

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

Fund Description

The Fund has been designed to meet the investment needs of organisations affiliated with the Anglican Church who have a long-term investment perspective and want to invest within an ethical investment framework.

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

At 30 June 2023 the fund held \$103.7 million in net assets. Management fees of 1% p.a. are paid at the fund level before returns are calculated.

Performance

Financial markets posted strong returns for the year ended 30 June 2023, with growth assets in particular performing well. Global share markets rose 14.6%* and the Australian share market gained 14.4%**. Defensive holdings saw more muted performance; government bonds were down -1.2%***. The Endowment Fund's exposure to growth assets saw it post an encouraging return for the year, however with the current high Inflation environment it did not achieve its target return of CPI + 5% p.a.

Income stability - a key feature of the Endowment Fund - has been maintained, providing investors with consistency of income for budgeting and cashflow.

*MSCI ACWI Index - 100% hedged to AUD - Net

**S&P/ASX 300 Accumulation Index

***Bloomberg Global Aggregate Index (\$A Hedged)

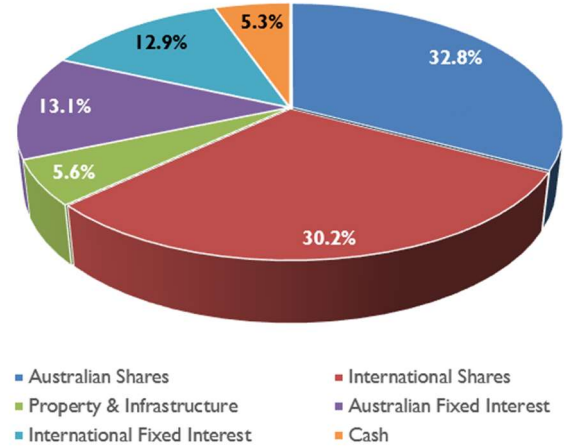
10-Year Historical View

Performance of 9.1% p.a. whilst improved over the past year was below target, with market conditions continuing to impact performance. The Endowment Fund did not achieve its total return target over a 10-year period.

Since June 2013, the Fund has achieved a total return of 6.1% p.a. after fees.

The Fund has continued to perform in line with one of its key objectives paying income semi-annually equivalent to a yield of 5.3% p.a. since June 2013. The graph on the right-hand side of this page shows the distribution history of the Fund.

Asset Mix as at 30 June 2023



Annual Fund Returns to 30 June 2023

	1 Year	3 Years	5 Years	10 Years
Total Return				
Actual	9.1%	6.3%	4.1%	6.1%
Target	11.0%	10.3%	8.4%	7.7%
Income				
Actual	5.9%	5.4%	5.3%	5.3%
Target	5.0%	5.0%	5.0%	5.0%

- All returns are % per annum.
- Calculation of Total Return 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.
- The unit price at 30 June 2023 ex-distribution is 1.3817.
- Target return has been updated in this report as an error was discovered in the original document.

Endowment Fund distribution: cents per unit



News and Other Information about your Investment

Year ended 30 June 2023

The year ended 30 June 2023 saw central bank activity and the market's response to it play a large part in driving returns. Most central banks in the developed world embarked on an aggressive tightening cycle, raising interest rates to tame historically high inflation. As the year progressed, signs of moderating inflation and a pause to rate hikes produced market optimism which was reflected in rallies across multiple asset classes, notably shares.

The Australian market reflected these themes, delivering strong returns for the year despite sharply higher interest rates. Major miners and three of the 'Big Four' banks – which together comprise a large part of the index – performed well. Early recession fears and concerns over China's post-pandemic recovery were factors buoying sentiment over the period.

Outlook

The key global watchpoint is uncertainty surrounding the US economy. Recession risk is elevated and a US recession is expected to be mild to moderate. Inflation prints will continue to guide the decision making of the Federal Reserve. A slowdown in CPI combined with softening in

the labour market would allow for less hawkish monetary policy, which would benefit economies around the world.

The key strength of the Fund continues to be the stability of its income payments to investors, along with its deliberate and balanced investment approach. Although short term returns have been volatile, our balanced investments in equities and bonds are expected to outperform inflation over the long term.

The Fund will pay a half yearly distribution of 3.85c per unit for the 30 June 2023 half, and subject to any further market corrections, is proposing a half yearly distribution of 3.85c per unit for the 31 December 2023 half.

Blaine Fitzgerald Head of AFSA

Our partners in managing your money

Fund Asset Consultant



Fund Managers we work with include

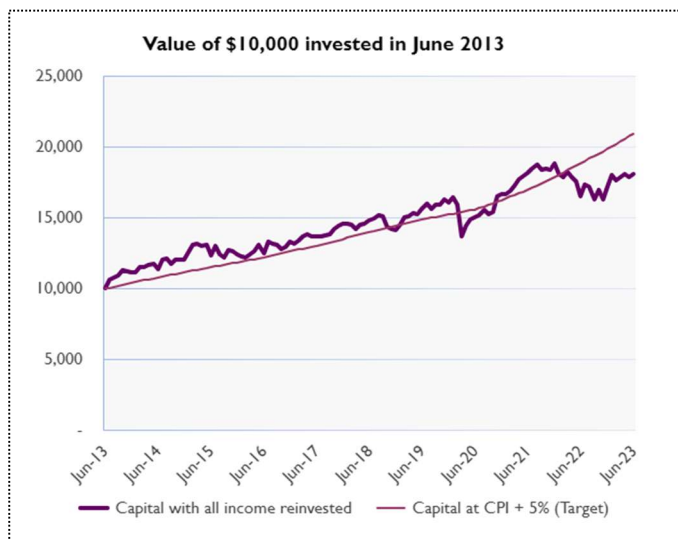










To find out more, please contact

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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.