

DONOR UPDATE

JUNE 2020 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	7.47%	7.77%	-0.30%	-0.79%	0.13%	-0.92%
Extension Fund	7.46%	7.77%	-0.31%	-0.68%	0.13%	-0.81%
Scholarship Fund	6.42%	7.77%	-1.35%	0.51%	0.13%	0.38%
Income Fund	4.75%	2.73%	2.02%	1.16%	1.77%	-0.61%

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

Market Environment

The market throughout the second quarter of 2020 was underpinned by a significant recovery following the downtrend of Q1 2020. The US market experienced its largest quarterly gain since 1998, whilst the Australian market also recovered 30% of its value.

Nevertheless, markets, and the economy as a whole, continue to experience significant volatility and the threat of further heavy losses in the market remains strong. Consequently, governments around the world continue to inject significant stimulus packages into their economies, most notably seen in the US Federal Reserve's expanding of its balance sheet by more than USD3 trillion since mid-March.

The COVID-19 outbreak continues to create severe uncertainty within the market. Many companies have withdrawn their forecasts of earnings for the remainder of the year, with the ultimate fallout of COVID-19 still very much unknown.

Long Term Growth, Extension and Scholarship Funds

The first quarter of 2020 saw markets domestically and globally experience a significant recovery. The ACF growth portfolios performed broadly in line with their composite benchmarks for the quarter, although underperformed slightly, primarily due to underperformance of equities managers who 'missed out' on the strong returns seen in the Energy/Minerals sectors for the quarter. The Scholarship Fund experienced a slightly greater underperformance for the quarter, which was primarily a result of its holding of excess cash for the period in order to fund ACF's end of financial year grants. Conversely, the Scholarships Fund's holding of higher levels of cash, and no higher-risk hybrid securities, has resulted in overperformance of the benchmark over the last 12 months.

Medium Term Income Fund

The Income Fund performed very strongly during Q2 2020, outperforming its benchmark by 2.02%. As mentioned in the previous quarter, the Income Fund has a holding of the higher-risk hybrid securities, and this contributed to its strong performance for this quarter amidst the strong equities recovery.