

UC Invest
Share
Fund

December 31

2020

The UC Invest Share Fund is an activity of The Uniting Church in Australia Property Trust (S.A.) ABN 25 068 897 781, the legal entity of the Uniting Church SA.

Financial
Report

Statement of Profit or Loss

For the year to 31 December 2020

| | Note | 2020 \$ | 2019 \$ |
|--|------|--------------------|-------------------|
| Revenue | 2 | 2,638,468 | 4,686,885 |
| Expenses | 3 | (177,801) | (213,212) |
| OPERATING PROFIT / (LOSS) FOR THE YEAR | | 2,460,667 | 4,473,673 |
| Realised profit / (loss) on sale of financial assets | 4 | 155,729 | 1,540,380 |
| PROFIT / (LOSS) FOR THE YEAR | | 2,616,396 | 6,014,053 |
| Gains / (Losses) on revaluation of financial assets | 4 | (3,798,446) | 11,429,052 |
| PROFIT / (LOSS) ATTRIBUTABLE TO UNIT HOLDERS | | (1,182,050) | 17,443,105 |

Statement of Financial Position

As at 31 December 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6 | 249,825 | 875,285 |
| Trade and other receivables | 7 | 1,073,690 | 819,710 |
| Total Current Assets | | 1,323,515 | 1,694,995 |
| Non-Current Assets | | | |
| Financial assets | 4,8 | 72,629,407 | 79,981,227 |
| Total Non-Current Assets | | 72,629,407 | 79,981,227 |
| Total Assets | | 73,952,922 | 81,676,222 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 9 | 615,271 | 1,297,609 |
| Total Current Liabilities | | 615,271 | 1,297,609 |
| Non-Current Liabilities | | | |
| Total Non-Current Liabilities | | - | - |
| Total Liabilities | | 615,271 | 1,297,609 |
| Net Assets | | 73,337,651 | 80,378,613 |
| Equity | | | |
| Unit holders control | | 73,337,651 | 80,378,613 |
| Total Equity | | 73,337,651 | 80,378,613 |

Statement of Changes in Equity

For the year to 31 December 2020

| | Unit Holders Control | Total |
|---|-------------------------|-------------------|
| Balance at 1 January 2019 | 72,272,298 | 72,272,298 |
| Unit Holder Purchases for Year | 4,300,419 | 4,300,419 |
| Unit Holder Redemptions for Year | (9,153,084) | (9,153,084) |
| Distributions Allocated to Unit Holders | (4,473,673) | (4,473,673) |
| Unit Holder Gross Transaction Fees | (10,452) | (10,452) |
| Profit Attributable to Unit Holders | 17,443,105 | 17,443,105 |
| Balance at 31 December 2019 | 80,378,613 | 80,378,613 |
| Balance at 1 January 2020 | 80,378,613 | 80,378,613 |
| Unit Holder Purchases for Year | 2,280,552 | 2,280,552 |
| Unit Holder Redemptions for Year | (5,672,208) | (5,672,208) |
| Distributions Allocated to Unit Holders | (2,460,667) | (2,460,667) |
| Unit Holder Gross Transaction Fees | (6,589) | (6,589) |
| Profit Attributable to Unit Holders | (1,182,050) | (1,182,050) |
| Balance at 31 December 2020 | 73,337,651 | 73,337,651 |

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Statement of Cash Flows

For the year to 31 December 2020

| | Note | 2020 \$ | 2019 \$ |
|--|------|--------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Interest received | | 1,342 | 13,055 |
| Dividends received | | 2,093,070 | 3,555,057 |
| Franking credits received | | 923,248 | 1,566,767 |
| Receipts | | 6,473 | 11,774 |
| Payments | | (179,674) | (213,017) |
| Net cash flows provided by / (used in) operating activities | 10 | 2,844,459 | 4,933,636 |
| Cash Flows from Investing Activities | | | |
| Sale of investments | 4 | 7,315,823 | 14,122,265 |
| Purchase of investments | 4 | (4,245,900) | (9,047,375) |
| Net cash flows provided by / (used in) investing activities | | 3,069,923 | 5,074,890 |
| Cash Flows from Financing Activities | | | |
| Distributions to Unit Holders | | (1,658,970) | (2,669,130) |
| Purchases by Unit Holders | | 797,002 | 1,308,528 |
| Redemptions by Unit Holders | | (5,677,874) | (9,162,231) |
| Net cash flows provided by / (used in) financing activities | | (6,539,842) | (10,522,833) |
| Net increase / (decrease) in cash held | | (625,460) | (514,307) |
| Cash at beginning of year | | 875,285 | 1,389,592 |
| Cash at End of Year | 6 | 249,825 | 875,285 |

1. Statement of significant accounting policies

The financial report of the UC Invest Share Fund (*"the Fund"*) for the year ended 31 December 2020 was authorised for issue in accordance with a resolution by the members of the Uniting Church Investment Committee (UCIC) on 23 April 2021.

Operations and principal activities

This financial report covers the UC Invest Share Fund as an individual entity. The Fund is an activity of The Uniting Church in Australia Property Trust (S.A.), which was established by an Act of the South Australian Parliament in 1977. All assets of the Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

The UC Invest Share Fund is a unitised managed fund which invests in equities quoted on the Australian Stock Exchange. It is only available to Uniting Church congregations and organisations. The Fund does not accept investments from individual members of the public.

All recognised income is distributed to unit holders on a quarterly basis with the exception of any franking credits which are distributed once the annual franking credit return is received from the Australian Taxation Office.

Unit holders are exposed to the market risk of the Fund, which results in their investments fluctuating in line with the underlying performance of the Fund.

The Uniting Church Investment Committee is responsible for the financial management of the Fund.

Uniting Church Investment Committee Members

Michael McClaren (Non-executive, Chairperson)

Kevin Bengler (Non-executive, Chairperson Audit Committee) – Retired 13 February 2021

Wayne Matters (Non-executive, Chairperson Audit Committee)

Allison Ashby (Non-executive)

Karen Eley (Non-executive)

Ryan Dick (Non-executive, Chairperson Risk Committee) – Appointed 30 July 2020

Peter Battersby (Executive) – Remunerated by the Uniting Church SA

Investment Services Uniting Church SA manages the administration and investment strategy of the Fund.

Summary of significant accounting policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the UCIC. The Committee has determined that the Fund is not a reporting entity.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs, modified, where applicable, by the measurement at fair value of financial assets. All amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Cash and cash equivalents

Cash and cash equivalents in the *Statement of Financial Position* comprise cash at bank and cash in hand. These deposits are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within financial liabilities on the *Statement of Financial Position*.

(b) Revenue

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Fund and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

i. Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

ii. Dividends and distributions from equities

Dividend and distribution income is received in the form of dividends, distributions and franking credits from companies within the underlying investment portfolio. Revenue is recognised when the entity's right to receive the payment is established.

iii. Application and redemption fees

Application and redemption fee income is received when unit holders enter or exit the Fund either fully or partially. Revenue is recognised when the entity makes the corresponding transaction on behalf of the unit holder.

(c) Financial instruments

i. Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately.

ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

iii. Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at either:

- Amortised cost
- Fair value through other comprehensive income

This is done on the basis of two primary criteria being the contractual cash flow characteristics of the financial asset and the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- The financial asset is managed solely to collect contractual cash flows; and
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the capital amounts outstanding on specified dates.

By default, all other financial assets that do not meet the measurement conditions of amortised cost are subsequently measured at fair value through other comprehensive income.

(d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the *Statement of Financial Position*.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Impairment

The Fund recognises a loss allowance for expected credit losses on financial assets that are measured at either amortised cost or fair value through other comprehensive income.

A loss allowance is not recognised for financial assets measured at fair value through profit or loss or equity instruments measured at fair value through other comprehensive income.

(g) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

(h) Income tax

The Uniting Church in Australia Property Trust (S.A.) is exempt from income tax due to its status as a religious organisation. This exemption covers the Fund, as the Fund is an activity of The Uniting Church in Australia Property Trust (S.A.).

| | 2020 | 2019 |
|--|--------------------|-------------------|
| 2. Revenue | | |
| Dividends and distributions from equities | 2,630,663 | 4,663,378 |
| Interest received | 1,342 | 13,055 |
| Application and redemption fees received | 6,463 | 10,452 |
| | 2,638,468 | 4,686,885 |
| 3. Expenses | | |
| Management fees - related party | 170,909 | 200,084 |
| Interest paid | 2,234 | 18 |
| Brokerage | 4,658 | 13,110 |
| | 177,801 | 213,212 |
| 4. Revaluation of investments | | |
| Market value of listed equities held at year end | 72,629,407 | 79,981,227 |
| Less: Market value of listed equities held at start of year | (79,981,227) | (71,697,442) |
| Less: Equities purchased during the year ¹ | (6,211,580) | (9,554,417) |
| Add: Equities sold during the year ² | 9,920,683 | 14,240,063 |
| Realised (profit) / loss on sale of investments | (155,729) | (1,540,380) |
| Gain / (Loss) on revaluation of investments | (3,798,446) | 11,429,051 |

Decisions by unit holders to invest or redeem funds in the UC Invest Share Fund may influence the need to buy or sell equities, depending on the monetary value of the transaction.

Unit Holders who invested in the Fund for the 2020 year had a total investment return of -1.31%, relative to the ASX200 Accumulation Index benchmark return of 0.19%. The benchmark return has not been adjusted for companies which have been excluded by the Fund on ethical grounds.

¹ The value of equities purchased during the year includes non-cash items (internal portfolio transfers and pending settlements) totaling \$1,965,680.

² The value of equities sold during the year includes non-cash items (internal portfolio transfers) totaling (\$2,604,860).

Refer to **Appendix 1** for a listing of individual company capital movements for the year.

| | 2020 | 2019 |
|---|-------|-------|
| 5. Auditor's remuneration | | |
| Fee in relation to audit (<i>paid by Uniting Fund SA</i>) | 1,490 | 1,460 |

6. Cash and cash equivalents

Cash at the end of the year as shown in the *Statement of Cash Flows* is reconciled to the related items in the *Statement of Financial Position* as follows:

Current Assets

| | | |
|-------------------------|----------------|----------------|
| Cash at bank | 109,783 | 3,172 |
| Cash management account | 140,042 | 872,113 |
| | 249,825 | 875,285 |

The cash management account is an at-call account which earns interest at floating rates based on the official Reserve Bank cash rate.

7. Trade and other receivables

Current Assets

| | | |
|-------------------------------------|------------------|----------------|
| Accrued dividends and distributions | 112,445 | 178,149 |
| Accrued franking credits | 321,609 | 641,561 |
| Pending trade settlements | 639,181 | - |
| Other receivables | 455 | - |
| | 1,073,690 | 819,710 |

8. Financial assets

| | | |
|------------------|-------------------|-------------------|
| Financial assets | 72,629,407 | 79,981,227 |
|------------------|-------------------|-------------------|

Financial assets consist of equities listed on the Australian Stock Exchange and are therefore classified and subsequently measure at fair value through profit or loss. The value of the equities held has been determined following the fund revaluing their listed equities to their fair value at year end.

Part of the financial assets disclosed as non-current will be realised in the next 12 months, however to measure and disclose this is not practicable.

9. Trade and other payables

Current Liabilities

| | | |
|--------------------------------------|----------------|------------------|
| Unit holder distributions payable | 272,960 | 639,145 |
| Unit holder franking credits payable | 327,518 | 642,388 |
| Trade and other payables | 14,793 | 16,076 |
| | 615,271 | 1,297,609 |

| | 2020 | 2019 |
|--|------------------|------------------|
| 10. Cash flow information | | |
| Reconciliation of cash flow from operations with profit | | |
| Profit / (Loss) for the year before the revaluation of financial assets | 2,616,396 | 6,014,053 |
| Non-cash items in profit | | |
| Realised (profit) / loss on sale of financial assets | (155,729) | (1,540,380) |
| Pending trade settlements | 639,181 | - |
| Changes in assets and liabilities | | |
| (Increase) / Decrease in operating receivables | (253,980) | 458,456 |
| Increase / (Decrease) in operating payables | (1,409) | 1,507 |
| Cash flow from operating activities | 2,844,459 | 4,933,636 |

Operating receivables and operating payables are receivables and payables which have been decreased by unit holder related balances. These unit holder balances include capital contributions payable and distributions payable.

11. Contingent liabilities and contingent assets

Uniting Church Investment Committee members are not aware of any contingencies requiring disclosure in the financial statements.

12. Segment reporting

The Fund operates predominantly in one business and geographical segment being the investment in equities listed on the Australian Stock Exchange.

13. Coronavirus Pandemic (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had on the Fund based on known information. This consideration extends to the nature of the services provided, customers and investment markets in which the Fund operates.

The impact of the Coronavirus (Covid-19) pandemic on the Fund includes decreased revenue due to the general decrease in dividends. To address and mitigate the negative effects on the Fund, a range of measures were implemented to reduce risk. These included a regular management and board review of the Fund's portfolio and the continuous monitoring of general economic outlook.

Other than as addressed above, there does not currently appear to be either any other significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Fund unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

As the pandemic is ongoing it is not practical to estimate the potential future impacts on the Fund.

14. Events subsequent to reporting date

Other than as addressed above the Uniting Church Investment Committee members are not aware of any other matters or circumstances not dealt with in the financial statements that has significantly or may significantly affect the operations of the Company.

15. Related party transactions

The UC Invest Share Fund is administered by the Uniting Church Investment Committee on behalf of The Uniting Church in Australia Property Trust (S.A.).

Uniting Fund SA (an activity of The Uniting Church in Australia Property Trust (S.A.)) receives management fees each month calculated at 0.02% of the fair value of net assets held by the UC Invest Share Fund.

16. Financial risk management

Financial Risk Management Policies

The Fund manages its exposure to key financial risks by the application of policies approved by the Uniting Church Investment Committee (UCIC).

The Fund's exposure to interest rate risk is relatively minor with less than 2% of total assets at balance date exposed to interest rate sensitive investments, predominantly a cash management account which is used to cover the liquidity requirements of unit holders.

The UCIC has stipulated in its approved policies that the majority of financial assets are to be invested in equities listed on the Australian Stock Exchange.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are liquidity risk, market risk and revenue risk.

i. Liquidity risk

Due to the liquid nature of the entity's financial assets, the exposure to liquidity risk is limited to the amount of time it takes to receive cash from the sale of equity investments.

Unit holders have the ability to request the redemption of funds on a weekly basis. To prevent the forced selling of investments to cover unit holder redemption requests, the Fund holds a liquidity reserve in a cash management account.

ii. Market risk

The financial assets held by the Fund are prone to price fluctuations and volatility. The value of investments change as economic, market and company specific conditions vary.

The fund manager does not attempt to significantly mitigate market risk and currently utilises an index approach to stock selection. At balance date 77% of the portfolio was allocated to the ASX50 index, 23% was allocated to the MIDCAP50 index.

Due to the weighting of the portfolio towards index construction, there is a correlation between the general market return and the underlying investment portfolio. The exclusion of several companies on ethical investment grounds weakens this correlation, however it is still considered useful.

iii. Revenue risk

Revenue received (*dividends, distributions and franking credits*) from equity investments may fluctuate due to changes in market or company specific conditions.

Income distributions to unit holders are the aggregate of dividends, distributions and franking credits which are approved by individual companies. The amount of distributions can be varied by companies at any stage depending on a range of factors including economic conditions, cash flow, lending covenants, investor appetite for risk or peer distributions.

The fund manager does not distribute capital in quarterly distributions to unit holders, or operate a scheme which evens out distributions over time. All income distributions paid to unit holders are therefore market driven.

Sensitivity Analysis

i. Market risk

The entity has performed a sensitivity analysis relating to its exposure to price risk at balance date. This analysis demonstrates the effect on the current year results and equity

which could result from a change in market value. The Fund's performance is correlated with the ASX200 index and is expected to perform similarly.

| Change in profit | 2020 | 2019 |
|---------------------------------|--------------|--------------|
| Decrease in ASX200 index by 25% | (18,157,352) | (19,995,307) |
| Increase in ASX200 index by 25% | 18,157,352 | 19,995,307 |
| Change in equity | | |
| Decrease in ASX200 index by 25% | (18,157,352) | (19,995,307) |
| Increase in ASX200 index by 25% | 18,157,352 | 19,995,307 |

ii. Revenue risk

The entity has performed a sensitivity analysis relating to its exposure to revenue risk at balance date. This analysis demonstrates the effect on the current year results and equity which could result from a change in revenue received.

| Change in profit | 2020 | 2019 |
|--|-------------|-------------|
| Decrease in dividends and distributions to the UC Invest Share Fund by 20% | (526,133) | (932,676) |
| Increase in dividends and distributions to the UC Invest Share Fund by 20% | 526,133 | 932,676 |
| Change in equity | | |
| Decrease in dividends and distributions to the UC Invest Share Fund by 20% | (526,133) | (932,676) |
| Increase in dividends and distributions to the UC Invest Share Fund by 20% | 526,133 | 932,676 |

Derivative Financial Instruments

The entity does not use derivative financial instruments

17. Economic dependency

The Fund does not have any economic dependency on other entities of the Uniting Church SA.

18. Entity details

The registered office and principal place of business of the entity is:

Level 2, 212 Pirie Street
 Adelaide SA 5000

Appendix 1 – Revaluation of investments

| Company | Opening Balance | Total Purchases | Total Sales | Profit / (Loss) on Sale | Revaluation of Investments | Closing Balance |
|------------------------------------|-----------------|-----------------|-------------|-------------------------|----------------------------|-----------------|
| A2M The A2 Milk Company | 1,070,412 | 994,061 | (994,061) | (76,351) | (136,983) | 857,078 |
| ALD Ampol Limited | - | 374,264 | 440,501 | - | (88,123) | 726,643 |
| ALQ ALS Limited | 450,793 | - | (99,888) | 7,730 | 16,799 | 375,434 |
| ALU Altium Limited | 430,459 | - | (86,900) | (1,115) | (7,200) | 335,243 |
| ALX Atlas Arteria | 544,655 | 51,772 | - | - | (91,624) | 504,803 |
| AMC Amcor Limited | 861,597 | - | (167,459) | (4,869) | (10,182) | 679,086 |
| AMP AMP Limited | 342,847 | 480,871 | (310,705) | (32,142) | (47,971) | 432,900 |
| ANN Ansell Limited | 390,947 | - | (108,105) | 19,302 | 59,846 | 361,990 |
| ANZ ANZ Banking Group Limited | 3,627,630 | - | (100,320) | (4,555) | (276,042) | 3,246,713 |
| APA APA Group | 680,508 | - | (18,548) | (1,499) | (86,276) | 574,185 |
| APX Appen Limited | - | 229,508 | - | - | (3,298) | 226,210 |
| AST AusNet Services | 306,476 | - | (57,070) | 3,765 | 8,935 | 262,106 |
| ASX ASX Limited | 788,726 | - | (22,354) | (855) | (62,581) | 702,936 |
| AWC Alumina Limited | 552,858 | - | (95,220) | (23,162) | (86,895) | 347,582 |
| AZJ Aurizon Holdings Limited | 538,575 | - | (26,146) | (7,452) | (128,417) | 376,561 |
| BEN Bendigo and Adelaide Bank | 490,575 | - | (68,084) | (2,752) | (19,742) | 399,996 |
| BLD Boral Limited | 534,603 | - | (175,830) | 14,742 | 39,186 | 412,701 |
| BOQ Bank of Queensland Limited | 299,461 | - | (35,690) | 2,978 | 18,029 | 284,778 |
| BPT Beach Energy Limited | 413,397 | - | (64,044) | (20,119) | (91,818) | 237,416 |
| BSL Bluescope Steel Limited | 784,415 | - | (199,640) | 28,227 | 98,504 | 711,506 |
| BXB Brambles Limited | 953,574 | - | (59,295) | (4,755) | (85,006) | 804,519 |
| CAR Carsales.com Limited | 414,469 | - | (103,994) | 19,898 | 67,626 | 397,999 |
| CBA Commonwealth Bank of Australia | 7,349,362 | - | (228,724) | 12,195 | 197,291 | 7,330,124 |
| CGF Challenger Limited | 423,309 | - | (34,948) | (12,136) | (76,733) | 299,492 |
| CHC Charter Hall Group | 525,314 | - | (144,800) | 37,413 | 136,920 | 554,846 |
| CIM Cimic Group Limited | 327,622 | - | (254,367) | (73,255) | - | (0) |
| COH Cochlear Limited | 675,089 | 60,711 | - | - | (109,454) | 626,346 |
| CPU Computershare Limited | 434,250 | - | - | - | (56,675) | 377,575 |
| CSL CSL Limited | 6,503,248 | - | (195,795) | 7,175 | 169,911 | 6,484,539 |
| CTX Caltex Limited | 440,501 | - | (440,501) | - | - | - |
| CWY Cleanway Waste Management Ltd | 419,714 | - | (102,338) | 16,986 | 56,559 | 390,920 |
| DMP Domino's Pizza Enterprises Ltd | 333,795 | - | (109,218) | 43,087 | 175,444 | 443,108 |
| DOW Downer EDI Limited | 494,571 | - | (19,854) | (10,726) | (161,289) | 302,701 |
| DRR Deterra Royalties Limited | - | - | 22,092 | (22,092) | - | 0 |
| DXS Dexus Property Group | 666,818 | - | (19,228) | (3,751) | (126,567) | 517,273 |
| EVN Evolution Mining Limited | 592,279 | - | (86,684) | 20,139 | 164,638 | 690,371 |
| FLT Flight Centre Travel Group Ltd | 258,500 | 110,315 | (204,517) | (164,298) | - | - |
| FPH Fisher & Paykel Healthcare Cor | - | 15,331 | - | - | 206 | 15,537 |
| GMG Goodman Group | 1,130,487 | - | (12,080) | 3,429 | 464,845 | 1,586,681 |
| GPT GPT Group | 566,798 | - | (14,070) | (2,623) | (108,056) | 442,049 |
| IAG Insurance Australia Group Ltd | 919,828 | 15,090 | - | - | (356,653) | 578,265 |

Appendix 1 – Revaluation of investments (continued)

| Company | Opening Balance | Total Purchases | Total Sales | Profit / (Loss) on Sale | Revaluation of Investments | Closing Balance |
|------------------------------------|-------------------|------------------|--------------------|-------------------------|----------------------------|-------------------|
| ILU Iluka Resources Limited | 400,040 | - | (474,770) | 74,731 | - | - |
| IPL Incitec Pivot Limited | 519,777 | - | (14,248) | (5,366) | (141,556) | 358,608 |
| JBH JB Hi-Fi Limited | 440,513 | - | (113,166) | 23,097 | 101,868 | 452,312 |
| LLC Lend Lease Group | 516,208 | 72,617 | - | - | (134,137) | 454,688 |
| LNK Link Administration Holdings L | 318,485 | - | (63,922) | (2,893) | (13,314) | 238,356 |
| MFG Magellan Financial Group Ltd | 855,332 | - | (196,771) | (2,839) | (37,881) | 617,841 |
| MGR Mirvac Group | 650,017 | - | (16,514) | (2,582) | (107,138) | 523,784 |
| MPL Medibank Private Limited | 452,190 | - | (11,986) | (1,334) | (20,832) | 418,038 |
| MQG Macquarie Group Limited | 2,360,543 | - | - | - | 10,788 | 2,371,332 |
| NAB National Australia Bank Ltd | 3,689,623 | 382,731 | - | - | (322,630) | 3,749,724 |
| NCM New crest Mining Limited | 1,208,457 | 32,594 | - | - | (180,101) | 1,060,950 |
| NEC Nine Entertainment Co. Holding | 267,226 | - | (74,159) | 19,532 | 62,948 | 275,546 |
| NHF NIB Holdings Limited | 291,085 | - | (272,253) | (18,832) | - | - |
| NST Northern Star Resources Limit | 747,082 | - | (75,356) | 6,738 | 82,783 | 761,248 |
| NXT NextDC Limited | - | 426,155 | - | - | 7,093 | 433,248 |
| ORA Orora Limited | 390,593 | - | (69,094) | (22,868) | (87,555) | 211,075 |
| ORG Origin Energy Limited | 773,285 | - | (13,183) | (9,598) | (327,735) | 422,769 |
| ORI Orica Limited | 434,655 | 10,728 | - | - | (135,292) | 310,090 |
| OSH Oil Search Limited | 499,721 | 425,408 | (336,661) | (251,806) | 9,326 | 345,987 |
| OZL Oz Minerals Limited | 337,368 | - | (107,712) | 47,746 | 219,029 | 496,431 |
| QAN Qantas Airways Limited | 580,204 | 67,540 | - | - | (186,451) | 461,293 |
| QBE QBE Insurance Group Limited | 877,991 | 58,421 | - | - | (304,407) | 632,005 |
| QUB Qube Holdings Limited | 544,409 | - | (37,538) | (5,048) | (53,386) | 448,438 |
| REA REA Group Limited | 513,960 | - | (133,630) | 39,562 | 183,439 | 603,330 |
| RHC Ramsay Health Care Limited | 601,636 | 66,781 | - | - | (87,097) | 581,321 |
| RIO Rio Tinto Limited | 1,936,515 | - | (65,422) | 8,395 | 251,410 | 2,130,898 |
| RMD Resmed Inc | 935,546 | - | (432,612) | 91,322 | 144,630 | 738,886 |
| RWC Reliance Worldwide Corp Ltd | 324,909 | - | (72,519) | 6,102 | 640 | 259,131 |
| SAR Saracen Mineral Holdings Ltd | - | 419,762 | - | - | 6,299 | 426,061 |
| SCG Scentre Group | 1,054,499 | - | (37,953) | (14,054) | (274,834) | 727,657 |
| SEK Seek Limited | 807,989 | - | (202,269) | 38,962 | 170,962 | 815,644 |
| SGP Stockland Group | 572,376 | - | (16,115) | (748) | (52,906) | 502,607 |
| SHL Sonic Healthcare Limited | 709,435 | - | (22,460) | 2,824 | 81,576 | 771,375 |
| SKI Spark Infrastructure Group | 361,413 | - | (71,699) | 1,688 | 2,789 | 294,191 |
| STO Santos Limited | 752,568 | - | (17,296) | (4,880) | (170,544) | 559,848 |
| SUN Suncorp Group Limited | 821,444 | 11,501 | - | - | (204,403) | 628,542 |
| SYD Sydney Airport | 1,016,312 | 124,348 | (21,421) | - | (246,902) | 872,337 |
| TCL Transurban Group | 2,117,369 | - | (56,681) | (3,555) | (172,463) | 1,884,670 |
| TLS Telstra Corporation Limited | 2,187,635 | - | (55,252) | (9,194) | (335,872) | 1,787,318 |
| TPG TPG Telecom Limited | 234,468 | - | (34,527) | 2,125 | 15,358 | 217,423 |
| TUA Tuas Limited | - | 11,879 | (13,627) | 1,748 | - | (0) |
| URW Unibail-Rodamco SE | 364,089.03 | - | (162,360) | (201,729) | - | 0 |
| VCX Vicinity Centres | 403,870.53 | 377,315 | (324,252) | (56,886) | (87,444) | 312,602 |
| VUK Virgin Money UK PLC (ask CYI | 318,378.74 | - | (218,942) | (99,436) | - | - |
| WBC Westpac Banking Corporation | 4,393,795.51 | 16,111 | - | - | (881,951) | 3,527,955 |
| WES Wesfarmers Limited | 2,439,039.60 | - | (89,023) | 17,194 | 514,611 | 2,881,822 |
| WOR WorleyParsons Limited | 502,765.09 | - | (84,039) | (25,091) | (98,216) | 295,419 |
| WPL Woodside Petroleum Limited | 1,683,279.18 | - | (19,217) | (9,421) | (560,210) | 1,094,431 |
| WTC Wisetech Global Limited | 348,189.63 | - | (71,256) | 17,154 | 92,870 | 386,958 |
| XRO Xero Limited | 886,480.00 | 1,375,767 | (1,622,893) | 736,413 | 11,242 | 1,387,009 |
| 91 | 79,981,227 | 6,211,579 | (9,920,683) | 155,729 | (3,798,446) | 72,629,407 |

Appendix 1 – Revaluation of investments (continued)

All investments held by the UC Invest Share Fund are subject to the conditions and requirements of the Uniting Church SA Ethical Investment Policy.

This policy excludes investments in companies whose products, services or practices may cause or perpetuate injustice and suffering, infringe human rights or cause unacceptable damage to the natural environment. Industries included are thermal coal extraction and exploration, armaments, uranium, gambling, alcohol, tobacco and pornography.

Companies are also screened for unacceptable practices in areas such as human rights, occupational health and safety, environmental management and support of oppressive regimes.

The following companies, which are included in the ASX100 index, have been reviewed and excluded from the investment universe of the Fund under this policy.

| Company | | Exclusion Reason |
|---------|---|-------------------------|
| AGL | AGL Energy | Thermal Coal Extraction |
| ALL | Aristocrat Leisure | Gambling |
| BHP | BHP Billiton | Thermal Coal Extraction |
| CCL | Coca-Cola Amatil | Alcohol |
| COL | Coles Group Limited | Gambling |
| CWN | Crown Resorts | Gambling |
| JHX | James Hardie | Human Rights (Asbestos) |
| S32 | South32 Limited | Thermal Coal Extraction |
| SGR | Star Entertainment Group | Gambling |
| SOL | Washington H Soul Pattinson & Company Ltd | Thermal Coal Extraction |
| TAH | Tabcorp Holdings | Gambling |
| TWE | Treasury Wine Estates | Alcohol |
| WOW | Woolworths Group | Gambling |

Declaration of the Committee

31 December 2020



In the opinion of the members of the Uniting Church Investment Committee:

- a) the financial statements and notes set out on pages 1 to 12 of UC Invest Share Fund – Financial Report:
 - i. complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
 - ii. gives a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the year ended on that date; and

- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Uniting Church Investment Committee.

Michael McClaren
Chairperson
Uniting Church Investment Committee

Wayne Matters
Chairperson Audit Committee
Uniting Church Investment Committee

Adelaide
23 April 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF UC INVEST SHARE FUND*****Opinion***

We have audited the financial report of UC Invest Share Fund which comprises the balance sheet as at 31 December 2020, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration of the Uniting Church Investment Committee (“the Committee”).

In our opinion the financial report presents fairly, in all material respects, the financial position of UC Invest Share Fund as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist UC Invest Share Fund to meet the financial reporting requirements of policies set by the Committee. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The Committee is responsible for the other information. The other information comprises the information in the entity’s annual report for the year ended 31 December 2020, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF UC INVEST SHARE FUND (CONT)****Other information (cont)**

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Uniting Church Investment Committee's responsibility for the financial report

The Committee is responsible for the fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF UC INVEST SHARE FUND (CONT)**

Auditor's responsibility for the audit of the financial report (cont)

- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

B Brett Morkunas

Brett Morkunas
Partner

Adelaide
South Australia

23 April 2021