

Australian Philanthropic Services Foundation

General Portfolio performance report for the six months ended 31 December 2022

This performance report is for the Australian Philanthropic Services Foundation (APS Foundation) General Portfolio and covers the six-month period from 1 July 2022 to 31 December 2022. The next report will be for the six-month period from 1 January 2023 to 30 June 2023 and will be available in August 2023. Previous reports are available to giving fund holders via the APS Foundation portal. In the meantime, the assets of the APS Foundation continue to be valued at the end of each month, at which time the value of each giving fund is also updated and available via the portal.

Investment objective and strategy

The APS Foundation's Investment Strategy document sets the investment objective, which is to achieve a return after fees at least equal to CPI inflation + 4% per annum, measured over rolling 7-year periods. In arriving at this objective, the Trustee has taken into account the following:

- the need to donate a minimum of 4% per annum to eligible charities;
- the likelihood of inflation affecting the value of the investments and income generated;
- the risk of capital or income loss; the liquidity of the investments;
- the costs of investment alternatives and transactions; and
- the benefits of diversification of investments.

Performance

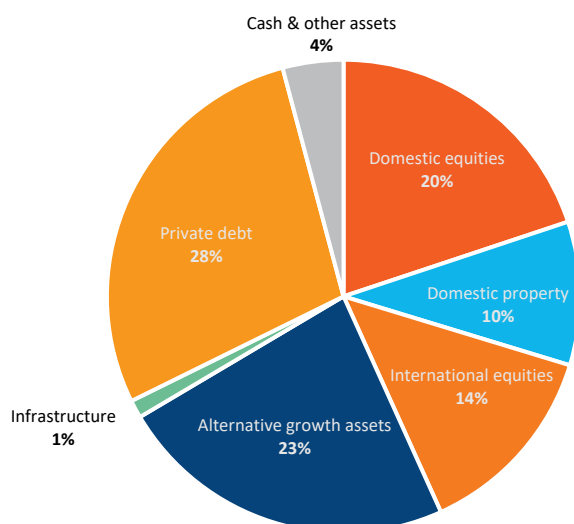
The performance (after fees) of the APS Foundation General Portfolio and relevant indices for various periods ended 31 December 2022 was as follows:

	Six months	One year	Three years	Seven years	Since inception
APS Foundation General Portfolio	3.6%	-8.1%	4.7% pa	7.3% pa	10.0% pa
Target return (being CPI + 4% pa after fees over rolling 7-year periods)	N/A	N/A	N/A	6.7% pa	6.6% pa
Australian shares (S&P/ASX300 Accumulation Index)	9.6%	-1.8%	5.5% pa	8.4% pa	9.7% pa
International shares – currency unhedged (MSCI World ex-AUS Unhedged AUD Total Return)	4.3%	-12.5%	6.2% pa	9.6% pa	13.8% pa
Australian cash (Bloomberg AusBond Bank Bills Index)	1.2%	1.3%	0.5% pa	1.3% pa	1.8% pa

The 'since inception' date used is 1 July 2012. Figures greater than one year are expressed as annual compound returns.

Investments held

Asset allocation summary



APS manages all aspects of the APS Foundation (including administration, compliance, investment management, and facilitating the yearly audit) and charges a single, all-inclusive fee of 1% per annum, excluding GST. This fee is calculated and paid monthly. The APS Foundation can claim back 75% of GST paid and as such, the final cost to giving funds is 1.025% per annum.

Most of the assets of the APS Foundation are managed by external fund managers. To the extent possible, such services are secured on a pro bono basis. However, where a pro bono arrangement cannot be secured with a fund manager, the Trustee may still choose to use them where it believes the particular investment is likely to produce an attractive post fee return for the APS Foundation. Such extra fees charged by the external fund managers are paid by the APS Foundation and are in addition to the 1% fee paid to APS. In the case of the APS Foundation General Portfolio, we estimate such extra fees to be approximately 0.36% per annum based on the assets of the APS Foundation General Portfolio held at 31 December 2022.*

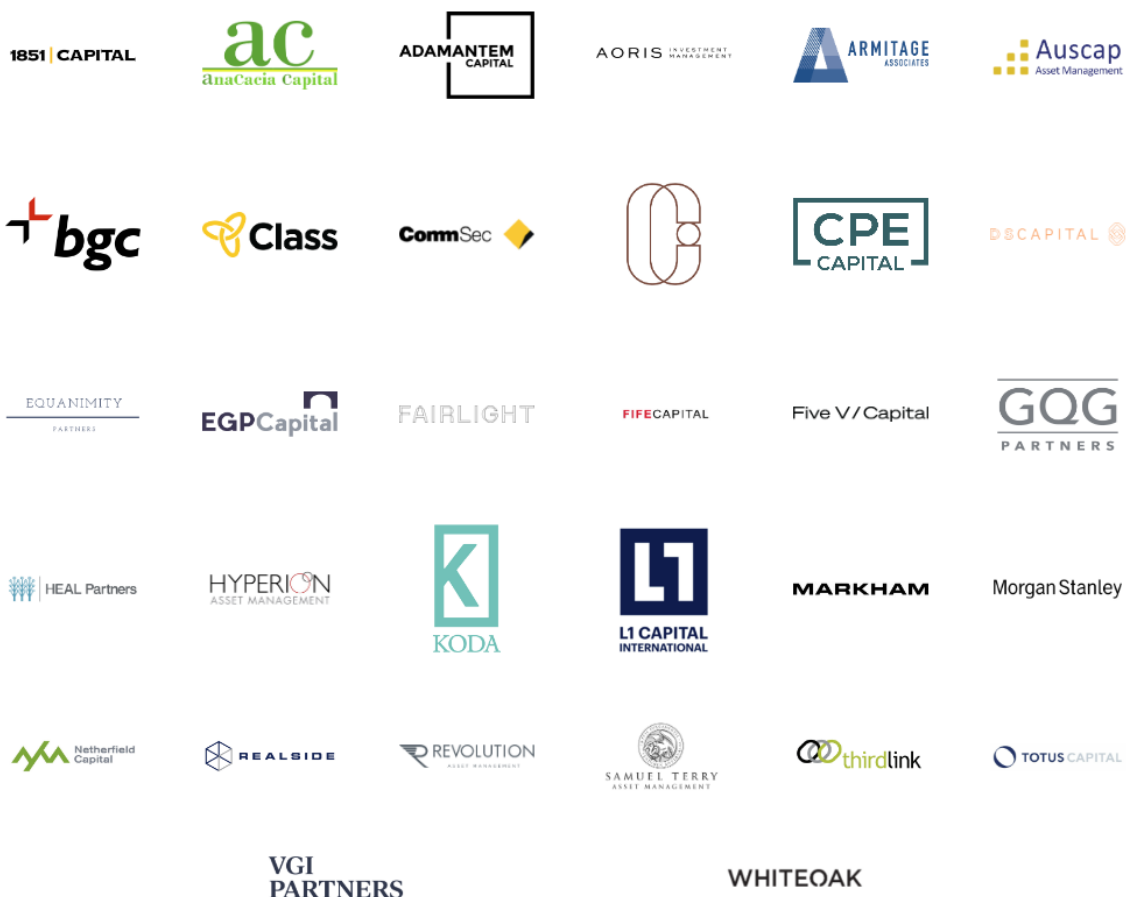
*This only includes ongoing management fees of unlisted managed investment schemes or individually managed accounts. It excludes performance fees, out-of-pocket costs of third-party managers, fees incurred by listed investment companies and any other costs a direct investor would ordinarily incur themselves.

Governance

The Trustee of the APS Foundation is Australian Philanthropic Services Foundation Pty Limited, a wholly-owned subsidiary of Australian Philanthropic Services Limited (APS). The directors of the Trustee are Chris Cuffe AO, David Ward, and Judith Fiander. The investments of the APS Foundation are overseen by all Trustee directors. Chris Cuffe has day-to-day responsibility for managing the investments of the APS Foundation General Portfolio, including engaging the services of external specialist fund managers.

Supporters of the APS Foundation

We are extremely grateful for the support we receive from a number of fund managers and service providers who supply us with some or all of their investment services on a pro bono basis to assist with the management of the APS Foundation. We sincerely thank the companies mentioned below for their kind support during the six months ended 31 December 2022.



For more information contact APS Foundation
02 9779 6312 or foundation@australianphilanthropicservices.com.au
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