

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 31/12/2019

	1 Year	3 Years	5 Years	10 Years
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Total Return				
Actual	13.9%	6.5%	6.0%	7.5%
Target	6.8%	6.8%	6.7%	7.1%
Excess	7.1%	-0.3%	-0.7%	0.4%
Income				
Actual	5.6%	5.3%	5.3%	5.8%
Target	5.0%	5.0%	5.0%	5.0%
Excess	0.6%	0.3%	0.3%	0.8%

1. All returns are % per annum.
2. 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.
3. 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 within an ethical investment framework.

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.

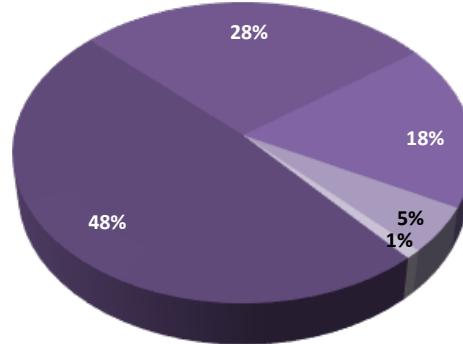
At 31 December 2019 the fund held \$78.2 million in net assets. Management fees of 1% pa are paid at the fund level before returns are calculated.

For enquiries please call
(08) 8305 9305 or
Email: enquiries@anglicanfundssa.com.au

Value of \$10,000 invested in December 2009



Asset Mix as at 31 December 2019



Our partners in managing your money

Australian shares



Property & Infrastructure



International Shares

Dimensional



Fixed Interest



ORD MINNETT



Asset Consultants

ATCHISON CONSULTANTS

News and Other Information about Your Investment

Performance

10-Year Historical View

Since June 2009, the fund has made a total return of 7.5% pa, which is favourable to its target of 7.1% pa.

Over this period, the Endowment Fund has outperformed its primary objective by 0.1% pa, paying income semi-annually equivalent to a yield of 5.8% pa. The graph to the right shows the distribution history of the fund.

Year ended 31 December 2019

The 2019 calendar year proved to be a year of strong investment performance across all asset classes with global equity markets leading the way, having the best calendar year performance since 2009 (as measured by the MSCI World index). Global equity markets benefited from a de-escalation in the US-China trade tensions after the two countries finally agreed on a 'phase one' trade deal.

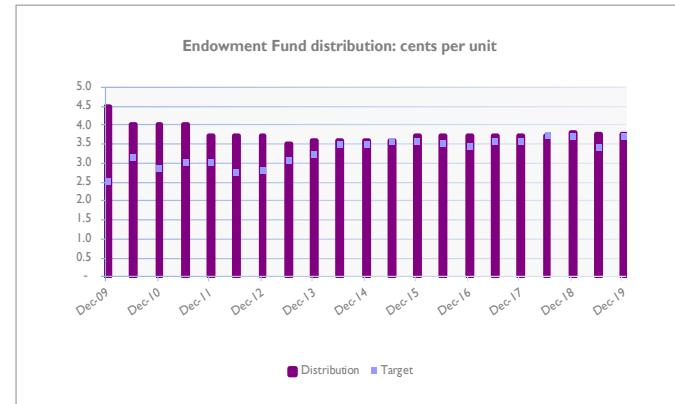
Further support came from the willingness of global central banks to provide stimulus in the face of rising global growth fears, falling bond yields and heightened geo-political risks. Against this backdrop, fixed income assets also achieved positive returns for the year.

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

To find out more, please contact

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Outlook

Global central bank support and US-China trade war de-escalation are expected to push global recession risks out to late 2021. With global manufacturing data showing signs of 'green shoots', equity markets may have modest upside potential for 2020.

For fixed income assets, we continue to see government bonds as universally expensive. Global central banks, such as in Japan and Europe, have limited ammunition to fight a downturn as they already have zero or negative interest rates. While the US Federal Reserve has more scope to ease, it also faces the zero-lower bound constraint to interest rates. In Australia, the RBA has hinted at further rate cuts to support the economy, which is being dragged down from falling housing construction and heavily-indebted households. We expect another rate cut by the middle of 2020.

Major risks to the 2020 outlook include a re-escalation in US-China tensions, central bank policy becoming less supportive if inflation pressures build and uncertainty over the US presidential election outcome, which could trigger a policy shift with a negative impact on corporate profits. While we believe that equity markets can deliver modest positive returns, there is the potential for substantial volatility, as we near the end of the decade long bull market.

At a fund level the implementation of the Endowment Fund's appointment of Russell Investments as our new Asset consultant will be complete by 28 February 2020.

Blaine Fitzgerald Head of AFSA

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.