

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 30<sup>th</sup> June 2024 the fund held over \$120 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 30<sup>th</sup> June 2024, with growth assets in particular performing well. Over the past 12 months to 30<sup>th</sup> June 2024 the US share markets rose a very impressive 24.6%\* and the Australian share market gained 11.9%\*\*.

Defensive assets saw good performance, albeit lower performance than the share markets; government bonds were steady.

The Endowment Fund achieved 10.8% total return for the year ending 30<sup>th</sup> June 2024.

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 5.7% p.a. and a further 5.1% p.a. in capital growth.

\*S&P500

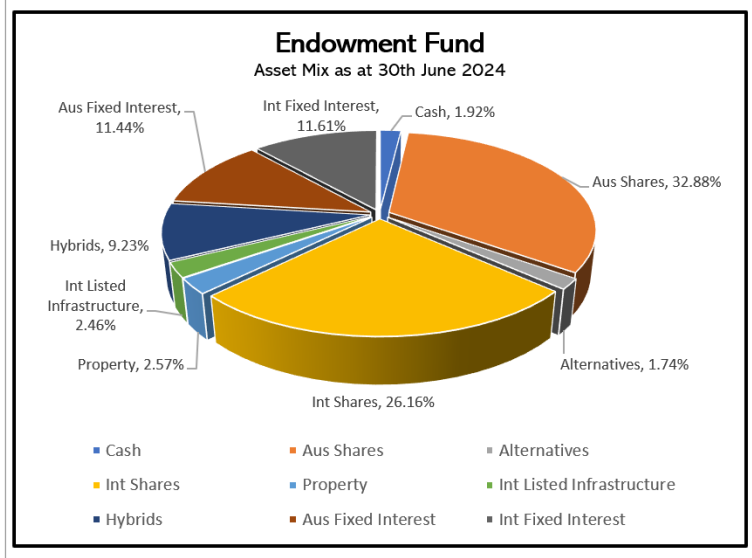
\*\*S&P/ASX 300 Accumulation Index

### 10-Year Historical View

Performance of 10.8% p.a. was a solid result for the fund.

Since June 2014, the Fund has achieved a total return of 5.8% p.a. after fees.

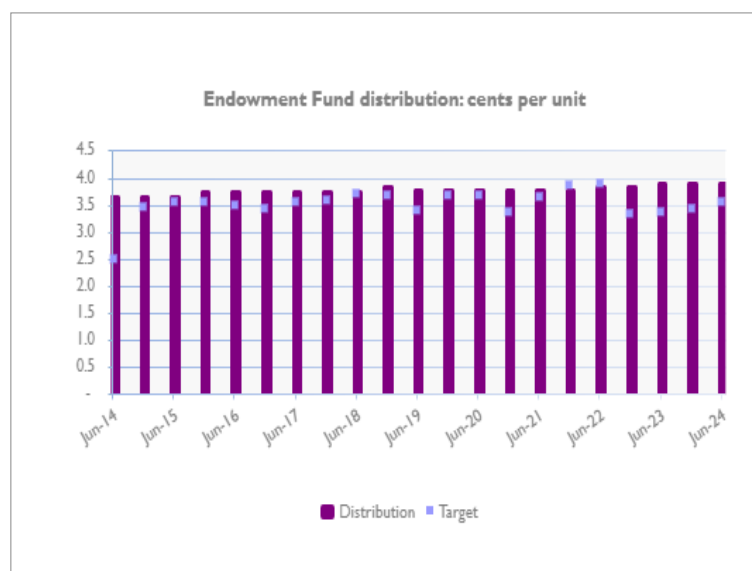
The Fund has performed in line with its key objective of paying stable distributions, with a semi-annual yield of 5.7% p.a. in 2024 financial year. The graph on the right-hand side of this page shows the distribution history of the Fund since 2014.



### Annual Fund Returns to 30<sup>th</sup> June 2024

	1 Year	3 Years	5 Years	10 Years
<b>Total Return</b>				
<b>Actual</b>	<b>10.8%</b>	<b>3.9%</b>	<b>5.7%</b>	<b>5.8%</b>
<b>Income</b>				
<b>Actual</b>	<b>5.7%</b>	<b>5.4%</b>	<b>5.4%</b>	<b>5.3%</b>

- 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.
- The unit price as of 30<sup>th</sup> June 2024 ex-distribution is 1.4397



## News and Other Information about your Investment

### Year ended 30<sup>th</sup> June 2024

Sentiment surrounding monetary policy was the key driver of returns for the year. Markets began the period apprehensive about interest rates remaining ‘higher for longer’; this concern gradually diminished as most major developed economies observed falling rates of inflation.

Australia was an outlier, with stronger-than-expected CPI prints further into the year forcing investors to push out the timing of any potential rate cut into 2025.

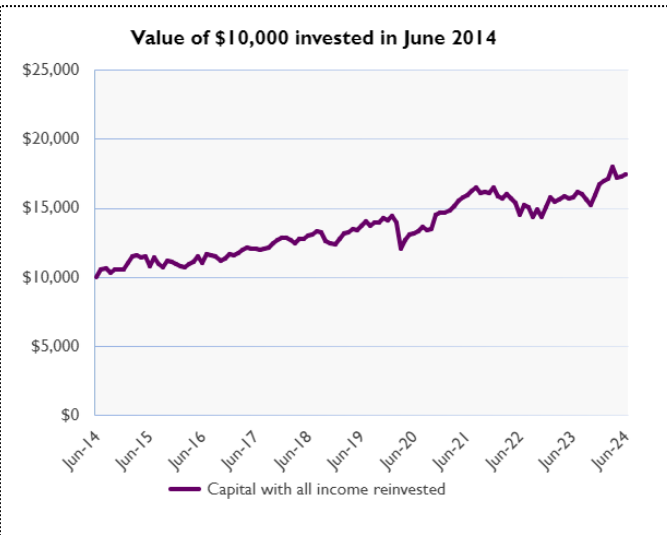
### Outlook

With inflation trending towards central bank targets, attention has shifted to overall economic health.

Investors believe a ‘soft landing’ scenario – where inflation is brought down without inducing a recession – is the most likely outcome.

However, the potential for a mild downturn has not completely dissipated. Labor market data shapes as a key indicator with downside risk.

Market volatility is likely in the short-to-medium term, particularly if the ongoing disinflation trend was to be disrupted and necessitate further changes to interest rate cut expectations.



The fund has taken measures to mitigate this risk by reducing exposure to global equities, and reallocating to Australian hybrid securities. Whilst hybrid securities are currently generating returns lower than the share market, this asset class is considered more defensive than shares and yields continue to be above cash rates. Whilst over the past two years the Endowment Fund has achieved solid returns, management are cautious that global investment markets and the fund may produce low to moderate returns for the remaining months in 2024.

The Fund is scheduled to pay a half yearly distribution of 3.85c per unit for the 30<sup>th</sup> June 2024.

### 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. AFM is an activity of the Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc. ABN 63 198 215 958 ARBN: 655 122 133