

This is a medium risk fund, which suits a long term investor who wishes to

Receive a regular income

Preserve the real value of their capital

Invest ethically

Annual Fund Returns to 30/6/2018

	1 Year	3 Years	5 Years	10 Years
Total Return				
Actual	7.7%	5.3%	7.5%	6.9%
Target	7.1%	6.7%	6.9%	7.1%
Excess	0.6%	-1.4%	0.6%	-0.2%
Income				
Actual	5.2%	5.2%	5.3%	6.1%
Target	5.0%	5.0%	5.0%	5.0%
Excess	0.2%	0.2%	0.3%	1.1%

- All returns are % per annum.
- Calculation of Total Return and Income assumes that distributions are reinvested. All returns are after fees have been deducted. Past performance is not a guarantee of future performance.
- Endowment Fund Total Return Target is CPI plus 5% per annum over a 5 year period.

Fund Description

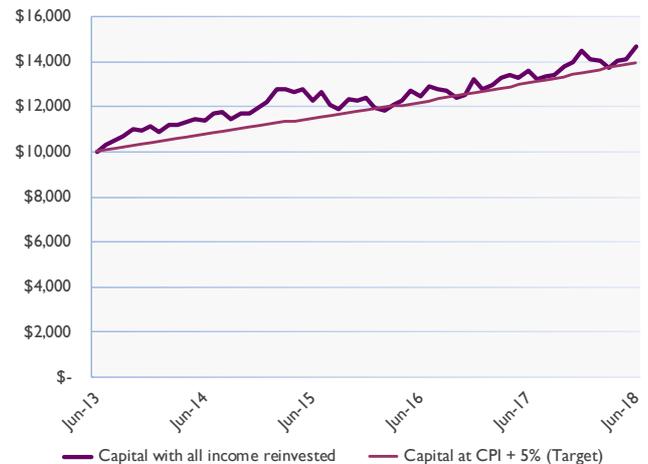
The Fund has been designed to meet the investment needs of organisations with a long term investment perspective that want to promote the charitable purposes of the Anglican Church in the Diocese of Adelaide.

Over a rolling 5-year timeframe, the fund aims to produce income of 5%pa, paid semi-annually, and produce a combined return of income and capital growth, after fees, of 5%pa above CPI.

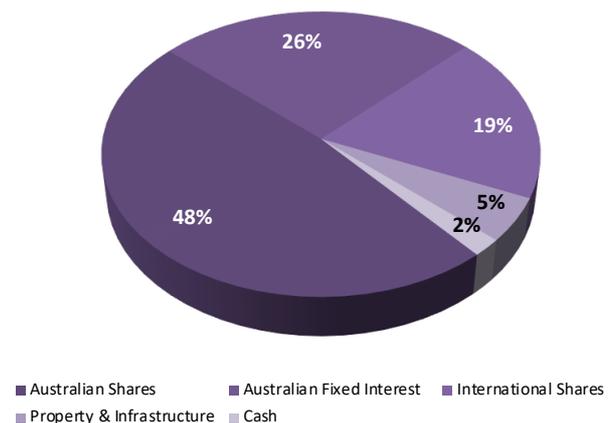
At 30 June 2018, the fund held \$79.6 million in net assets. Management fees of 1%pa are paid at the fund level before returns are calculated.

For enquiries please call
(08) 8305 9305

Value of \$10,000 invested in June 2013



Asset Mix as at 30 June 2018



Our partners in managing your money

Australian Shares



Property & Infrastructure



International Shares



Fixed Interest



Asset Consultants



News and Other Information about Your Investment

Performance

5-Year Historical View

Since June 2013, the fund has made a total return of 7.5%pa, which is favourable to its target of 6.9%pa.

Over this period, the Endowment Fund has fulfilled its primary objective of paying income semi-annually equivalent to a yield of 5.2%pa. The graph to the right shows the distribution history of the fund.

Year ended 30 June 2018

The AFSA Endowment Fund's total return for the year was 7.7%* outperforming its target of 7.1% (CPI + 5%).

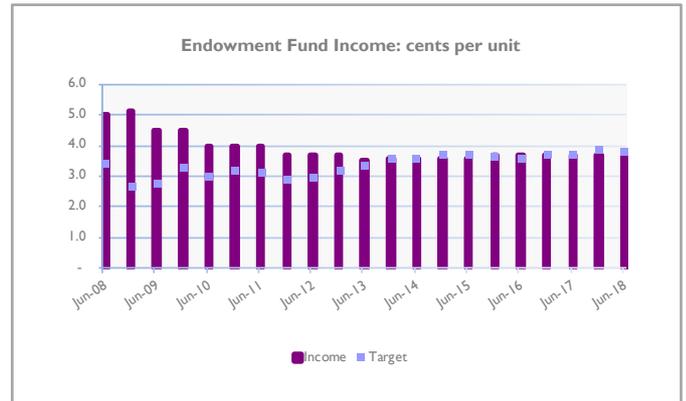
Investment markets were quite stable for the second half of 2017 with strong returns experienced in several equity markets both here and overseas (especially the US market and emerging markets). However, in February 2018 the Australian equity and fixed interest markets experienced an increase in volatility and emerging markets declined as the US announced changes to tariffs.

Despite these challenges, all asset classes that the fund invested in produced positive returns for the year. The fund's international investments provided the strongest returns for the year (up 14%) followed by our investments in Australian shares (up 11%).

The unit price opened at \$1.43257 on 30 June 2017, and closed the year at \$1.46875, a 2.5% increase. Semi-annual income distributions totalling 7.4c per unit over the year provided a yield of 5.2%*, bringing the total performance of the Endowment Fund for the year to 7.7%*.

Overall, this year provided good capital growth that enables the fund's Yale style endowment model to provide for a gradual increase in annual distribution rates to 7.5c per unit from 2018-19 subject to any significant market corrections that may occur.

*Note: Calculation of Total Return and Income assumes that distributions are reinvested.



Ethical Investment

Investing ethically is very important to us. It is our policy to avoid investment in a company that is principally involved in activities such as polluting the atmosphere; the exploitation of people; encouraging repressive regimes; or the manufacture, sale, or distribution of armaments, gambling devices, tobacco and other products that damage the health or wellbeing of people.

Outlook

The key strength of the Endowment Fund continues to be the stability of its income payments to investors, along with its deliberate and balanced investment approach.

The pie chart on the previous page shows the asset mix as at 30 June 2018. The asset mix is regularly reviewed based on advice provided by the Fund's specialist asset consultants.

The outlook for 2018-19 is predicted to be mainly positive due to the current economic forecasts here and overseas but Australian markets remain uncertain with the effects of the Hayne Royal Commission into the banking sector and increased political uncertainty in Australia with a federal election due in 2019. It is evident that markets continue to be uncertain and accordingly a diversified and balanced asset mix provides long term investors with an appropriate level of risk.

Blaine Fitzgerald
Head of AFSA

To find out more, please contact

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Telephone (08) 8305 9305
or visit www.anglicanfundssa.com.au

Important Information: The AFSA Endowment Fund is a charitable investment fundraiser whose activities meet the requirements of ASIC Corporations (Charitable Investment Fundraisers) Instrument 2016/813 (the ASIC Instrument). The ASIC Instrument provides exemption from various fundraising, managed investment and licensing provisions of the Corporations Act 2001 for qualifying charitable investment fundraisers. Neither AFSA, the Synod itself, nor its products, nor promotional material and offer documents have been examined or approved by ASIC. By issuing interests in the Fund, the Synod promotes the charitable purposes of the Anglican Church in the Diocese of Adelaide by providing an income stream directly to missional activities, while providing governance and stewardship of Church capital. Investment in the Fund is only intended to attract investors whose primary purpose is to support the charitable purposes of the Anglican Church in the Diocese of Adelaide. The Synod is required by law to notify investors: that its products and their offering are not subject to the usual protections for investors under the Corporations Act or regulation by ASIC; investors may be unable to get some or all of their money back when the investor expects, or at all; and the investment is not comparable to investments with banks, finance companies or fund managers. 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 Identification Statement lodged and accepted by ASIC may be viewed on the AFSA website.