

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 aligned in values with the Anglican Church, such as Churches, Charities and Schools who have a long-term investment perspective and want to invest within an ethical investment framework.

The Fund aims to produce a distribution paid semi-annually, with any capital growth reflected in the unit price.

At of 31st December 2023 the fund held \$112 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 ending 31st December 2023, with growth assets in particular performing well. Global share markets rose 17.9%\* and the Australian share market gained 12.5%\*\*.

Defensive holdings saw more muted performance; government bonds were steady. The Endowment Fund attained 10.9% total return for the year ending 31 December 2023.

Income stability - a key feature of the Endowment Fund - has been maintained, providing investors with consistency of income for budgeting and cashflow, with the year providing a promising income distribution of 5.9% p.a. and a further 5.0% p.a. in Capital Growth.

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

\*\*S&P/ASX 300 Accumulation Index

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

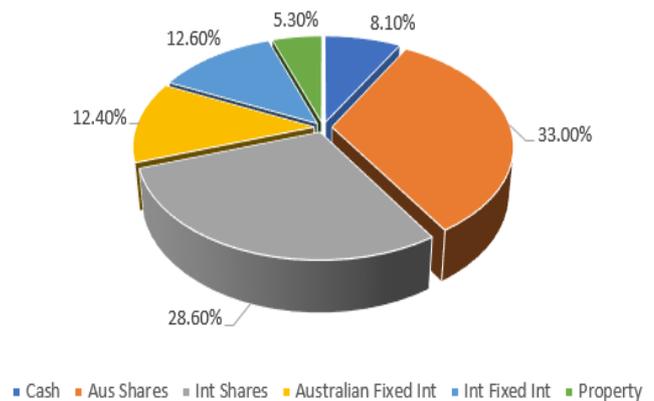
### 10-Year Historical View

Performance of 10.9% p.a. was a solid result for the fund.

Since December 2013, the Fund has achieved a total return of 5.5% p.a. after fees.

The Fund has performed in line with its key objective of paying stable distributions, with a semi-annually yield of 5.9% p.a. in 2023. The graph on the right-hand side of this page shows the distribution history of the Fund since 2013.

**Endowment Fund**  
Asset Mix as at 31st December 2023



### Annual Fund Returns to 31st December 2023

	1 Year	3 Years	5 Years	10 Years
<b>Total Return</b>				
<b>Actual</b>	<b>10.9%</b>	<b>5.3%</b>	<b>6.8%</b>	<b>5.5%</b>
<b>Income</b>				
<b>Actual</b>	<b>5.9%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>5.3%</b>

1. All returns are % per annum.
2. Calculation of Total Return assumes that distributions are reinvested. All returns are after fees have been deducted.
3. Past performance is not a guarantee of future performance.
4. The unit price as of 31st December 2023 ex-distribution is 1.4192

Endowment Fund distribution: cents per unit



## News and Other Information about your Investment

### Year ended 31 December 2023

Expectations surrounding central banks, played a key role in driving returns over the year. Fears of interest rates remaining 'higher for longer' permeated sentiment especially earlier in the period, as inflation continued to exceed predictions in most major developed economies.

The year ended with a reversal of this narrative, as moderating inflation saw central banks pause rate hikes and pivot towards increasingly dovish rhetoric. Investor sentiment reacted positively to these developments, causing asset classes across the risk spectrum to rally. Earnings updates – especially in the US – were resilient despite tighter economic conditions.

### Outlook

The global watchpoint remains inflationary, with active response of central banks. Whilst data has shown price increases cooling off recently, inflation within the services sectors has been surprisingly persistent and threatens to continue.

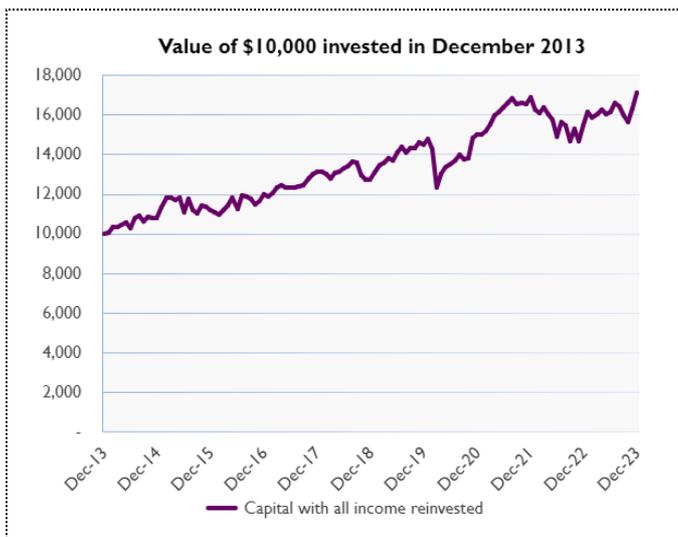
Markets are increasingly expecting a 'soft landing' in the US, whereby a recession is avoided whilst inflation returns closer to target levels. However, recessionary risks remain elevated, and the lagged impact of previous rate hikes and a

slowing jobs market necessitate caution in claiming that risks of a downturn have totally dissipated.

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. After strong investment returns in 2023, management cautions that global investment markets and the fund may produce low to moderate returns in 2024.

The Fund is scheduled to pay a half yearly distribution of 3.85c per unit for the 31<sup>st</sup> December 2023.

**Blaine Fitzgerald** Head of AFM

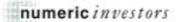


Our partners in managing your money

Fund Asset Consultant



Fund Managers we work with include



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**Important Information:** The AFM 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 AFM, 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 AFM website.