

Funeral Fund *Additional Information Booklet*

20 December 2018

Issued, managed and administered by

UCA Funds Management Limited ABN 46 102 469 821 AFSL 294147

The information in this Additional Information Booklet forms part of the Offer Document for the Funeral Fund dated 20 December 2018

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Important information for investors

This Additional Information Booklet and the corresponding Offer Documents dated 1 January 2018 provide a summary of key information relating to the Funeral Fund (the Fund). You should consider the information in this Additional Information Booklet together with the Offer Document, the Product Disclosure Statement for Non-cash Payment Products and the Financial Services Guide before making a decision to invest in the Fund. A reference to the Offer Document includes, unless the context required otherwise, a reference to both the Offer Document and the Additional Information Booklet for the Fund.

The Offer Document, Additional Information Booklet and the Application Form are available on the UCA Funds Management Limited (UCA Funds Management) website. Alternatively you can contact UCA Funds Management directly to request a copy free of charge. The information contained in this Additional Information Booklet and the Offer Document are subject to change and information that is not materially adverse may be updated without notice. However, information about non-materially adverse updates can be obtained by going to the website or contacting UCA Funds Management directly. You may request a paper copy of these updates at any time free of charge. You must ensure that you have read this Additional Information Booklet and the Offer Document at the date of your application.

The information in this Additional Information Booklet is general information only and does not take into account your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser.

UCA Funds Management is required by law to notify investors that the offering of interests in the Fund and the interests themselves are not subject to the usual protections under the Corporations Act or regulation by ASIC. ASIC has not approved or examined UCA Funds Management, interests in the Fund or this Additional Information Booklet. UCA Funds Management will provide audited financial accounts to the Australian Charities and Not-for-profits Commission (ACNC) each year.

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 the depositor protection provisions in the Banking Act 1959. The Funeral Fund is listed as religious charitable development fund in APRA's Banking Exemption. Investments in the Fund are intended to be a means for investors to support the charitable purposes of the Fund.

Restriction of offer

This Additional Information Booklet is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this Additional Information Booklet outside Australia may be restricted by the laws of places where it is distributed, and therefore persons into whose possession this Additional Information Booklet comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

Disclosure of any relevant conflicts of interest

UCA Funds Management operates under the umbrella of The Uniting Church in Australia, Synod of Victoria and Tasmania, and does not have any relationships or associations otherwise which might influence the services it provides.



The Additional Information Booklet is issued by UCA Funds Management. It should be read in conjunction with the Offer Document dated 1 January 2018 for the Fund.

Section 1: About UCA Funds Management Limited

UCA Funds Management is a public company limited by guarantee that operates an ethical funds management business. It is wholly owned by The Uniting Church in Australia Property Trust (Victoria) ABN 39 703 442 583 and The Uniting Church in Australia Property Trust (Tas.) ABN 88 774 033 774 (the Church), and holds AFS licence 294147, the scope of which includes the funds management activities of the following companies:

- > UCA Cash Management Fund Limited ABN 41 075 948 444; and
- > UCA Growth Fund Limited ABN 39 075 948 435
(together, the UCAFM Companies)

The UCAFM Companies rely on ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 in relation to their fundraising activities. UCA Funds Management also relies on that instrument in relation to the operation of the Funeral Fund. At the date of this Additional Information Booklet, the directors of UCA Funds Management are also directors of the other UCAFM Companies.

UCA Funds Management is dedicated to providing investment stewardship to charities, faith-based organisations and their members.

UCA Funds Management offers proven, low-cost funds for treasury management, long-term capital growth and investment in perpetuity. It also provides loans for mission-motivated capital works, health and community services, education and social enterprise.

An up-to-date copy of the Fund terms and conditions can be obtained from the UCA Funds Management website or on request by contacting UCA Funds Management directly.

Section 2: How the Fund works

Valuation and unit price calculation

Unit prices reflect the net asset value of the Fund's investments divided by the number of units on issue. A valuation is performed daily to assess the maintenance of a \$1 unit price. The unit price must not exceed \$1 but may be below \$1. You can obtain further information about the unit pricing policy by visiting the UCA Funds Management website or by contacting UCA Funds Management directly.

The value of the Fund's investment in debentures of the UCA Enhanced Cash Portfolio (the Portfolio) is determined based on the net asset value of the Portfolio. The net asset value of the Portfolio is equal to the value of its assets less its liabilities. The Portfolio includes a reserve, which is available as a cushion against capital losses, to support income distributions or to protect the value of the Portfolio against markdowns in market-linked investments.

Types of accounts

1. Interest bearing account

Investors who choose an interest bearing account will be credited with interest every six months, which is reinvested into the account and paid at maturity.

2. Partial interest bearing account

Investors may choose to earn a set percentage of the interest earned on the account. The interest is credited every six months, which is reinvested into the account and paid at maturity. The balance of the interest is distributed every six months and is granted to the Church.

3. Non interest bearing account

Investors have the option of forgoing all interest earned on the account. This is distributed every six months and the interest is granted to the Church.

When a Fund account is opened, the default will be an interest bearing account. Investors can opt to have either a partial interest bearing account or a non interest bearing account. Investors wishing not to have a default interest bearing account must notify UCA Funds Management in writing.

Section 3: Benefits of investing in the Fund

Key features of the Fund		Transaction method
Investment type	Interest bearing	N/A
Minimum initial investment	\$100	Chq, DD
Regular Savings Plan	No minimum	DD
Additional investments	No minimum	EFT, BPay, Chq and DD
Distribution reinvestment	Mandatory	N/A
Minimum balance	\$100	N/A
Redemptions	Only on death	EFT or Chq
Switches – minimum	N/A	N/A
Redemption notice period	31 days	N/A

Chq = Cheque, DD = Direct Debit, EFT = Electronic Funds Transfer, N/A = Not Applicable

Transaction processing	Valid requests received before 11.00 a.m. will normally be processed on the business day of receipt. Valid requests received after 11.00 a.m. will be processed the next business day after the receipt of the request.
Income distribution	If an interest bearing or partial interest bearing account is elected, income is accumulated and credited to your principal investment within one month after 30 June and 31 December each year. Distributions are proportionate to the number of days in the distribution period the investments have been held.
Regular Savings Plan	Regular investments can be arranged to be transferred from your bank account (see below).
Investment confirmations	Confirmation of initial and all additional investments will be sent any time the Corporations Act requires it to be sent.
Regular reporting	Statements will be sent every six months (within one (1) month after 30 June and 31 December each year) detailing income distributions, account balances and transaction summaries.
Annual Report	The Annual Report for UCA Funds Management is available on the UCA Funds Management website or you can contact us to receive a hard copy of the report.
ASIC reporting	Certain financial information about UCA Funds Management is lodged with ASIC.
Ethical Investment Policy	A copy of the policy can be obtained from the UCA Funds Management website or on request by contacting UCA Funds Management directly.
Tax information	A distribution statement that shows tax details will be sent annually.

Fund restrictions

The maximum amount that can be invested into a Funeral Fund is determined by the Federal Government (indexed annually) or such other amount allowed by the Social Security Act 1991 (“prescribed maximum”).

Investment and accumulated interest will be applied towards Funeral Expenses once the invoices or proofs of payment for the funeral expenses are presented to UCA Funds Management.

Regular Savings Plan

To participate in a Regular Savings Plan, you need to complete a Direct Debit Request Form. The nominated amount will be debited from a financial institution on a nominated day (or the next business day), and will be debited regularly until the request is cancelled.

Investors should be aware that a nominated financial institution may charge a direct debit fee.

UCA Funds Management may cancel or suspend the Regular Savings Plan by providing 14 days' notice in writing to an investor of any cancellations or variations.

Section 4: Risks of investing in the Fund

The Fund provides a low-risk means of saving to cover Funeral Expenses. As the Fund has lower investment risk, it is expected to produce a low return over the long-term.

Section 5: How we invest your money

UCA Funds Management determines the parameters for the investment decisions of the Fund. Details about the current investment mandate of the Fund are provided in Section 5 of the Offer Document.

Ethical investment philosophy of UCA Funds Management

This philosophy dictates that all the Funds operated by UCA Funds Management are managed within the Ethical Investment Policy approved by The Uniting Church in Australia, Synod of Victoria and Tasmania. It encompasses environmental, social, governance and labour considerations and is designed to reflect Christian values. Responsible stewardship of resources is fundamental to UCA Funds Management's investment strategy. An ethical screen is employed to assist in selecting appropriate investments to meet these objectives.

UCA Funds Management's mantra is 360° ethical® investing, which consists of four principles:

1. To maintain consistently competitive investment returns.
2. To adhere to a clearly articulated, integrated ethical investment policy.
3. To be a leading example of how an ethical funds manager operates.
4. To give our operating surplus to community services, advocacy and mission-based activities.

Ethical screen: Positive

UCA Funds Management seeks to invest in companies that promote human welfare, dignity and respect, and in investments for the general good. This includes companies whose products, services and practices enhance health and welfare, and preserve the environment. This includes clean energy, sustainable agriculture, recycling, employment, community services and health care.

Ethical screen: Negative

UCA Funds Management avoids investing 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 that are excluded from investments include armaments, uranium, gambling, alcohol production, tobacco manufacturing, pornography, thermal coal mining and exports, and unconventional oil and gas extraction. Companies are also excluded if their products, services or practices infringe human rights, have unacceptable occupational health and safety or environmental management, and support oppressive regimes.

UCA Funds Management recognises that there will be occasions when companies inadvertently breach some of the principles and where genuine efforts are made to rectify the breaches. UCA Funds Management will not prohibit investment in a company where a breach of the principles, in relation to its products or services, is immaterial; the breach may also be balanced by other positive actions. The materiality of the breach is determined by reference to its proportion of the company's activities, the proportion of the industry in which the excluded activity operates, and/or whether the activity is clearly of an egregious nature regardless of this proportion. UCA Funds Management acknowledges that decisions may be complex involving a balance between positive and negative factors.

Ethical screen: Neutral

The majority of investments will be in companies which are considered to be neutral in terms of the positive and negative screens. Such investments will be made on the basis of investment criteria, which will assist UCA Funds Management to exercise good stewardship, and provide a reliable source of income. The wise use of resources is, in itself, an ethical outcome.

For more information on UCA Funds Management's Ethical Investment Policy and 360° ethical® investing, please visit the UCA Funds Management website or view UCA Funds Management's latest Annual Report.

Investment style

UCA Funds Management follows an active investment approach with specified constraints for asset classes and securities, and adopts a top-down or macro-economic approach to asset allocation and security/equity selection.

Section 6: Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better investor services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.*

To find out more

If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

*This is a prescribed disclosure. The Fund's fees and costs are not negotiable.

This section shows the direct and indirect fees and costs that you may be charged by the Fund. You can use the fees and costs information in the table to compare costs between different simple managed investment schemes.

Fees and costs are deducted from the income of the Fund and will be retained by UCA Funds Management to meet management expenses and provide annual grants to the Church.

Type of fee or cost	Amount ¹	How and when paid
Fees when your money moves in and out of the Fund		
Establishment fee – The fee to open an account	Nil	
Contribution fee – The fee on each amount contributed to an investment	Nil	
Redemption fee – The fee on each amount redeemed from an investment	Nil	
Exit fee – The fee to close an account	Nil	
Management costs²		
The fees and costs for managing investments		
<ul style="list-style-type: none"> › Management fee – estimated to be up to 0.50% p.a. of the net asset value of the Fund.³ › Recoverable expenses – estimated to be up to 0.05% p.a. of the net asset value of the Fund.⁴ › Underlying fund costs⁵ – estimated to be up to 0.70% p.a. of the net asset value of the Fund's investment in the underlying fund. 	Estimated to be up to 1.25% p.a. or \$625 for every \$50,000 invested in the Fund.	See footnotes

Footnotes

1. Unless otherwise stated, fees and costs disclosed in this section are inclusive of the net effect of GST, if applicable.
2. The total management fee is comprised of a management fee, any recoverable expenses and underlying fund costs.
3. The management fee is paid half-yearly at the time of distribution.
4. The recoverable expenses are payable at the end of each month based on the Fund's net asset value.
5. The Fund's investment in the Portfolio is charged for management costs up to 0.70 per cent per annum. These indirect management costs are payable at the end of each month based on the Fund's net asset value. The Portfolio retains the right to increase its management fee of the Portfolio to a maximum of 1 per cent per annum without approval from investors.

Example of annual fees and costs of the Fund

This table gives an example of how the fees and costs of the Fund can affect your investment over a one year period. You should use this table to compare the product with other funds.

Example : Balance of \$10,000 with a contribution of \$100 during the year

Contribution fees	Nil	For every additional \$100 you put in you will be charged \$0.
Plus Management costs	Up to 1.25% p.a.	And for every \$10,000 you have in the Fund, you will be charged up to \$125 each year.
Equals Total cost of the Fund		If you had an investment of \$10,000 at the beginning of the year and you put in an additional \$100 during that year, you would be charged fees up to \$125.*

*This example assumes management costs are calculated on the balance of \$10,000 with the \$100 additional investment occurring at the end of the first year. Therefore management costs are calculated on a \$10,000 balance only. It assumes no market movement on the value of the assets and no reinvestment of income.

Additional information about fees and costs

Management fees and any recoverable expenses

As management fees and any expenses reimbursed to UCA Funds Management are deducted before income is distributed to investors, these expenses will not appear as a deduction on investor statements.

Certain external administration, investment research and investor communication expenses incurred by UCA Funds Management are charged to the Fund as a recoverable expense. This amount is limited to a maximum of 0.05 per cent per annum and is payable at the end of each month based on the Fund's net asset value.

Performance fees and commissions

UCA Funds Management does not pay any performance related fees or commissions to financial advisors or its staff.

GST and Tax

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

Tax is not payable at the Fund level – see section 7 for more information.

Soft dollar

A 'soft dollar benefit' may be defined as any benefit, which might be perceived as creating bias or influencing the investment decisions of UCA Funds Management. Under UCA Funds Management's Soft Dollar Policy, if a soft dollar benefit was received, this would be restricted to expenses paid by a third party that would otherwise be charged as a recoverable expense of the Fund, and which would not increase the cost of services provided by that third party (for example research software costs borne by a stockbroker within their normal brokerage rate).

The Soft Dollar Policy can be obtained from the UCA Funds Management website or by contacting UCA Funds Management directly.

Section 7: Taxation

Taxation position of the Fund

The Fund distributes all taxable income each half-year. As such neither the Fund nor UCA Cash is subject to income tax. If for any reason there is income to which no investor is presently entitled, the Fund will be taxed at the highest marginal tax rate in respect of this income.

Taxation of distributions

Investors should declare their credited income distributions on tax returns, even though they are reinvested.

Tax File Number (TFN)

Investors may choose whether to quote a TFN to the Fund.

If investors do not quote a TFN, UCA Funds Management is required to withhold tax at the highest marginal tax rate, as well as the Medicare levy, from any income distributions before reinvestment.

Non-resident investors

If an investor is not an Australian resident for tax purposes, UCA Funds Management will withhold tax from the distribution paid before reinvestment. The applicable rate of tax will vary depending on a number of factors, such as the type of distribution and the investor's country of residence for tax purposes.

Manager's tax indemnity

In the event that UCA Funds Management incurs a liability for any kind of tax or impost on an investor's account, it has broad powers of recoupment from income due to the investor. In the event that UCA Funds Management is required under any statutory or common law to pay tax in its capacity (as Manager of the Fund), it is empowered to pay the tax from the assets of the Fund.

Section 8: How to apply

Before completing the Application Form, please ensure you have read and understood this Additional Information Booklet along with the Offer Document dated 20 December 2018.

1. Complete all relevant sections of the Application Form. You must sign the Application Form before submission. If you have any questions regarding the completion of the Application Form please contact UCA Funds Management for more information. The Application Form is to be signed by all authorised signatories.
2. Mail or submit your completed Application Form together with supporting identification documents and a completed Direct Debit Request Form or cheque (with your initial investment) to UCA Funds Management at the address at the front of this Additional Information Booklet.

Please note that UCA Funds Management does not accept cash payments. Cheques should be:

- i) crossed "Not Negotiable", and
- ii) made payable to "UCA Funds Management".

Specific requirements

Type of investor	Application Form details required	Signature(s)
Individual	Individual details plus TFN	Individual and/or Power of Attorney

Section 9: Other information

Changed details

UCA Funds Management must be advised in writing of any changes to your name, address or bank account details. It is a legal requirement for supporting documentation to be presented for any change to your name or bank account details to take place.

Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) imposes stringent obligations on financial services businesses to ascertain and verify the identity of their customers. The AML Act requires the UCAFM Companies to comply with customer identification and verification procedures. Depending on the circumstances, the UCAFM Companies may need to obtain from you certain additional documents or information. You will be informed what information or documents are required, if any, when the need arises. UCA Funds Management may also be required to disclose information in respect of an application and/or subsequent transactions to regulatory and/or law enforcement agencies including the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Privacy

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

UCA Funds Management collects personal information for the purposes of processing applications, providing you with the products offered in the relevant Offer Document and Additional Information Booklet, and in order to manage your investment.

We only collect, use and retain personal information which is necessary to provide you with access to, and information about, our services. If you wish to access or update information we hold about you, please ask us and we will make arrangements for you to do so.

Queries about privacy should be directed in the first instance to the Privacy Officer, UCA Funds Management at the address provided at the front of this Additional Information Booklet.

A copy of our privacy policy is available from us. Please contact us if you have any concerns.

For complaints concerning privacy matters which have not been resolved to your satisfaction, you can then lodge your complaint with the Office of the Australian Information Commissioner via their online Privacy Complaint Form, available at <http://www.oaic.gov.au/privacy/making-a-privacy-complaint>.

Custodian

The Northern Trust Company (acting through its Australian branch) (Northern Trust) has been appointed to hold the assets of the Fund and UCA Cash Management Fund Limited relating to the Portfolio (excluding commercial mortgages and community impact investments (including loans)) under a Master Custody Agreement. As Custodian, Northern Trust will safe-keep these assets, collect the income and act on directions from UCA Funds Management to settle trades. Northern Trust does not make investment decisions in respect of the assets it holds and does not receive the personal information of any investor. UCA Funds Management performs internal custody for commercial mortgage loans and community impact investments (including loans).

Consent to be named

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

- › The Uniting Church in Australia Property Trust (Victoria);
- › The Uniting Church in Australia Property Trust (Tas.);
- › The Uniting Church in Australia, Synod of Victoria and Tasmania;
- › The UCAFM Companies; and
- › The Northern Trust Company.

Each party named above who have consented to be named in this Additional Information Booklet:

- › have not authorised or caused the issue of the Additional Information Booklet;
- › does not make or purport to make any statement in the Offer Document (or any statement on which the statement in the Additional Information Booklet is based) other than as specified; and
- › to the maximum extent permitted by law, takes no responsibility for any part of the Additional Information Booklet other than the reference to their name in a statement included in the Additional Information Booklet with their consent as specified.