

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 2024 the fund held over \$129 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 2024. Growth assets performed particularly well, with the US* and Australian** share markets rallying 25.0% p.a. and 11.4% p.a. over the period, respectively. Defensive assets – including Australian and International bonds - also delivered positive albeit comparatively muted returns.

The Endowment Fund achieved a total return of 11.8% p.a. for the year ending 31st December 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 5.6% p.a. and a further 6.2% p.a. in capital growth.

*S&P500

**S&P/ASX 300 Accumulation Index

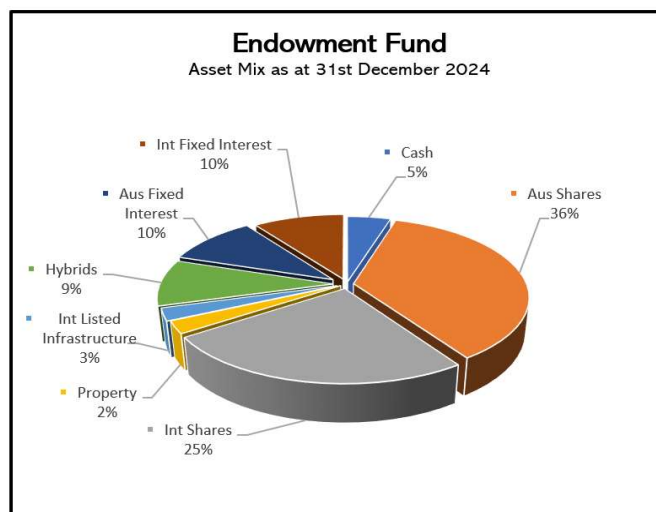
The Fund has declared a half yearly distribution rate of 3.85c per unit for the 31 December 2024 half.

10-Year Historical View

Performance of 11.8% p.a. was a solid result for the Fund.

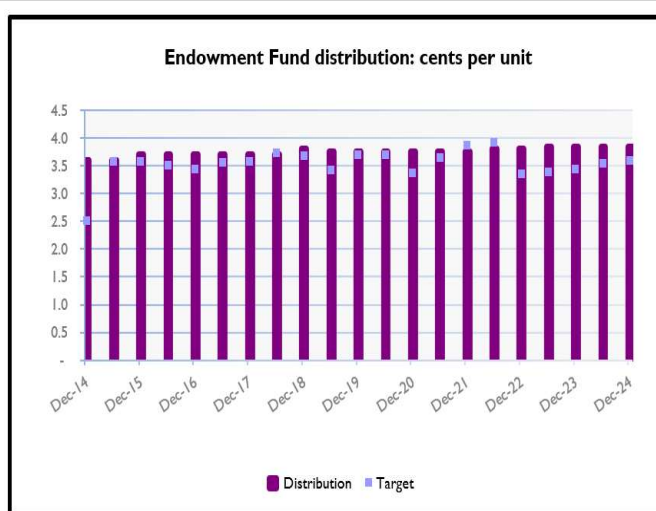
Since December 2014, the Fund has achieved a total return of 5.9% p.a. after fees.

The Fund has performed in line with its key objective of paying stable distributions, with a semi-annual yield of 5.6% p.a. in December 2024. The graph on the right-hand side of this page shows the distribution history of the Fund since December 2014.



	1 Year	3 Years	5 Years	10 Years	SI
Income					
Actual	5.6%	5.5%	5.4%	5.3%	5.3%
Target	5.0%	5.0%	5.0%	5.0%	5.0%
Total Return					
Actual	11.8%	4.6%	6.4%	5.9%	7.6%
Target	7.7%	10.1%	9.0%	7.9%	7.9%

- Income returns are based on % of Funds Under Management.
- Total Returns are Net returns, after Management Fees
- 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.
- Since Inception (SI) date of January 2000.
- The unit price as at 31st December 2024 ex-distribution is 1.48290.



News and Other Information about your Investment

Year ended 31st December 2024

Central bank activity continued to be a key driver of market sentiment. The US Federal Reserve began cutting interest rates in September, and successive reductions in November and December aligned with investor expectations.

The Australian market was buoyed by positive sentiment overseas, however closed the year with a negative quarter due in large part to still-high local interest rates and lacklustre growth in China.

Outlook

Share markets rallied in the wake of Donald Trump's decisive election victory, with investors perceiving this as a positive result for growth.

However, bond markets reflected concerns that the president-elect's policies could stoke inflation and impact the pace or magnitude of interest rate cuts in the US. This will be a key watchpoint for the coming year and beyond. The Reserve Bank of Australia is expected to reduce interest rates in the first half of 2025. Risks to this timeline stem from any inflation, labour market and consumer spending data that deviates from 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 therefore the fund may produce low to moderate returns in the future.

Distribution Outlook 2025 and beyond.

The Fund delivered robust performance throughout 2024, exceeding its target benchmark, with distributions also outperforming the benchmark for the period.

Looking ahead to 2025, market projections suggest a low to moderate return outlook. As a result, this may impact the Fund's ability to sustain the historic distribution levels experienced over the last five years. Accordingly, distributions may need to be adjusted to align with any potential moderation in returns.

Blaine Fitzgerald Head of AFM



To find out more, please contact

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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