

# Investor Returns

The Official Newsletter of Uniting Church Investment Services

*In this issue:*

*p1 Welcome message*

*p2 The rise of Interest Rate  
after the fall.*

*p3 ESG*

*p4 Ten things  
about Peter*

## Welcome message

Welcome to our Winter edition of Investor Returns!

In the cold and sometimes rainy days recently, plenty has been happening.

We have a new member to our UC Invest team, Peter Hartley. He has joined us as the Business Manager. He will be looking after our retail clients, customer service and financial reporting. He brings a wealth of experience with him. You can find out more about Peter on the back page of this edition.

Paul's role has changed also, with his responsibilities now being investment management, risk management, compliance and corporate clients. His new title is 'Funds Manager'.

On the investment front, you will no doubt be aware of the dramatic increase in interest rates in the past couple of months. The Reserve Bank Governor has been aggressively increasing the official cash rate in an attempt to bring inflation down to below its target range. In line with these increases in the market place, we have increased our interest rates so you will find competitive interest rates with us.

We now have a presence on Facebook and LinkedIn. If you find us on these platforms and 'like' us, you will know what we are doing more quickly than before!

I hope you enjoy this seasons Investor Returns.

*Paul*

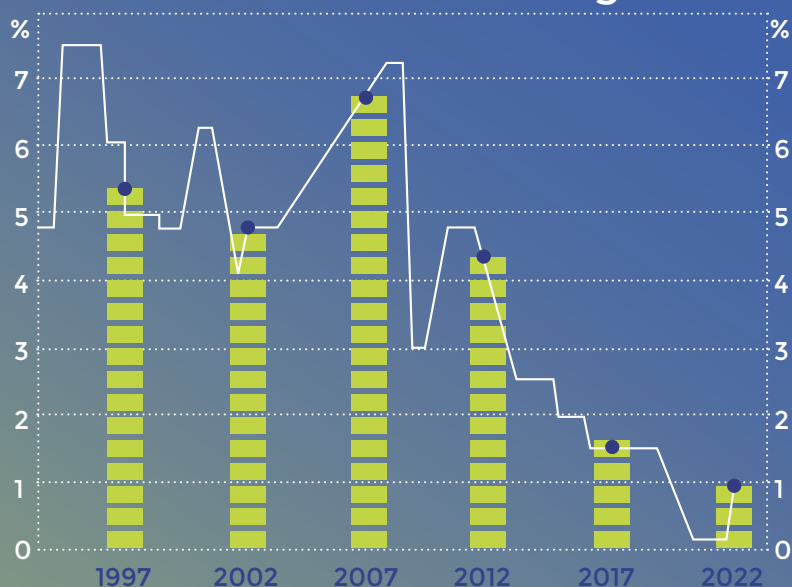
Paul Barnett  
Funds Manager  
Investment Services

*Peter*

Peter Hartley  
Business Manager  
Investment Services



## Australian Cash Rate Target



# The Rise of Interest Rates after the Fall

Interest rates have been going lower for years, to the point where rates reached historic lows. Whilst the last couple of years have included Covid-19 and the printing of money from major central banks, rates were already low before the pandemic hit.

Of course it depends on whether you are an investor or borrower on whether the news of rates rising is exciting or alarming. It certainly appears that interest rate increases are going to be a regular feature over the next couple of years.

Why are rates rising? It is partly driven by the Reserve Bank increasing the official cash rate to try to reduce the rate of inflation, which has increased substantially in recent months due to a number of economic factors including food prices rising on recent floods and oil price rises on the world fuel price due to sanctions on Russia which is a major oil producer.

Why is inflation a problem? It is because prices

increase, which means consumers need to spend more and more to get the same amount of goods.

So the increase in official rates leads to lenders and borrowers increasing their rates. So borrowers need to pay more on their mortgages, which leaves less money for discretionary spending. Investors on the other hand get more interest on their investments, so they can spend more, however inflation may mean that the increase in interest may be offset by increasing petrol prices at the bowser or the like.

The chart below from the RBA shows the history of the official Australian Cash Rates over the last 30 years. (Note the Cash Rate has gone up a further 0.50% in July).

I can promise you, that UC Invest will continue to offer competitive interest rates. It's in our DNA. So if you have some spare money, give us a call, and we will quote our current rates.

# ESG

In a world of supply shortages one thing that has not been delayed yet is the development of acronyms!

ESG stands for environmental, social and governance.

It is a term that refers to a framework of criteria used to assess a business or investment in regards to:

- how environmentally friendly it is
- how sustainable it is
- how socially responsible to people working in its supply chain it is, here or in other countries (fair wages and working conditions)
- how socially responsible it is to employees (fair wages and working conditions)
- how transparently it is governed, how accountable to the rule of law and moral reasonableness the board and management are

A framework like this is in the process of making its way into the international accounting standards that

most countries follow. The G7 last year issued a multi-pronged plan to encourage sustainable development, clean energy and help vulnerable countries with this! A number of these plans are being implemented. This will help encourage broader transition to sustainable clean energy and socially responsible conduct. The Investment Team at UC Invest have ensured that we are not investing in things such as thermal coal extraction, gambling, alcohol and companies who shirk their responsibilities around damage to human life from asbestos. We use an indexed strategy to invest on the stock exchange. Within that there is still scope to look for investments that meet our criteria, exclude companies that don't, and beyond the shares component of our investments, assess opportunities to work for good in how we invest. If you have any questions about how we invest, feel free to contact us by email or by phone.

**Peter Hartley**  
Business Manager



# 3.50%

pa

for 12 months term deposit (minimum \$1,000)

**Wow Oui! We are delivering the interest rate rise to you!**

 1300 274 151

 [ucinvest.com.au](http://ucinvest.com.au)

Uniting Church SA Investment Fund Ltd ACN 620 095 472 AFSL 501022 ("the Fund") is a public company, limited by guarantee and registered under the Corporations Act 2001. The Fund exists for the charitable purpose of advancing religion by supporting the mission of the Uniting Church in Australia. The Fund holds an Australian Financial Services licence (AFSL) number 501022 authorising it to deal in, and provide general financial product advice in relation to, securities (which include debentures) and non-cash payment products. It also operates under an instrument made by ASIC the effect of which is to exempt it from the requirement to comply with Parts 6D.2 and 6D.3 of the Corporations Act 2001 in relation to offers to issue debentures (ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813). Our Charitable Investment Fundraiser Identification Statement provides more information and explains how investment funds are used to support the charitable purposes of the Fund. Our AFS Licence does not authorise us to provide personal advice. Before acquiring any product or service of UC Invest you should read our Product Disclosure Statement (PDS) and consider the appropriateness of the product or service having regard to your particular objectives, financial situation and needs. The Fund is not prudentially supervised by the Australian Prudential Regulation Authority. Therefore, an investor in the Fund will not receive the benefit of the financial claims scheme or depositor protection provisions of the Banking Act 1959. Investments in the Fund are intended to be a means for investors to support the charitable purposes of the Fund. The Fund is required by law to advise investors that investments in it are only intended to attract investors whose primary purpose for making their investment is to support the charitable purposes of the Fund, that investors may be unable to get some or all of their money back when they expect or at all, that investments are not subject to the usual protections for investors under the Corporations Act 2001 or regulation by the Australian Securities and Investments Commission (ASIC), and that the investment is not comparable to investments with banks, finance companies or fund managers.

# Ten Things About Peter

So you can get to know Peter better, we have published Peter's employment survey. Keep the answers under your hat!



01

Peter is a chartered accountant with an MBA. His bachelor degree included a major in economics.

He has worked as a senior accountant or manager for a number of businesses.

02

03

Peter is passionate about investing for the greater good. In the distant past he ran an interest bearing deposit fund for Oxfam Australia Trading.

04

Earlier in his career Peter worked as an analyst for a stockbroking firm.

05

Peter has been working here for just over 3 months. First impressions of UC Invest? "I like the investment strategies and purpose behind the various funds. The people are friendly!"

06

What are you hoping to do at UC Invest: I hope to help UC Invest and its team to look after its funds and grow them in an ethical and sustainable way.

07

What do you see happening in the world economy in the next few years? I think the economy will slow as the various Reserve banks raise interest rates to kill off inflation. Conflicts and Covid will provide un-forecast hiccups that may drag on periodically. Invest for the long term if you can.

08

Favourite verse: 1 Corinthians 13:4 Love is patient, love is kind and is not jealous; love does not brag and is not arrogant. I like this verse and the wider passage because I think it reflects God's character. It reminds me of how relational God is, what sort of relationship he wants with people and how he wants us to relate with others.

09

Did you grow up in Adelaide? I was born interstate but mostly grew up in Adelaide. I have travelled quite a lot and that helps me value what we have and keep things in perspective.

10

Crows, Port or Basket weaving... ? I know from my time working with Oxfam that basket weaving can feed quite a few people! I've gone to a few games and I am happy to support the local teams against the visiting ones!

Uniting Church SA Investment Fund Ltd ACN 620 095 472 AFSL 501022 ('the Fund') is a public company, limited by guarantee and registered under the Corporations Act 2001.

The Fund exists for the charitable purpose of advancing religion by supporting the mission of the Uniting Church in Australia.

The Fund is not prudentially supervised by the Australian Prudential Regulation Authority. Therefore, an investor in the Fund will not receive the benefit of the financial claims scheme or depositor protection provisions of the Banking Act 1959. Investments in the Fund are intended to be a means for investors to support the charitable purposes of the Fund.

The Fund is required by law to advise investors that investments in it are only intended to attract investors whose primary purpose for making their investment is to support the charitable purposes of the Fund, that investors may be unable to

get some or all of their money back when they expect or at all, that investments are not subject to the usual protections for investors under the Corporations Act 2001 or regulation by the Australian Securities and Investments Commission (ASIC), and that the investment is not comparable to investments with banks, finance companies or fund managers.

The Fund holds an Australian Financial Services licence (AFSL) number 501022 authorising it to deal in, and provide general financial product advice in relation to, securities (which include debentures) and non-cash payment products. It also operates under an instrument made by ASIC the effect of which is to exempt it from the requirement to comply with Parts 6D.2 and 6D.3 of the Corporations Act 2001 in relation to offers to issue debentures (ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813). Our Charitable Investment Fundraiser Identification Statement provides more information and explains how investment funds are used to support the charitable purposes of the Fund.