

This is a low-risk fund, which suits a medium-term investor who wishes to:

Receive regular quarterly income distributions

Invest in defensive asset classes with minimal capital fluctuation

Fund Description

The Fund has been designed to meet the investment needs of organisations aligned with the values of the Anglican Church, such as Churches, Charities and Schools who require regular income above RBA cash rate returns with lower volatility than other income strategies through an actively managed and liquid investment, within an ethical investment framework.

Over a rolling 3-year timeframe, the fund aims to distribute income paid quarterly that outperforms the Australian 90 Day Bank Bill Index (BBSW) + 0.50% pa.

Over a rolling 3-year timeframe, the fund aims to outperform its target total rate of return of the 90-day Bank Bill Swap Rate (BBSW) + 1.00% pa.

Performance

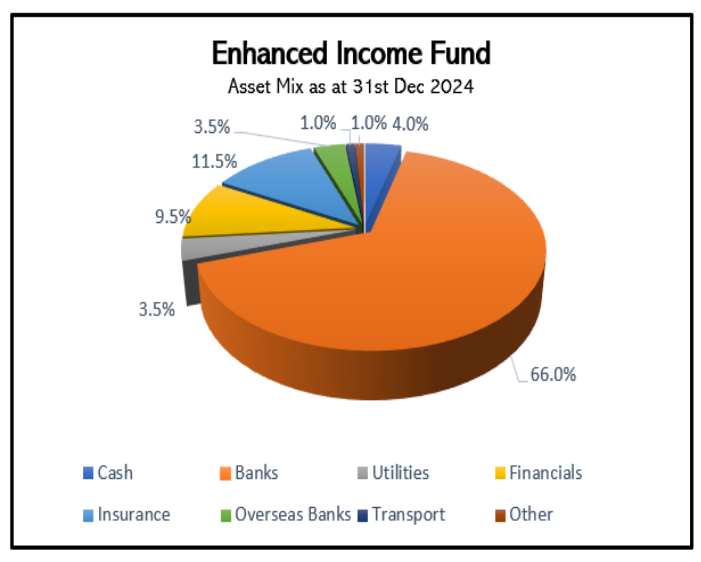
The fund continues to take opportunities in the Fixed Interest and Hybrid Securities markets, with the fund outperforming the benchmark by taking these strategic positions.

The cash rate has remained unchanged by the Reserve Bank for the 2024 calendar year, with a current rate of 4.35%. The RBA has a watchful eye on the US economy and is closely monitoring the Australian Inflation rate, aiming to bring back Inflation to target levels by 2025.

Over the course of 2024, Hybrid Securities in particular have seen exceptional yields above the cash rate, and is a major contributor to the fund achieving above target benchmark results.

Over the past 12 months the local stock market (ASX) has seen moderate growth, in contrast US equity markets have experienced greater capital appreciation relative to Australian markets.

Since the US election the Australian Dollar has seen a fall in strength to that of the US, resulting in lower yields from an otherwise bullish US stock market due to the lower exchange rate differentiation of the Australian Dollar.

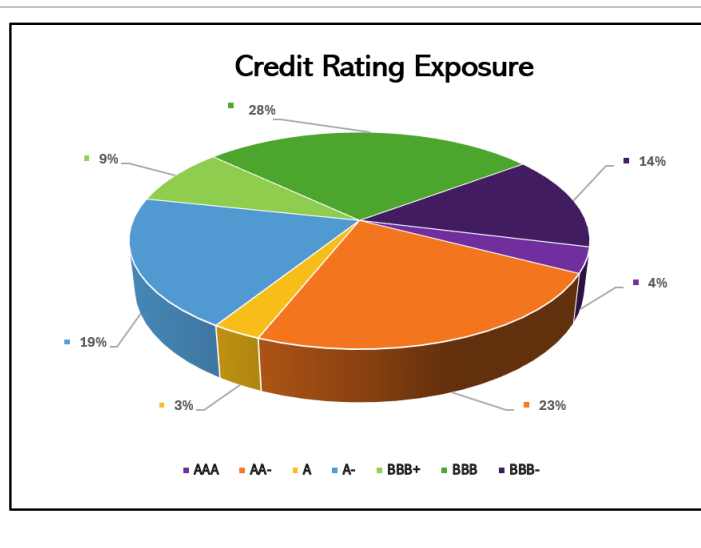


Annual Fund Returns

as at 31st December 2024

	1 Year	2 Years	3 Years
Income Distribution			
Actual	5.78%	5.36%	3.99%
Target	4.89%	4.69%	3.84%
Total Return			
Actual	8.04%	7.46%	4.53%
Target	5.39%	5.19%	4.34%

- Income Distributions is based on the 90 Day Bank Bill Swap Rate (BBSW) + 0.50%pa.
- Enhanced Income Fund Total Return is based on the 90 Bank Bill Swap Rate (BBSW) +1.0% per annum.
- All returns are net of all Management Fees.
- Past performance is not a guarantee of future performance.
- The unit price as at 31st December 2024 ex-distribution is 1.0190.



News and Other Information about your Investment

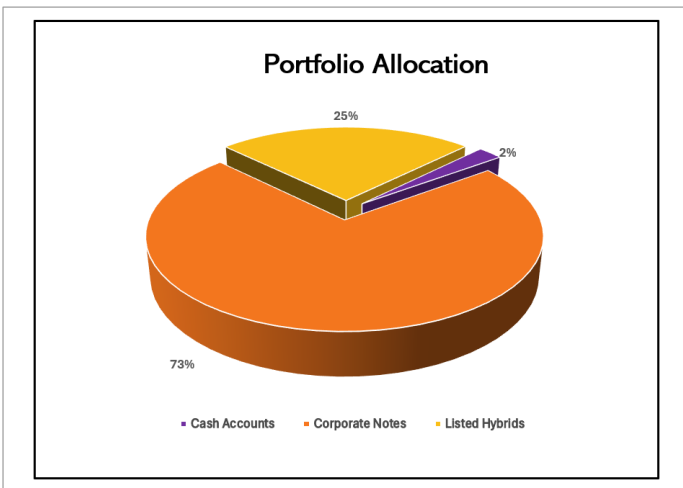
Outlook as at 31st December 2024

In terms of future rate hikes and cuts for the RBA, the inflation outlook points to a possible rate cut in early 2025. It is expected that in 2025 we will see softer economic data, easing wages pressure and progress on domestic headline inflation. The US economy continues to be inflationary, with the effect of USD continuing to rise.

The Australian economy continues to be healthy in spite of the global uncertainty and volatility surrounding global markets. It is noted the outcomes of the US election may affect the Australian Economy, as US trade and changes to Fiscal Policy in the US have effect on both the US economy and other economies around the globe.

Details of our holdings

The AFM Enhanced Income Fund offers a defensive income strategy, targeting a consistent return above the 90-day Bank Bill Swap Rate (BBSW) + 0.50% pa. The fund aims to produce regular income distributions, with minimal capital fluctuation. The fund has a bias to floating rate exposures to ensure greater liquidity in times of volatility.



Top 5 holdings	
NAB	17.6%
ANZ	8.8%
Westpac	6.7%
Suncorp	5.1%
CBA	4.6%
Total	42.8%

From the total portfolio holdings these are the largest 5 exposures

The portfolio is constructed using rated, convertible note and listed hybrid securities, providing both income and capital stability. Fund Managers operate under strict guidelines, including a requirement to maintain a target rate of 75% liquidity. This fund utilises the services of licensed Wholesale Fund Managers that must maintain holdings of more than \$100 million in funds under management.

While the fund itself is not rated, the average credit rating of the underlying holdings this period is **A-**, aligning with the fund's low-risk profile. The strategy aims to deliver stable, reliable income with a strong focus on capital preservation and liquidity.

Blaine Fitzgerald Head of AFM

To find out more, please contact

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Important Information: The AFM Enhanced 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.