

# Australian Philanthropic Services Foundation

## General Portfolio performance report for the six months ended 30 June 2023

This performance report is for the Australian Philanthropic Services Foundation (APS Foundation) General Portfolio and covers the six-month period from 1 January 2023 to 30 June 2023. The next report will be for the six-month period from 1 July 2023 to 31 December 2023 and will be available in February 2024.

### 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, under normal circumstances, 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

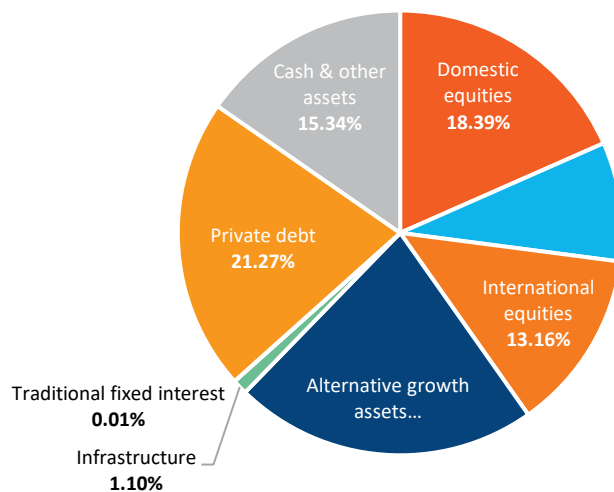
The performance (after fees) of the APS Foundation General Portfolio and relevant indices for various periods ended 30 June 2023 was as follows:

	Six months	One year	Three years	Seven years	Since inception
<b>APS Foundation General Portfolio</b>	5.2%	9.0%	8.1% pa	7.8% pa	10.1% pa
Target return (being CPI + 4% pa after fees over rolling 7-year periods)	N/A	N/A	N/A	7.0% pa	6.6% pa
Australian shares (S&P/ASX300 Accumulation Index)	4.4%	14.4%	11.1% pa	8.9% pa	9.7% pa
International shares – currency unhedged (MSCI World ex-AUS Unhedged AUD Total Return)	17.5%	22.6%	13.5% pa	12.5% pa	14.9% pa
Australian cash (Bloomberg AusBond Bank Bills Index)	1.7%	2.9%	1.0% 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



## Fees

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. The APS Foundation can claim back 75% of GST paid and as such, the final cost to giving funds is 1.025% per annum. This fee is calculated and paid monthly directly from the APS Foundation.

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. We have listed out below those managers who have assisted the APS Foundation in this regard. During the year ended 30 June 2023 the value of these reduced fees was more than \$1M which contributes materially to the performance of the APS Foundation and to the giving fund balances of our clients.

Where a pro bono fee arrangement cannot be secured with an external 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 0.3%\* per annum based on the assets of the APS Foundation General Portfolio held at 30 June 2023.

The performance of the APS Foundation is always stated after all fees, whether such fees are paid to APS or to external fund managers. The published performance figures are what have been credited to giving fund holders balances.

\*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. An investment committee provides an additional layer of investment governance to ensure appropriate decision-making regarding the management of the General Portfolio. The investment committee comprises Chris Cuffe, David Ward and Alex Hone.

## Supporters of the APS Foundation’s General Portfolio

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 of the General Portfolio during the six months ended 30 June 2023.

