

UC Invest Share Fund

December 31

2018

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 2018

	Note	2018 \$	2017 \$
Revenue	2	5,522,993	4,574,054
Expenses	3	(193,501)	(183,671)
OPERATING PROFIT / (LOSS) FOR THE YEAR		5,329,492	4,390,383
Realised profit / (loss) on sale of financial assets	4	(1,265,519)	340,440
PROFIT / (LOSS) FOR THE YEAR		4,063,973	4,730,823
Gains / (Losses) on revaluation of financial assets	4	(7,342,584)	1,286,732
PROFIT / (LOSS) ATTRIBUTABLE TO UNIT HOLDERS		(3,278,611)	6,017,555

Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash & Cash Equivalents	6	1,389,592	3,815,833
Trade & Other Receivables	7	1,667,410	1,011,520
Total Current Assets		3,057,002	4,827,353
Non-Current Assets			
Financial Assets	4,8	71,697,442	75,593,964
Total Non-Current Assets		71,697,442	75,593,964
Total Assets		74,754,444	80,421,317
Liabilities			
Current Liabilities			
Trade & Other Payables	9	(2,482,146)	(1,665,416)
Total Current Liabilities		(2,482,146)	(1,665,416)
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
Total Liabilities		(2,482,146)	(1,665,416)
Net Assets		72,272,298	78,755,901
Equity			
Unit Holders Control		72,272,298	78,755,901
Total Equity		72,272,298	78,755,901

Statement of Changes in Equity

For the year to 31 December 2018

	Unit Holders Control	Total
Balance at 1 January 2017	71,694,781	71,694,781
Unit Holder Purchases for Year	7,726,658	7,726,658
Unit Holder Redemptions for Year	(2,285,861)	(2,285,861)
Distributions Allocated to Unit Holders	(4,390,383)	(4,390,383)
Unit Holder Gross Transaction Fees	(6,849)	(6,849)
Profit Attributable to Unit Holders	6,017,555	6,017,555
Balance at 31 December 2017	78,755,901	78,755,901
Balance at 1 January 2018	78,755,901	78,755,901
Unit Holder Purchases for Year	3,384,607	3,384,607
Unit Holder Redemptions for Year	(1,258,933)	(1,258,933)
Distributions Allocated to Unit Holders	(5,329,492)	(5,329,492)
Unit Holder Gross Transaction Fees	(1,174)	(1,174)
Profit Attributable to Unit Holders	(3,278,611)	(3,278,611)
Balance at 31 December 2018	72,272,298	72,272,298

Statement of Cash Flows

For the year to 31 December 2018

	Note	2018 \$	2017 \$
Cash Flows from Operating Activities			
Interest received		35,315	50,452
Dividends received		4,099,350	3,382,263
Franking credits received		1,119,675	1,372,354
Receipts		1,832	7,376
Payments		(194,510)	(182,789)
Net cash flows provided by / (used in) operating activities	10	5,061,662	4,629,656
Cash Flows from Investing Activities			
Sale of investments	4	18,197,397	2,576,811
Purchase of investments	4	(23,298,222)	(9,688,545)
Net cash flows provided by / (used in) investing activities		(5,100,825)	(7,111,734)
Cash Flows from Financing Activities			
Distributions to Unit Holders		(2,099,737)	(2,345,497)
Purchases by Unit Holders		972,629	4,844,688
Redemptions by Unit Holders		(1,259,970)	(2,288,148)
Net cash flows provided by / (used in) financing activities		(2,387,078)	211,043
Net increase / (decrease) in cash held		(2,426,241)	(2,271,035)
Cash at beginning of year		3,815,833	6,086,868
Cash at End of Year	6	1,389,592	3,815,833

1. Statement of significant accounting policies

The financial report of the UC Invest Share Fund (*"the Fund"*) for the year ended 31 December 2018 was authorised for issue in accordance with a resolution by the members of the Uniting Church Investment Committee (UCIC) on 22 March 2019.

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 Bengel (Non-executive, Chairperson Audit Committee)

Wayne Matters (Non-executive, Chairperson Risk Committee)

Allison Ashby (Non-executive)

Karen Eley (Non-executive, appointed in October 2018)

Tom Adams (Non-executive)

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 entity is exempt from income tax due to its status as a religious organisation.

2. Revenue

	2018	2017
Dividends and distributions from equities	5,485,667	4,516,755
Interest received	36,152	50,452
Application and redemption fees received	1,174	6,847
	5,522,993	4,574,054

3. Expenses

Management fees - related party	186,024	178,373
Interest paid	837	-
Brokerage	6,640	5,298
	193,501	183,671

4. Revaluation of investments

Market value of listed equities held at year end	71,697,442	75,593,964
Less: Market value of listed equities held at start of year	(75,593,964)	(66,855,058)
Less: Equities purchased during the year ¹	(36,936,011)	(9,688,545)
Add: Equities sold during the year ²	32,224,430	2,576,811
Realised (profit) / loss on sale of investments	1,265,519	(340,440)
Gain / (Loss) on revaluation of investments	(7,342,584)	1,286,732

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 2018 year had a total investment return of -4.2%, relative to the ASX200 Accumulation Index benchmark return of -2.8%. 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 \$14,027,033.

² The value of equities sold during the year includes non-cash items (internal portfolio transfers) totaling \$13,637,789

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

5. Auditor's remuneration

	2018	2017
Fee in relation to audit (<i>paid by Uniting Fund SA</i>)	1,430	1,365

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	128	11
Cash management account	1,389,464	3,815,822
	1,389,592	3,815,833

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	189,435	172,060
Accrued franking credits	1,088,721	839,455
Pending trade settlements	389,244	-
Other receivables	10	5
	1,667,410	1,011,520

8. Financial assets

Non-Current Assets

Financial assets	71,697,442	75,593,964
------------------	-------------------	-------------------

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	1,379,759	814,932
Unit holder franking credits payable	1,087,819	834,732
Trade and other payables	14,568	15,752
	2,482,146	1,665,416

10. Cash flow information

Reconciliation of cash flow from operations with profit

	2018	2017
Profit / (Loss) for the year before the revaluation of financial assets	4,063,973	4,730,823
Non-cash items in profit		
Realised (profit) / loss on sale of financial assets	1,265,519	(340,440)
Changes in assets and liabilities		
(Increase) / Decrease in operating receivables	(266,647)	237,861
Increase / (Decrease) in operating payables	(1,183)	1,412
Cash flow from operating activities	5,061,662	4,629,656

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. Events subsequent to reporting date

Investment markets experienced significant volatility during 2018 which resulted in a total return of -4.2% being generated by the Fund. Markets rebounded significantly in the first two months of 2019. The performance of the Fund for the two months to 28 February 2019 was 9.7%.

There have been no other substantial events subsequent to balance date that require disclosure.

14. 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.

15. 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 75% of the portfolio was allocated to the ASX50 index, 23% was allocated to the MIDCAP50 index and 2% was held in cash and cash equivalents.

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	2018	2017
Decrease in ASX200 index by 25%	(17,924,360)	(18,898,491)
Increase in ASX200 index by 25%	17,924,360	18,898,491
Change in equity		
Decrease in ASX200 index by 25%	(17,924,360)	(18,898,491)
Increase in ASX200 index by 25%	17,924,360	18,898,491

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	2018	2017
Decrease in dividends and distributions to the UC Invest Share Fund by 20%	(1,097,133)	(903,351)
Increase in dividends and distributions to the UC Invest Share Fund by 20%	1,097,133	903,351
Change in equity		
Decrease in dividends and distributions to the UC Invest Share Fund by 20%	(1,097,133)	(903,351)
Increase in dividends and distributions to the UC Invest Share Fund by 20%	1,097,133	903,351

Derivative Financial Instruments

The entity does not use derivative financial instruments

16. Economic dependency

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

17. 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	-	827,168	-	-	(45,449)	781,719
ABC Adelaide Brighton Limited	770,983	658,626	(1,137,284)	(29,945)	(82,835)	179,545
ALQ ALS Limited	-	448,083	-	-	(101,279)	346,804
ALX Atlas Arteria	-	491,777	-	-	(61,214)	430,563
AMC Amcor Limited	1,876,074	731,818	(1,467,633)	(128,088)	(110,508)	901,663
AMP AMP Limited	985,420	-	(57,002)	(35,738)	(471,280)	421,400
ANN Ansell Limited	-	371,657	-	-	(42,159)	329,498
ANZ ANZ Banking Group	5,473,188	-	(576,584)	(8,965)	(727,874)	4,159,765
APA APA Group	602,076	-	(28,912)	4,339	11,786	589,289
APARA APA Group RTS Forus	-	-	(638)	638	-	-
AST AusNet Services	-	290,109	-	-	(7,253)	282,856
ASX ASX Limited	688,822	-	(75,636)	10,792	57,780	681,758
AWC Alumina Limited	-	669,816	-	-	(110,847)	558,969
AZJ Aurizon Holdings Limited	660,156	-	(68,114)	(12,039)	(79,516)	500,487
BEN Bendigo and Adelaide Bank	713,154	779,991	(895,875)	(56,738)	2,011	542,543
BLD Boral Limited	-	848,069	-	-	(244,080)	603,989
BOQ Bank of Queensland Limited	-	475,697	-	-	(73,758)	401,939
BSL Bluescope Steel Limited	-	939,558	-	-	(310,662)	628,896
BXB Brambles Limited	1,742,251	792,400	(1,670,653)	122,920	(39,730)	947,188
CAR Carsales.com Limited	-	375,141	-	-	(98,832)	276,309
CBA Commonwealth Bank of Australia	9,730,540	705,296	(1,972,162)	(225,001)	(753,185)	7,485,488
CGF Challenger Limited	719,585	712,306	(612,027)	(199,147)	(52,911)	567,806
CHC Charter Hall Group	-	349,036	-	-	9,187	358,223
CIM Cimic Group Limited	-	511,892	-	-	(69,414)	442,478
COH Cochlear Limited	-	684,106	-	-	(99,869)	584,237
CPU Computershare Limited	529,326	-	(59,505)	9,675	26,181	505,677
CSL CSL Limited	4,162,839	-	(597,779)	191,683	1,166,107	4,922,850
CSR CSR Limited	-	209,921	(154,634)	(55,287)	-	-
CTX Caltex Limited	576,024	-	(46,997)	(7,211)	(131,335)	390,481
CWY Cleanway Waste Management Ltd	-	392,646	-	-	(42,462)	350,184
CYB CYBG PLC	-	453,538	-	-	(205,136)	248,402
DLX DuluxGroup Limited	-	312,799	-	-	(52,065)	260,734
DMP Domino's Pizza Enterprises Ltd	-	337,986	-	-	(74,127)	263,859
DOW Downer EDI Limited	-	501,460	-	-	(72,363)	429,097
DXS Dexs Property Group	638,216	-	(66,466)	6,406	51,589	629,745
EVN Evolution Mining Limited	-	417,820	-	-	163,975	581,795
FLT Flight Centre Travel Group Ltd	664,662	331,346	(868,768)	204,107	(73,526)	257,821
GMG Goodman Group	869,727	-	(98,141)	21,418	208,140	1,001,144
GPT GPT Group	594,886	-	(58,560)	2,575	24,256	563,157
HSO Healthscope Limited	420,000	1,065,690	(1,121,917)	19,199	19,871	402,843
HVN Harvey Norman Holdings Ltd	518,360	449,628	(868,959)	(99,029)	-	-
IAG Insurance Australia Group Ltd	1,111,796	-	(132,771)	1,012	(29,626)	950,411
IFL IOOF Holdings Limited	-	255,757	-	-	(92,716)	163,041
ILU Iluka Resources Limited	-	418,962	-	-	(86,387)	332,575
IOF Investa Office Fund	-	287,382	(290,494)	3,112	-	-
IPL Incitec Pivot Limited	423,872	700,643	(373,996)	(49,875)	(127,437)	573,207
JBH JB Hi-Fi Limited	710,965	665,082	(1,092,332)	5,918	(31,170)	258,463
JHG Janus Henderson Group PLC	-	343,907	-	-	(84,548)	259,359
LLC Lend Lease Group	618,766	-	(69,548)	11,325	(161,820)	398,723
LNK Link Administration Holdings	-	1,308,085	(808,949)	(85,560)	(42,235)	371,341
MFG Magellan Financial Group	-	401,657	-	-	(59,456)	342,201
MGR Mirvac Group	564,757	-	(55,412)	2,262	(23,948)	487,659
MPL Medibank Private Limited	1,371,433	666,631	(1,402,248)	(139,908)	(80,032)	415,876
MQG Macquarie Group Limited	2,917,963	843,948	(2,165,884)	372,598	51,720	2,020,345
NAB National Australia Bank Ltd	5,854,830	658,922	(1,696,605)	(113,351)	(843,908)	3,859,888
NCM Newcrest Mining Limited	1,129,864	-	(91,201)	(15,140)	(45,749)	977,774

Appendix 1 – Revaluation of investments (continued)

Company	Opening Balance	Total Purchases	Total Sales	Profit / (Loss) on Sale	Revaluation of Investments	Closing Balance
NST Northern Star Resources Limited	366,000	1,131,583	(1,182,573)	190,156	73,240	578,406
OMN OneMarket Limited	-	8,618	(7,967)	(651)	-	-
ORA Orora Limited	-	1,421,089	(1,003,142)	16,235	(47,823)	386,359
ORG Origin Energy Limited	1,065,383	-	(81,774)	(10,674)	(304,688)	668,247
ORI Orica Limited	440,174	-	(37,793)	(3,638)	(18,726)	380,017
OSH Oil Search Limited	590,996	15,768	-	-	(50,776)	555,988
OZL Oz Minerals Limited	-	273,566	-	-	12,012	285,578
PDL Pendal Group Ltd	338,700	1,015,235	(1,005,251)	(108,517)	(33,680)	206,487
PPT Perpetual Limited	644,699	645,960	(1,192,123)	(98,536)	-	-
QAN Qantas Airways Limited	591,121	-	(105,549)	19,748	75,197	580,517
QBE QBE Insurance Group Limited	945,543	-	(90,996)	2,000	(46,517)	810,030
QUB Qube Holdings Limited	-	118,097	-	-	(8,620)	109,477
REA REA Group Limited	-	427,021	-	-	(50,981)	376,040
RHC Ramsay Health Care Limited	586,414	-	(43,576)	(11,608)	(93,867)	437,363
RIO Rio Tinto Limited	-	2,571,232	(95,844)	(643,195)	69,370	1,901,563
RMD Resmed Inc	-	841,550	-	-	1,589	843,139
RWC Reliance Worldwide Corp Ltd	-	207,039	-	-	(29,039)	178,000
SCG Scentre Group	1,447,004	-	(135,296)	(887)	(90,725)	1,220,096
SEK Seek Limited	-	765,797	-	-	(147,015)	618,782
SGP Stockland Group	698,862	-	(54,265)	(3,756)	(137,323)	503,518
SHL Sonic Healthcare Limited	1,353,083	755,392	(1,606,541)	102,965	(53,300)	551,599
SKI Spark Infrastructure Group	-	399,087	-	-	(11,403)	387,684
STO Santos Limited	622,772	-	(75,493)	16,884	3,105	567,268
SUN Suncorp Group Limited	1,156,645	-	(105,120)	3,942	(93,667)	961,800
SYD Sydney Airport	1,022,736	-	(92,633)	2,555	(42,333)	890,325
TCL Transurban Group	1,654,632	501,767	-	-	(77,060)	2,079,339
TLS Telstra Corporation Limited	3,538,444	683,249	(1,568,553)	(184,290)	(477,197)	1,991,653
TPM TPG Telecom Limited	-	305,188	-	-	(76,652)	228,536
URW Unibail-Rodamco SE	-	661,111	(60,645)	(1,460)	(155,758)	443,248
VCX Vicinity Centres	576,406	-	(62,945)	8,377	(30,920)	490,918
WBC Westpac Banking Corporation	7,582,593	716,989	(1,827,055)	(219,042)	(1,199,862)	5,053,623
WFD Westfield Corporation Limited	1,176,694	-	(1,105,610)	(71,084)	-	-
WPL Woodside Petroleum Limited	1,554,528	244,094	-	-	(76,022)	1,722,600
XRO Xero Limited	-	540,223	-	-	(73,045)	467,178
90	75,593,964	36,936,011	(32,224,430)	(1,265,519)	(7,342,584)	71,697,442

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 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)
PDN	Paladin Energy	Uranium
SGR	Star Entertainment Group	Gambling
TAH	Tabcorp Holdings	Gambling
TWE	Treasury Wine Estates	Alcohol
WES	Wesfarmers	Thermal Coal Extraction
WOW	Woolworths Group	Gambling

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

- a) the financial statements and notes set out on pages 1 to 15 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 2018 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



Kevin Bengert
Chairperson Audit Committee
Uniting Church Investment Committee

Adelaide
22 March 2019

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of UC Invest Share Fund, being a special purpose financial report, which comprises the balance sheet as at 31 December 2018, 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 2018 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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

Without modifying our opinion, 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.

Other information

The Committee are responsible for the other information. The other information comprises the information in the entity's annual report for the year ended 31 December 2018, 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.

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

Other information (cont.)

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.

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.

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)***

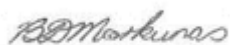
- Obtain an understanding of control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- 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.

We also provide the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Nexia Edwards Marshall
Chartered Accountants



Brett Morkunas
Partner

Adelaide
South Australia

22 March 2019