, please complete details of your nominated successor.

### (d) Roll into the JBWere CEF Community Benefit Management Account

You may request to have the remaining capital in the CEF management account rolled into the JBWere CEF Community Benefit Management Account. The Trustee will distribute grants in the name of the JBWere CEF Community Benefit Management Account to Eligible Charitable Organisations at its discretion.

If no election is made, option (d) will apply unless you subsequently request the Trustee otherwise in writing.

## Additional Donations to the CEF

### During your lifetime

You can make Additional Donations to the CEF as part of your annual tax and financial planning process, or as often as you like depending on whatever approach best suits your circumstances. The minimum Additional Donation is \$5,000 and may be paid by cheque or EFT directly to the CEF (see page 5 for details).

Upon receiving each Additional Donation, the Trustee will issue and forward a receipt for you to claim your tax deduction for the donation you have made to the CEF (see 'Tax deductibility' on page 5 for more details).

## Requests from your estate

You can make additional contributions to the CEF for attribution to a specific CEF management account via your will. The Philanthropic Services team can provide you with a standard clause for inclusion in your will on request.

## Closing your CEF management account

By law as we understand it, as at the date of this Information Memorandum, the Net Capital Balance in a CEF management account cannot be returned to the original donor. On the closure of a CEF management account, the Net Capital Balance must either be distributed in the form of grants to Eligible Charitable Organisations (see 'To which organisations can the CEF make grants?' on page 8 for more details). Alternatively, it can be maintained in the JBWere CEF Community Benefit Management Account and applied in accordance with the Trust Deed for the benefit of the Eligible Charitable Organisation(s) determined by the Trustee.

## Investment, trusteeship, governance, custody and administration

There are a number of operational aspects of a charitable foundation including investment, trusteeship, governance and administration. By choosing the CEF, you can be confident these aspects are managed by professionals in the field: JBWere, NAB Group and NATL. This allows you to focus your time on assessing and choosing charitable organisations that can make a difference in your chosen causes.

## Investment (JBWere)

JBWere is a pre-eminent financial services organisation that provides a wide range of investment, advisory, asset and wealth management services to a substantial and diversified client base including not for profit organisations, high net worth individuals, financial firms, small business and corporates. JBWere is a wholly owned subsidiary of the National Australia Bank Limited Group (the NAB Group). JBWere seeks to be the advisor of choice for our clients throughout Australia and New Zealand.

JBWere has unparalleled knowledge and experience in Australian and New Zealand markets, and far-reaching capabilities that extend into global markets. JBWere also provides extensive services, across every major asset class, to many private clients throughout Australia and New Zealand.

The principles of integrity and dedicated client service, astute market knowledge and a commitment to excellence are ingrained in the firm's culture. These values, combined with quality research and investment products, make JBWere a trusted partner for many investors.

JBWere manages all investment related aspects of the CEF on behalf of the Trustee.

## Trusteeship, governance, custody and administration (National Australia Trustees Limited)

National Australia Trustees Limited (NATL or Trustee), is a wholly owned subsidiary of NAB. NATL is licensed as a statutory trustee company in every Australian mainland state, and holds an Australian Financial Services Licence (AFSL 230703). NATL provides a broad range of services, including estate planning, powers of attorney, trust and estate administration, asset custody and portfolio administration and management.

As a member of the NAB Group, NATL has access to a range of management services including the provision of banking facilities, occupancy, human resources, legal, compliance and risk services, distribution network and administration services. NATL observes best practice standards in all aspects of the administration and management of clients' assets. These standards ensure that the applicable compliance responsibilities are strictly and professionally adhered to in all areas.

NATL will provide trusteeship, governance, custody and administration services to the CEF. These services include:

- trusteeship of the CEF
- general CEF administration
- custody of all assets of the CEF
- preparation of annual accounts and ATO returns
- preparation of CEF management account activity statements
- compliance in relation to the grant process, including verification that intended grant recipients are Eligible Charitable Organisations.

## Investing your donations

JBWere manages the investment of funds in the CEF in accordance with an Investment Management Agreement between the Trustee and JBWere. Investments will be selected in line with the investment strategy mandate determined by the CEF Investment Committee and approved by the Trustee. Investments may cover a range of asset classes including Australian equities, international equities, cash, fixed interest and alternative investments.

The Investment Committee includes a panel of senior investment professionals from JBWere as well as representatives from NATL, NAB Group and the JBWere Philanthropic Services team. The Investment Committee meets regularly (at least quarterly) to review asset allocation and portfolio composition, taking into account the purpose, tax status and perpetual nature of the CEF.

At least once a year, the Trustee will meet with the Investment Committee to ensure that all investments are being managed in accordance with the Investment Policy and in compliance with the Trust Deed (see 'Trust Deed' on page 12 for more details).

## Asset allocation

JBWere has a long track record and extensive experience in providing investment advice to tax-exempt for-purpose investors (including endowments, foundations, charitable funds or trusts, and not-for-profit organisations). The Investment Committee draws on this experience and considers factors specific to such entities when determining the asset allocation for the CEF. Key factors include the:

- need to incorporate an appropriate exposure to Australian equities to access franked income
- potential impact of inflation, requiring an exposure to growth assets to ensure the real value of the portfolio is at least maintained over the long term, and
- need to invest to achieve a growing income stream via exposure to growth assets.

The Investment Committee aims to establish and manage a portfolio that provides consistent returns with accumulated returns of capital and income that exceed the inflation rate over the long term. In doing so, the Investment Committee aims to maintain the real value of assets in the CEF.

Shown below is the current asset allocation for the CEF. Any changes to the asset allocation will be made by the Investment Committee, reviewed by the Trustee and reflected in the Investment Policy.

Asset class	Benchmark	Ranges
	%	%
Cash	5	0-25
Fixed Interest	20	10-30
Australian Equities	50	30-70
International Equities	20	10-30
Alternative Investments	5	0-10

## Investment Products

JBWere has an open source investment selection approach, offering the very best investment products available across all issuers.

The dedicated Managed Investments Research Team undertakes comprehensive research to identify managers with the strongest credentials for providing superior risk adjusted performance.

Taking into account key considerations of the CEF, the exposure to each asset class will be held through a combination of:

- cash products
- direct bonds, hybrids and equities
- exchange traded funds
- wholesale managed funds;
- listed investment companies, and
- specific structured products.

## Grant making

As a donor you may ask the Trustee to consider the particular Charitable Organisations you would like the CEF to support. However, the ultimate decision on grants rests with the Trustee, as it is the Trustee's responsibility to ensure that all funds donated to, and disbursed from the CEF, are dealt with in accordance with the law and ATO requirements.

Prior to accepting your donation, the Trustee will verify that the Charitable Organisations you have requested in your Donation Form are eligible to receive grants from the CEF (see 'To which organisations can the CEF make grants?' on this page for more details). During this time, which in most cases will be no more than three weeks, your intended donation will be held in trust. Once verified, a CEF management account will be created and you will receive a confirmation advice and receipt for claiming your tax deduction.

There may be instances where the Charitable Organisations you request are not eligible to receive grants from the CEF. In this event, the Trustee may give you the option of changing your request or (if the request is made at the time of Initial Donation) withdrawing your donation. If you withdraw your intended donation, it will be refunded to you (no interest will be payable on these monies).

Once your donation is accepted, your donations to the CEF are irrevocable and not able to be withdrawn or refunded.

## To which organisations can the CEF make grants?

The Charitable Organisations you request are required to be Eligible Charitable Organisations in order to receive grants for the purposes of the Trust Deed for the CEF. An Eligible Charitable Organisation is a fund, authority or institution:

- which is charitable at law
- whose gifts are deductible under item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997 (also known as Item 1 DGRs), and
- which is a Tax Concession Charity (TCC).

## How many Charitable Organisations can I request?

The number of Charitable Organisations you can request to receive grants each year depends on the Net Capital Balance attributed to the CEF management account as at 30 June the previous year.

Net capital balance	Number of charitable organisations
Up to \$50,000	Up to 2
\$50,000 – \$100,000	Up to 5
\$100,000 – \$1 million	Up to 10
\$1 million +	Up to 20

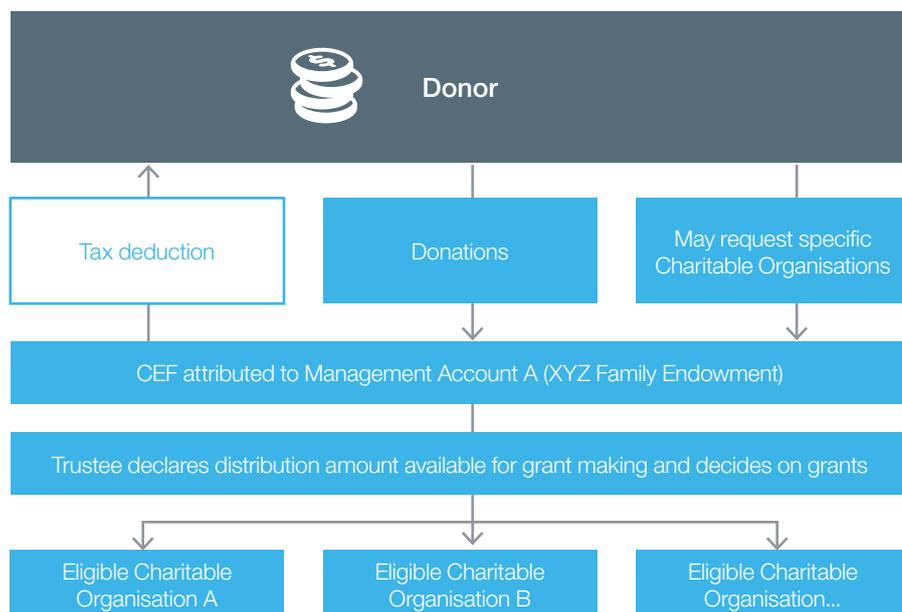
### Example 1

If you make a donation of \$25,000 to the CEF management account in this financial year, you will be able to request up to two Charitable Organisations to receive grants from the CEF any time within the next financial year.

### Example 2

If at 30 June this financial year, the Net Capital Balance attributed to the CEF management account is \$500,000, you will be able to request up to 10 Charitable Organisations to receive grants from the CEF any time within the next financial year.

## The CEF grant-making process



## Distribution and grant making process

In April each year, the Trustee will declare a distribution for the CEF and attribute to each CEF management account an individual distribution available for grant making. This is known as a Declared Distribution. A minimum of 4% must be distributed on an annual basis under the Public Ancillary Fund Guidelines 2011.

By 30 June each year, the Trustee will make grants out of the Declared Distribution for each CEF management account. In doing so, the Trustee may take into account the Charitable Organisations you have most recently requested to receive grants. To ensure compliance with all relevant laws governing the CEF, all grants must be decided by the Trustee. Accordingly, the ultimate decision on which Eligible Charitable Organisations will receive grants from the CEF rests with the Trustee, and the Trustee is not obliged to make any particular grants.

By October each year, you will receive a statement which will include a summary of the activity attributed to the CEF management account.

Each year, you may amend the requested Charitable Organisations to which you wish the CEF to make grants by completing a Grant Request Form. This form will be sent to you at the start of each calendar year with your CEF December Quarterly Update. To ensure your request is considered, the Grant Request Form needs to be received by the Trustee by 31 March. The Trustee will verify whether the Charitable Organisations you request are eligible to receive grants from the CEF (see 'To which organisations can the CEF make grants?' on page 8 for more details).

See 'Keeping you informed' on page 6 for information on statements.

## Grants to more than one Charitable Organisation

If you are requesting grants to more than one Charitable Organisation, you can request the percentage of the distribution for each Charitable Organisation to receive. For example, if you have requested two Charitable Organisations, you can request 40% of the Declared Distribution be granted to one Charitable Organisation and 60% to the other. However, the Trustee will make the ultimate decision and may or may not take into account your requests.

## Grants of capital throughout the year

In addition to requesting annual grants from the Declared Distribution, you may request the Trustee to make grants from the Net Capital Balance attributed to the CEF management account during the year. You are required to provide your grant request in writing to the Trustee, specifying the Charitable Organisation(s) and the grant amount. The Charitable Organisations you request must be eligible to receive grants from the CEF (see 'To which organisations can the CEF make grants?' on page 8 for more details). No more than three grants will be made from the Net Capital Balance in any one financial year. Note that a minimum ongoing Net Capital Balance of \$20,000 is required for each CEF management account. If the balance falls below this level for more than three months, other than due to market movements or the deduction of fees, you must make an additional donation. If the balance is not restored, the Trustee may take further action including transferring the capital balance to the JBWere CEF Community Benefit Management Account.

Any additional grants the Trustee decides to make are processed on the first day of every month, with distribution of grants being made approximately within 10 business days.

## Anonymity

You can request the Trustee not to identify the CEF management account to which the grants are attributed, in which case the Trustee will ensure all grants are made in the name of the CEF.

## Portability

The CEF trust deed allows for portability in line with the Public Ancillary Fund Guidelines 2011. The guidelines state that in certain circumstances, with the approval of the ATO, assets can be transferred:

- between public ancillary funds, and
- from a public ancillary fund management account ('sub-fund') into your own Private Ancillary Fund (PAF).

# Fees, Expenses and Risks

A summary of fees payable in connection with the CEF is provided below.

<b>Establishment fees</b>	There are no establishment fees to create a CEF management account.
<b>Annual management fee</b>	<p>An annual management fee of 1.13% p.a. (plus Goods and Services Tax (GST)) will be split as follows:</p> <ul style="list-style-type: none"> <li>• 0.30% p.a. (plus GST) to JBWere, for the provision of investment management, asset allocation, product/security research and selection services, and</li> <li>• 0.83% p.a. (plus GST) to NATL, for the provision of trusteeship, governance, custodial and administration services.</li> </ul> <p>The annual management fee of <b>1.13% (plus GST)</b> will be calculated monthly on the capital balance of the CEF management account. The Trustee will deduct the fee monthly from the account.</p> <p>The Trustee estimates the net effective annual management fee to be 1.14% p.a. after the refund of all applicable GST credits.</p> <p>The Trustee reserves the right, by notice in writing to donors, to increase this fee where the Trustee considers this necessary to accommodate increases in the outgoings borne by the Trustee.</p> <p>The Trust Deed and relevant legislation permits the Trustee to be reimbursed for all reasonable out of pocket expenses (such as an annual audit of the CEF) and to charge reasonable fees for the preparation and lodgement of returns for the CEF in respect of any tax, duty or fees imposed by law.</p>
<b>Fees on underlying investments</b>	<p>If the CEF is invested in underlying investments such as a managed fund, the relevant manager of that fund will also charge fees and expenses, but these amounts will be charged at the level of that fund.</p> <p>Typically we expect that the Indirect Cost Ratio (ICR) for the underlying investments of the CEF to be 0.70% p.a. of the value of those investments (after GST refunds available). This may vary depending on the managers chosen at any point in time.</p> <p>(ICR is a measure of the level of management costs charged by the underlying Investment Managers).</p>
<b>Advisor incentives</b>	<p>JBWere may pay incentives to your advisor in relation to the CEF management account from time to time. These payments, if made, will be paid by JBWere from its own funds and will not result in any reduction in the value of the CEF management account.</p> <p>Your advisor will disclose any incentive arrangements they have with JBWere.</p>

## Key risks

Once your donation to the CEF has been accepted, it is irrevocable and cannot be refunded to you.

The value of investments in the CEF Management Account attributed to you will be affected by market conditions and the performance of JBWere as the Investment Manager. It may diminish in value, and/or not generate any income. See page 7 for more details about how your donations are managed.

# Additional Information

## Taxation considerations

Given the complexity of taxation legislation and the significant and ongoing changes introduced by governments, potential donors should obtain advice from a professional tax advisor, particularly in relation to their own personal circumstances, before deciding whether to make a donation to the CEF.

## Deductibility of donations

In general, under income tax law as we understand it, as at the date of this Information Memorandum, gifts of \$2.00 or more to DGRs are tax deductible to the donor provided the deduction does not add to or create a tax loss. These gifts can be made by individuals, corporate entities or trusts, either directly or via a private account. Deductions for donations can be spread over a period of up to five years if the taxpayer makes a written election to do so.

The CEF is a DGR and therefore donations to the CEF entitle the tax payer to claim a tax deduction.

## Taxation and the CEF

The CEF is endorsed by the ATO as a Tax Concession Charity (TCC) and is therefore exempt from lodging tax returns. The CEF will not pay income tax on any income or capital gains derived by the CEF during the period of its endorsement. The CEF is entitled to refunds from the ATO equal to the franking credits attached to franked dividends received. This increases the amount available to the CEF for distribution or reinvestment, subject to ATO regulations.

As a TCC, the CEF is also entitled to a variety of tax concessions and/ or exemptions at both a State and Federal level.

## Structure

The CEF is a public ancillary fund established as an in perpetuity fund and endorsed as a DGR and TCC by the ATO. The CEF is available to donors to make charitable donations.

In order to maintain the tax deductible status of the CEF, once funds are donated and a CEF management account is created, donors to the CEF retain no legal interest in the amounts they donate. Donors also have no legal interest in the investments of the CEF and no legal right to direct how the grants are distributed.

## Trust Deed

The CEF was created by a Deed of Trust dated 19 February 2007 and is amended from time to time. NATL was appointed as Trustee of the CEF to hold the capital of the CEF for, and to pay out the income and/or capital to, Eligible Charitable Organisations. The CEF is not able to make grants to individuals or to organisations that are not Eligible Charitable Organisations.

The Trustee is able to amend the Trust Deed at any time within the terms of the Trust Deed. The Trust Deed cannot be amended so as to allow any funds to be paid to individuals or non-DGR organisations. A copy of the Trust Deed is available upon request.

The Trust Deed appoints JBWere, or such other person as the Trustee and JBWere may agree upon, to act as the Investment Manager of the CEF.

## Investment Management Agreement and Co-operation Deed

The relationship between the Trustee and JBWere is governed by the terms of an Investment Management Agreement and a Co-operation Deed. The Investment Management Agreement deals with the management of the CEF's investments. The Co-operation Deed deals with the respective responsibilities of the Trustee and JBWere in respect of the marketing, administration, reporting and other services associated with the operation of the CEF.

## Privacy

JBWere and NATL collect and hold your personal information for the purposes of providing you with products and services, and in circumstances where the collection of that information is required by law. If you do not provide your personal information, we may not be able to provide you with products or services.

JBWere and NATL are part of the NAB Group, and we may disclose your personal information to others both within and outside the NAB Group. No personal information is disclosed outside of Australia.

Further details about how your personal information is collected, used, disclosed and handled is set out in our full Privacy Notification and Privacy Policy, which include information on how you may access or correct your personal information, the countries to which your personal information may be sent, and how you may make a complaint about a privacy issue.

You should read our Privacy Policy and full Privacy Notification, which are available at [www.jbwere.com/privacy](http://www.jbwere.com/privacy) and [www.nab.com.au/privacy](http://www.nab.com.au/privacy). If you require a hard copy please contact us.

## Additional Information for Advisors

Financial advisors should note that this is not a financial product. Therefore recommending the CEF to a potential donor does not constitute the provision of financial product advice for the purposes of the Corporations Act 2001 (Cth).

# Glossary of Terms

The following glossary is provided to assist you in understanding some of the concepts that have been referred to in this Information Memorandum.

## Additional Donation

Monies you donate to the CEF on an ongoing basis. You can make Additional Donations into the CEF as often as you wish, as part of your annual tax and financial planning process, or on an ad hoc basis. The minimum additional donation is \$5,000 and may be made by cheque payable to 'NATL ATF JBWERE Charitable Endowment Fund' or deposited directly into the CEF bank account.

## ATO

Australian Taxation Office

## Bequest

A sum of money made available upon the donor's death by provision in their will.

## CEF

The JBWere Charitable Endowment Fund

## CEF Management Account

The management account created by the Trustee and attributed to each donor after your Initial Donation has been accepted by the Trustee. This account is for administration purposes only and is not a separate part of the CEF.

## Charitable Organisation

An entity established for a charitable purpose. Charitable purposes are those which the law regards as charitable. The term 'charitable' has a technical legal meaning which is different from its everyday meaning. Charitable purposes are:

- the relief of poverty
- the advancement of education
- the advancement of religion or,
- other purposes beneficial to the community.

## Co-operation Deed

The agreement between the Trustee and JBWere dated on or around 1 July 2010, as amended from time to time, which deals with the respective responsibilities of the Trustee and JBWere in respect of the marketing, administration, reporting and other services associated with the operation of the CEF.

## Declared Distribution

The monies allocated to each CEF management account for grant making.

## Deductible Gift Recipient (DGR)

An entity that is entitled to receive income tax deductible grants. All DGRs have to be endorsed, unless they are named specifically in the income tax law. There are two types of DGR endorsement. One is for entities that are DGRs in their own right. The other is for an entity that is a DGR only in relation to a fund, authority or institution that it operates. For the second type, only grants to the fund, authority or institution are tax deductible.

## Donation Form

The donation form enclosed with this Information Memorandum that should be completed and returned with your Initial Donation.

## Eligible Charitable Organisations

A fund, authority or institution:

- which is charitable at law
- gifts to which are deductible under item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997 (also known as DGRs), and
- which is a Tax Concession Charity (TCC).

## Endowment

A capital fund that is often invested in perpetuity, to provide monies for grant making purposes.

## Franking Credits

Nominal units of tax paid by companies paying tax under a dividend imputation system. Franking Credits are passed on to shareholders along with dividends. As the CEF is a charitable fund which does not pay income tax, it is an exempt institution which is eligible for a refund of Franking Credits attached to the distributions it receives.

## Grant Request Form

The form used each year to change the Charitable Organisations to which you wish the Trustee to consider making grants.

## Initial Donation

The first donation you make to the CEF, as specified in your completed Donation Form. The minimum Initial Donation is \$20,000, made by cheque payable to 'NATL ATF JBWERE Charitable Endowment Fund' or by electronic funds transfer (Name: NATL ATF JBWERE Charitable Endowment Fund. BSB: 082-001 Account: 17363-2284) stating the CEF management account name in the 'description' section of the transfer (should the CEF management account name not fit the 'description' section, please abbreviate accordingly).

## Investment Committee

A panel of senior investment and philanthropic services professionals at JBWere, NAB Group and NATL who convene to manage the investment of funds in the CEF.

## Investment Manager

An organisation specialising in the investment of a portfolio of securities on behalf of individuals and organisations, subject to the guidelines and directions of the investor or the constitution of the organisation. Investment Managers may offer both pooled investment products and individual portfolios to a diverse array of clients.

## Investment Management Agreement

The agreement between JBWere and NATL dated on or around 1 July 2010, as amended from time to time, which deals with the management of the CEF's investments.

## JBWere CEF Community Benefit Management Account

The CEF management account maintained by the Trustee. All grants from this CEF management account are made in the name of the 'JBWere CEF Community Benefit Management Account'.

The Trustee will determine on an annual basis the Eligible Charitable Organisations that will receive grants attributed to this CEF management account. This CEF management account can be utilised by donors as:

- a succession option for the management of a CEF management account in the event of death, incapacity or other legal disability, and
- a means of closing their individual management account.

## Net Capital Balance

The monies remaining in the CEF management account attributed to you after deduction of fees and expenses.

## Tax Concession Charity (TCC)

A Charitable Organisation that is endorsed to access one or more of the following concessions:

- income tax exemption
- GST charity concessions
- fringe benefits tax (FBT) rebate, and
- FBT exemption.

## Trustee and NATL

National Trustees Limited,  
ABN 80 007 350 405

## Trust Deed

The trust deed establishing the CEF dated 19 February 2007, as amended from time to time.

## Portability

The transfer of assets between public ancillary fund accounts, or from a public ancillary fund sub-fund to a private ancillary fund as allowed under the CEF Trust Deed in accordance with the Public Ancillary Fund Guidelines 2011, and with the approval of the Australian Taxation Office (ATO).

# How to Complete this Donation Form

## General instructions

- Please print using a black or blue pen.
- If an item is not applicable, please leave the boxes unmarked
- If you make an error, please have all parties initial the change. Please do not use correction fluid.

## Information about completing the Donation Form

### Donor type

The table below will assist you in completing section 1.

### Donor details

The table below will assist you in completing section 2.

Donor type	Donor details	Donor signature(s)
Individual donor	Complete section 2(b)	Individual to sign.
Joint donors	Complete section 2(b) providing all donors' names.	Each individual to sign.
Individual(s) on behalf of partnership	Complete section 2(b)	Partners to sign.
Individual trustee(s)	Complete section 2(b)	Each individual trustee to sign.
A company	Complete section 2(a) and (b)	Two directors or a director and company secretary must sign unless there is a sole director and sole secretary. Each must state their capacity.
Corporate trustees	Complete section 2(a) and (b)	Two directors or a director and company secretary must sign unless a sole director and sole secretary. Each must state their capacity.
Individual(s) on behalf of a club, charity, church, association or an unincorporated association	Complete section 2(b)	Office bearers to sign.

### Account name

Donors are recommended to use one of the following terms when requesting a name for the CEF management account:

- gift
- charitable gift
- bequest
- account
- legacy
- donation
- endowment
- benefaction.

For example, a CEF management account may be known as the 'XYZ Family Endowment'.

See 'Naming a CEF management account' on page 6 for more details.

### Donor anonymity

You can elect to have grants to Charitable Organisations from the CEF management account attributed to you sent without referring to any CEF management account. In this case, grants will be made in the name of 'NATL ATF JBWere Charitable Endowment Fund'.

If no election is made, the name of the CEF management account will be disclosed to the Eligible Charitable Organisations that receive grants attributed to that CEF management account, unless you subsequently request the Trustee otherwise in writing. See 'Anonymity' on page 10 for more details.

### Need help?

If you have any queries, please call JBWere Philanthropic Services on 1300 263 166.

## Requesting Charitable Organisations

Please nominate the initial Charitable Organisations to which you wish the Trustee to consider making grants from the CEF. To ensure compliance with all relevant laws governing the CEF, all grants must be approved by the Trustee and can only be made to Charitable Organisations which are Eligible Charitable Organisations for the purpose of the Trust Deed to the CEF. Accordingly, the ultimate decision on which Eligible Charitable Organisations will receive grants from the CEF rests with the Trustee, and the Trustee is not obliged to make any particular grants.

You can nominate Charitable Organisations in this section. If you wish to nominate additional Charitable Organisations, please list and attach details to your completed Donation Form. Note that the number of Charitable Organisations you can request is based on the value of your donation (see table below).

Net Capital Balance	Number of Charitable Organisations
Up to \$50,000	Up to 2
\$50,000 – \$100,000	Up to 5
\$100,000 – \$1 million	Up to 10
\$1 million +	Up to 20

If you are requesting grants to more than one Charitable Organisation, you can specify the percentage of the Declared Distribution you would like each Charitable Organisation to receive. For example if you have nominated two Charitable Organisations, you can choose to request 40% of the Declared Distribution to one Charitable Organisation and 60% to the other.

See 'Grant making' and 'How many Charitable Organisations can I request?' on page 8 for more details.

## Succession options

Select one of the four options for the management of the CEF management account in the event of your death, incapacity or other legal disability:

### (a) Make grants in perpetuity

You may make a request to the Trustee that the specific Charitable Organisations you have most recently requested continue to receive grants from the CEF management account in perpetuity.

### (b) Grant remaining capital

You may request to grant the remaining capital in the CEF management account to your most recently requested Charitable Organisation.

### (c) Nominate a successor

You may nominate an alternate person to take your role of requesting Charitable Organisations to which you wish the CEF to make grants. If you choose this option, please complete details of your nominated successor.

### (d) Roll into the JBWere CEF Community Benefit Management Account

You may request to have the remaining capital in the CEF management account rolled into the JBWere CEF Community Benefit Management Account. The Trustee will distribute grants in the name of the JBWere CEF Community Benefit Management Account to Eligible Charitable Organisations at its discretion.

If no election is made, option (d) will apply unless you subsequently request the Trustee otherwise in writing.

## Joint donor authorisation

Where a donation is made by two donors (joint donors), please select whether one or both donors are required to sign grant requests, succession option changes and other changes.

If no election is made, we will assume that either donor may sign grant requests, succession option changes and other changes unless you subsequently direct the Trustee otherwise in writing.

## How much would you like to donate?

You may donate by completing a Donation Form and by making a donation by cheque or Electronic Funds Transfer (EFT).

Cheques should be made payable to 'NATL ATF JBWERE Charitable Endowment Fund'.

For EFT please send funds to:

**Account Name:** NATL ATF JBWERE Charitable Endowment Fund.

**BSB:** 082-001

**Account Number:** 17363-2284.

For EFT please also note the CEF management account name in the 'description' section of the transfer (abbreviate if necessary).

## Please note:

- Once your donation is accepted and the CEF management account is created, your donation is irrevocable and not able to be withdrawn or refunded.
- Donations of property are not accepted.
- Donation amounts do not need to be in whole dollars.
- There is no maximum donation amount.
- Physical cash amounts are not accepted. The Trustee reserves the right to determine other acceptable methods of receiving a donation.

## Donor acknowledgement and signature(s)

### (a) Donor acknowledgement

Before signing and returning your Donation Form, you should read the Information Memorandum.

### (b) Donor signature(s)

Signatures will be used to verify grant requests, succession option changes and other changes. See table on page 15 for more details.

Send the completed Donation Form and your cheque (unless you use EFT) to:

JBWere  
Philanthropic Services  
GPO Box 4370  
Melbourne Vic 3001

### Donation Form checklist, have you:

- Provided donor details – section 2.
- Provided a name for the CEF management account – section 3.
- Requested Charitable Organisations – section 5.
- Completed the donor acknowledgement and signature(s) – section 9.
- Included your cheque or made EFT payment.

Should you require any assistance in completing the Donation Form or if you would simply like to talk to someone about your philanthropic options, please contact your advisor directly. Alternatively, please contact the JBWere Philanthropic Services Team on 1300 263 166 or email [cef@jbwere.com](mailto:cef@jbwere.com).

# Application Form

## Initial and additional donation form

JBWere

### 1. Donor type

#### Company donation

Individual donor

Joint donor

Individual(s) on behalf of a partnership

Company

Corporate Trustee on behalf of a trust

Individual Trustee(s) on behalf of a trust

Individual on behalf of a club, charity, church or unincorporated association

### 2. Donor details

#### (a) Company donors\*

Company name in full

ACN

ABN

\* Please note all company representatives (e.g. directors) must complete section 2(b).

#### (b) Individual/Joint/Company representative/Trustee donation

##### 1st Individual donor/director

Title

Mr  Mrs  Miss  Ms  Other

First name

Surname

Residential address

State

Postcode

Home phone

Mobile phone

Work phone

Facsimile

Email address

#### Office use only

New date

Time

## 2nd Individual donor/director

Title

Mr  Mrs  Miss  Ms  Other

First name

Surname

Residential address

State

Postcode

Home phone

Mobile phone

Work phone

Facsimile

Email address

\* Please provide details of any additional company representatives/trustees on a separate document to be attached to the Donation Form.

## 3. CEF Management Account name

Refer to 'Naming a CEF management account' section on page 6 for guidance.

CEF Management Account name

<  A/C >

## 4. Donor anonymity

Do you wish to remain anonymous?

Yes  No

If no election is made, a **'No'** response will be assumed.

## 5. Requested Charitable Organisations

Please nominate the Charitable Organisations that you wish the Trustee to consider making grants from the CEF management account. Please note, to ensure compliance with all relevant laws governing the CEF, grants can only be made to Charitable Organisations which are Eligible Charitable Organisations for the purposes of the Trust Deed for the CEF.

### 1st Charitable Organisation

Full name

Address

State

Postcode

Percentage of Declared Distribution

 %

### 2nd Charitable Organisation

Full name

Address

State

Postcode

Percentage of Declared Distribution

 %

### 3rd Charitable Organisation

Full name

Address

State

Postcode

Percentage of Declared Distribution

 %

### 4th Charitable Organisation

Full name

Address

State

Postcode

Percentage of Declared Distribution

 %

## 5th Charitable Organisation

Full name

Address

State

Postcode

Percentage of Declared Distribution

 %

## 6. Succession options

Please request **one** of the following four options below in the event of your death, mental incapacity or other legal disability. If no election is made, option (d) will be assumed unless you request the trustee otherwise in writing.

- (a) Make grants in perpetuity**
- or  **(b) Grant remaining capital**
- or  **(c) Nominate a successor** (please complete details of your nominated successor below).
- or  **(d) Roll into the JBWere CEF Community Benefit Management Account**

### Nominated Successor

Title

Mr  Mrs  Miss  Ms  Other

First name

Surname

Residential address

State

Postcode

Home phone

Mobile phone

Work phone

Facsimile

Email address

## 7. Joint donor authorisation

Please complete for joint donations by choosing only **one** of the options below. If no election is made, then option (a) will be assumed unless you request the Trustee otherwise in writing.

I/We acknowledge:

**(a) either donor** nominated in this form may make grant requests, successor nominations and other changes.

or

**(b) both donors** nominated in this form must make grant requests, successor nominations and other changes.

If you request this option and only one donor signs a request or other form, the Trustee will not consider the request unless the other donor signs the request. Please remember that the Trustee is under no obligation to consider any particular grant requests in making grants.

## 8. How much would you like to donate?

Please note that once a donation is accepted by the Trustee, this donation is irrevocable and not able to be withdrawn or refused. The minimum Initial Donation is \$20,000.

Donation amount \$

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Donation method

Cheque  **or** Electronic Funds Transfer (EFT)

If making payment by cheque please make payable to '**NATL ATF JBWERE Charitable Endowment Fund**'.

If making payment by EFT, please transfer funds to:

**Account Name:** NATL ATF JBWERE Charitable Endowment Fund.

**BSB:** 082-001

**Account Number:** 17363-2284.

Reference: chosen CEF management account name.

## 9. Donation acknowledgement and signature(s) – ALL DONORS MUST COMPLETE THIS SECTION

### (a) Donor acknowledgement

I/We acknowledge that a completed Donation Form, together with the donation, represents a request to National Australia Trustees Limited (the Trustee), as the Trustee of CEF, to create a CEF management account under the CEF on the terms and conditions set out in the Information Memorandum.

I am/We are over the age of 18 years.

By signing below I/we confirm that I/we have received and understood the terms and conditions contained in the Information Memorandum and agree to be bound by them if this Donation Form is accepted.

If I am/we are signing under a Power of Attorney, I/we declare that the Power of Attorney has not been amended or revoked.

I/we acknowledge that details about JBWere and NATL's treatment of my personal information, including how I may gain access to that information, are set out in the Information Memorandum. A copy of the full Privacy Notification is available at [www.jbwere.com/privacy](http://www.jbwere.com/privacy) and [www.nab.com.au/privacy](http://www.nab.com.au/privacy) or ask us for a copy.

### (b) Donor signature(s)

#### 1st Individual

Capacity (if applicable)

Director

Power of attorney†

Sole director and sole secretary

Attorney

Full name

Signature

X	Date signed								
	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 15%;"></td> </tr> </table>								

**2nd Individual**

Capacity (if applicable)

Director  Power of attorney†  Sole director and sole secretary  Attorney

Full name

Signature

Date signed  

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† If you are signing under a Power of Attorney, please supply an original certified copy of the Power of Attorney with specimen signature(s) of attorney(s). Companies signing by duly authorised representatives must provide proper notice of the representatives to JBWere Investment Management. If signed under Power of Attorney, the attorney hereby certifies that no notice of revocation of that power has been received by the attorney. Donations by incorporated associations/clubs must be signed by the authorised office bearers (e.g. A. Smith – President) and a copy of the constitution/rules attached.

Return your completed Donation Form and cheque (if this is your chosen payment method) to:

**JBWere  
Philanthropic Services  
GPO Box 4370  
Melbourne Vic 3001**

**10. Only advisors are to complete the following section**

I confirm that:

- I have read the Information Memorandum and have explained to the donor(s) that:
  - o once the Initial Donation is made, all donations to CEF which have been accepted by the Trustee are irrevocable and not able to be withdrawn or refunded.
  - o all grants to Eligible Charitable Organisations are made by the Trustee. Accordingly, the ultimate decision on which Eligible Charitable Organisations will receive grants from the CEF rests with the Trustee, and the Trustee is not obliged to make any particular grants.
- having regard to the information that the donor(s) have given me about their personal circumstances, and the information contained in the Information Memorandum, I am satisfied that I have a reasonable basis for advising that the donor(s) make a donation to the CEF.

Advisor name

Advisor address

State

Postcode

Advisor phone

Signature

Date signed  

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Mark here if duplicate copy of donor's acknowledgement is required.

**Office use only**

Representative code

Advisor stamp

## Corporate directory

You can contact JBWere using the details below.

### Melbourne

Level 16, 101 Collins Street  
Melbourne Vic 3000

Telephone +61 3 9906 5000  
Fax 1300 798 149

### Sydney

Level 42, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

Telephone +61 2 9325 2600  
Fax 1300 307 307

### Adelaide

Level 6, 22 King William Street  
Adelaide SA 5000

Telephone +61 8 8407 1111  
Fax +61 8 8407 1112

### Brisbane

34th Floor, Riverside Centre  
123 Eagle Street  
Brisbane Qld 4000

Telephone +61 7 3258 1111  
Fax +61 7 3258 1112

### Canberra

Level 3  
60 Marcus Clarke Street  
Canberra ACT 2600

Telephone +61 2 6218 2000  
Fax +61 2 6218 2001

### Perth

Level 11  
100 St Georges Terrace  
Perth WA 6000

Telephone +61 8 9212 7900  
Fax +61 8 9212 7999

This Information Memorandum is issued by JBWere Ltd ABN 68 137 978 360, AFSL 341162 (JBWere). However, the information about National Australia Trustees Limited ABN 80 007 350 405, AFSL 230703 (NATL) that appears in this Information Memorandum has been provided by, and is used with permission of, NATL, as Trustee of the JBWere Charitable Endowment Fund (CEF).

The investment of funds in the CEF is managed by JBWere, in accordance with an Investment Management Agreement between NATL and JBWere.

NATL is a wholly owned subsidiary of National Australia Bank Limited ABN 12 004 044 937 (NAB). JBWere is a wholly owned subsidiary of the National Australia Bank Limited Group (the NAB Group). A donation to the CEF is not a deposit or liability of NAB or any of its related bodies corporate.

## Limitation of liability and disclaimer

This Information Memorandum contains general information only and does not contain any recommendations, statements of opinion or advice. In any event, the information contained in this Information Memorandum does not take into account any individual's objectives, financial situation or needs. Comments contained in this Information Memorandum should not be relied upon in any way when deciding whether or not to donate to the CEF. You should obtain independent advice as to whether donating to a CEF is appropriate for you, having regard to your objectives, financial situation and needs. All statements in the Information Memorandum are based on JBWere's interpretation of the laws applicable to charitable foundations as at the date of this Information Memorandum. The laws regulating charitable foundations are complex. While some of the legal requirements are mentioned in this Information Memorandum, only a very brief summary has been included and accordingly such information may not be complete and should therefore not be relied upon. It is intended only as a guide to some of the main requirements.