

DONOR UPDATE

MARCH 2022 PERFORMANCE

Quarterly and Annual ACF Performance Figures

ACF Portfolio	Portfolio 3-month Return	Composite Benchmark 3-month return	Excess	Portfolio 12-month return	Composite Benchmark 12-month return	Excess
Main Fund (Long Term)	-4.43%	-2.30%	-2.12%	5.62%	5.62%	0.00%
Extension Fund	-4.19%	-2.30%	-1.88%	5.89%	5.62%	0.27%
Scholarship Fund	-3.78%	-2.30%	-1.48%	6.27%	5.62%	0.65%
Main Fund (Short Term)	-2.56%	-2.63%	0.06%	0.58%	-0.14%	0.71%

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

Market Environment

Australian Equities and International Equities have had a volatile quarter with market responses to rising inflation and war in the Ukraine resulting in big stock movements. The Australian dollar movements have seen unhedged funds significantly underperform. We continue to monitor the market movements and align the portfolio accordingly.

The systematic underperformance from managers over this quarter traces back to underperformance of ESG and sustainability-focused stocks over the quarter. This is due to two key factors:

- Growth stocks (to which ESG managers tend to be more heavily exposed) have underperformed in an environment of geopolitical instability.
- There was performance dispersion between the broad market and particular sectors which are typically less appropriate for ESG investors – energy, oil, gas and other commodities in particular. This was driven largely by commodity price increases resulting from the Russia-Ukraine war.

Main Fund (Long Term), Extension and Scholarship Funds

The growth portfolios underperformed this quarter as discussed above, but continue to out-perform on a 12-month basis. We continue to see strong returns above benchmark in the Growth Alternatives and Real Assets, asset classes.

Main Fund (Short Term)

The Main Fund (Short Term) performed relatively on par with benchmark this quarter. On a 12-month basis the fund continues to outperform relative to benchmark by 0.71%.