

DONOR UPDATE

DECEMBER 2019 PERFORMANCE

Quarterly and Annual ACF Performance Figures

ACF Portfolio	Portfolio 3 month Return	Composite Benchmark 3 month return	Variance	Portfolio 12 month return	Composite Benchmark 12 month return	Variance
Long Term Growth Fund	3.44%	1.21%	2.23%	18.42%	16.35%	2.07%
Extension Fund	2.18%	1.21%	0.97%	16.27%	16.35%	-0.08%
Scholarship Fund	3.38%	1.21%	2.17%	18.66%	16.35%	2.31%
Income Fund	3.24%	-0.09%	3.33%	10.49%	10.64%	-0.15%

All performance figures quoted above are net of investment adviser fees and manager MERs

Long Term Growth, Extension and Scholarship Funds

The growth-oriented funds performed strongly in the final quarter of 2019, capping off an excellent year of performance. Given volatility and uncertainty present across global markets at the beginning of 2019, this represents a strong result for the quarter and for the year relative to our expectations.

The strong returns across the growth funds came primarily from excellent returns in both Australian and International Shares. The Foundation's managers have performed well, but the biggest contribution came from the overall rise in markets both in Australia and across the world.

Medium Term Income Fund

Similarly, performance for the income fund exceeded expectations over the year and over the quarter. Given the low interest rates currently seen across almost all fixed income investments, we expect returns going forward to be muted.

Market Environment

The Reserve Bank kept the Cash Rate steady at 0.75%, having decreased it in the September quarter. There are expectations of a further rate cut early in 2020, particularly given the substantial economic impact of bushfires, floods and droughts. Interest rates overseas remain low (or, in the case of parts of Europe, negative), reflecting an expectation that economic growth will continue to be low.

The Australian equity market showed some volatility over the quarter, eventually posting a small increase over the period. However International Equities performed strongly over the quarter, with an increase of over 8%. Both domestic and international equities markets increased by over 20% over the 2019 year.