

Christian KiwiSaver Scheme



Annual Report 2019

Scheme snapshot

as at 31 March 2019



Fund size

\$49,347,888

Value of investments



Income

\$3,766,928

Investment income before expenses



Contributions

\$8,326,959

Member, Employer and
Government contributions



Withdrawals

\$4,383,246

Total benefit payments



Gross Return

11.7%

Growth Fund



Gross Return

8.7%

Balanced Fund



Gross Return

3.5%

Income Fund



Average balance

\$27,009

Average balance of member accounts





“Ethical at heart”

Contents

Message from the Board	1
Details of Scheme	3
Information on contributions & scheme participants	3
Changes relating to the Scheme	4
Other information for particular types of managed funds	5
Changes to persons involved in the Scheme	7
How to find further information	7
Contact details and complaints	7



Message from the Board

Dear Friends

The New Zealand Anglican Church Pension Board (the Board), as Manager and Trustee, is pleased to present the Annual Report of the Christian KiwiSaver Scheme for the year ended 31 March 2019.

We are delighted to report that it was another solid year for the investments of the Scheme. The Scheme's growth assets (shares, private equity and forests) provided very good returns, while the returns from income assets (bonds, mortgages and cash) were more modest, as expected.

The Growth Fund is invested largely in growth assets. The Balanced Fund is invested in a more even mixture of growth and income assets. The Income Fund invests only in income assets. At year end 61% of members' funds were invested in the Balanced Fund, 26% in the Growth Fund and 13% in the Income Fund.

Returns before tax and expenses for the year, and the last five and ten years' average, were:

Fund	1 year	5 years	10 years
Growth	11.7%	10.0%	9.0%
Balanced	8.7%	8.1%	7.7%
Income	3.5%	4.5%	N/A

On 1 January 2019 we made a change to the Scheme to help those under the age of 18 get a start with their longer term savings. From that date, members under 18 (at the start of the quarter) will not have fees deducted from the quarterly investment earnings allocated to their account.

In March 2019 the Government made the following changes to KiwiSaver:

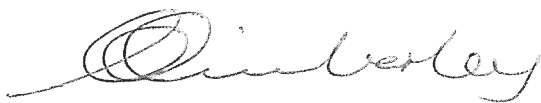
- » From 1 April 2019, employees will have more contribution rate options, 'Member Tax Credits' were renamed 'Government Contribution', and the 'Contribution Holiday' was renamed 'Savings Suspension' and the maximum period of a Savings Suspension was reduced from 5 years to 1 year (renewable on application to Inland Revenue).

- » From 1 July 2019, people over 65 will be eligible to join KiwiSaver. Employers, at their discretion, can make employer contributions for these members. New members will no longer be locked in to the scheme for five years. Members between the ages of 60 to 64 who enrol on or after 1 July 2019 will be able to withdraw their KiwiSaver funds at 65.
- » From 1 April 2020, members who enrolled before July 2019, and who were aged between 60 and 64 when they enrolled can elect to opt out of the 5 year lock in period any time after they reach 65. However, this means they will no longer be eligible for compulsory employer contributions or the Government Contribution.

It was another year of growth for the Scheme. Members' accumulated funds increased by 16.0% and the number of members increased by 4.4%.

We continue to thank you, our members, for your support of our KiwiSaver scheme for Christians.

Yours in Christ,



The Very Reverend Lawrence Kimberley
Chairperson



Brendan O'Donovan
Licensed Independent Trustee

Annual report

For the period 1 April 2018 to 31 March 2019

Details of Scheme

The Scheme is made up of three Funds: the Income Fund, the Balanced Fund and the Growth Fund. The Scheme details are:

- » The name of the scheme is the Christian KiwiSaver Scheme.
- » The Christian KiwiSaver Scheme is a restricted KiwiSaver scheme.
- » The Manager of the Scheme is The New Zealand Anglican Church Pension Board.
- » As it is a restricted scheme, the supervisor of the Scheme is the Financial Markets Authority.
- » The Product Disclosure Statement is dated 28 June 2019 and the scheme is open for applications.
- » The fund updates for the Income, Balanced and Growth Funds were all issued on 28 June 2019.
- » The financial statements of the Scheme for the year ended 31 March 2019 and the auditor's report on those financial statements have been lodged with the Registrar. They are available electronically by visiting disclose-register.companiesoffice.govt.nz selecting Search schemes and entering Christian KiwiSaver Scheme.

Information on contributions and scheme participants

Membership overview

	1 April 2018	31 March 2019
Total contributing scheme participants	1,212	1,270
Total non-contributing scheme participants	538	557
Total number of members	1,750	1,827

Membership movements

Members at 1 April 2018	1,750
New members	66
Transfers in from other schemes	100
Transfers out to other schemes	-44
Retirements	-40
Deaths	-3
Other reasons	-2
Members at 31 March 2019	1,827

Member accumulations

	Number of members	\$
1 April 2018	1,732	42,528,516
31 March 2019	1,805	49,345,749

Contributions

Contribution type	Number of members	\$
Member contributions	1,224	2,370,763
Employer contributions	1,167	1,198,247
Member voluntary additional contributions	321	1,966,274
Government contributions	1,397	522,984

Changes relating to the Scheme

Trust Deed

There were no changes to the Trust Deed during the year ending 31 March 2019.

SIPO

The Scheme's Statement of Investment Policy and Objectives (SIPO) was amended on 20 June 2018 and effective from 1 July 2018. The Scheme invests in the NZACPB Investment Trust. The amendment increased the maximum percentage of the NZACPB Investment Trust's funds that can be invested in mortgages from 10% to 12.5%.

Related Party Transactions

There were no Related Party Transactions during the year ending 31 March 2019.

Other information for particular types of managed funds

The following withdrawals occurred which were permitted under the Financial Markets Conduct Act and the Trust Deed. During the year 173 members made a withdrawal. These withdrawals include partial and full payments paid to a member.

Withdrawal type	Number of members
Transfers out	44
Qualifying date withdrawal	93
First home purchase	18
Permanent emigration	0
Significant financial hardship	13
Death	3
Serious illness	2
Mortgage diversion	1
Transfers out to complying Australian superannuation schemes	0

Returns

The allocation of earnings to members' accounts is made quarterly. The declared earnings rates are posted on the Scheme's website at the time they are declared.

The earning rates declared (after tax and expenses have been deducted) for each quarter, at each Prescribed Investor Rate (PIR), were:

Quarter ending	Investment Fund	10.5% PIR	17.5% PIR	28% PIR
30 June 2018	Income Fund	-0.05%	-0.05%	-0.04%
	Balanced Fund	3.29%	3.34%	3.40%
	Growth Fund	5.04%	5.10%	5.19%
30 September 2018	Income Fund	0.16%	0.15%	0.13%
	Balanced Fund	2.46%	2.45%	2.45%
	Growth Fund	3.54%	3.54%	3.54%
31 December 2018	Income Fund	0.23%	0.21%	0.18%
	Balanced Fund	-4.25%	-4.30%	-4.37%
	Growth Fund	-6.30%	-6.36%	-6.45%
31 March 2019	Income Fund	1.42%	1.32%	1.15%
	Balanced Fund	5.27%	5.16%	4.97%
	Growth Fund	7.67%	7.50%	7.27%

Please note: These are quarterly rates and not annualised rates. A simple way to approximate your annual earnings (after tax and expenses) is to add the four quarters' rates together.

In cases when earnings needed to be allocated between quarters (e.g. a total withdrawal of a retirement benefit) then an interim rate was applied. The Trustee's policy is that the interim rate for each investment pool is the average return of the previous 20 quarters, unless otherwise determined by the Trustee. The interim rates for each quarter were as follows:

Quarter ending	Investment Fund	10.5% PIR	17.5% PIR	28% PIR
30 June 2018	Income Fund	0.72%	0.67%	0.59%
	Balanced Fund	1.47%	1.42%	1.34%
	Growth Fund	1.92%	1.87%	1.81%
30 September 2018	Income Fund	0.74%	0.68%	0.60%
	Balanced Fund	1.60%	1.55%	1.47%
	Growth Fund	2.09%	2.03%	1.99%
31 December 2018	Income Fund	0.00%	0.00%	0.00%
	Balanced Fund	-4.50%	-4.50%	-4.50%
	Growth Fund	-7.00%	-7.00%	-7.00%
31 March 2019	Income Fund	0.72%	0.67%	0.59%
	Balanced Fund	1.30%	1.26%	1.19%
	Growth Fund	1.64%	1.61%	1.57%

Returns (Under 18)

From 1 January 2019 members under age 18 did not have fees deducted from the quarterly investment earnings allocated to their account if they are under age 18 on the first day of that quarter.

Quarter ending	Investment Fund	10.5% PIR
31 March 2019	Income Fund	1.74%
	Balanced Fund	5.62%
	Growth Fund	8.04%

Under 18 interim rates were:

Quarter ending	Investment Fund	10.5% PIR
31 March 2019	Income Fund	1.03%
	Balanced Fund	1.63%
	Growth Fund	2.00%

Manager's statement

All benefits required to be paid from the Scheme in accordance with the Trust Deed and the KiwiSaver Scheme rules have been paid.

The market value of the assets of the Scheme at the close of the financial year exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at the close of the financial year.

Changes to persons involved in the scheme

In May 2018 Merv Gaskin retired from the Board and was replaced by Kerry Burridge.

In January 2019 Tracey Chong commenced as the Board's Finance Manager. She replaced Lisa Dobbie.

How to find further information

The following documents are filed on a public register at the Companies Office of the Ministry of Business, Innovation & Employment (companiesoffice.govt.nz/disclose):

- » The Product Disclosure Statement;
- » The Statement of Investment Policy and Objectives;
- » The financial statements; and
- » The Trust Deed (and any amendments).

These documents are free of charge and available for public inspection.

You have a right to receive on request to the Manager a copy of any of these documents as well as an updated estimate of your benefits.

These may be obtained free of charge by calling us on 0508 738 473.

Contact details and complaints

If you have an enquiry, you can contact the Manager as follows:

Write to: Funds Administrator
The New Zealand Anglican Church Pension Board
PO Box 12 287
Wellington 6144

Phone: 0508 738 473 or 04 473 9369

Email: info@christiankiwisaver.nz

If you have a complaint about the operation of the Scheme, please contact us (as above). If we cannot resolve your concerns then you can make a formal written complaint:

Write to: Chairperson of the Board (Confidential)
The New Zealand Anglican Church Pension Board
PO Box 12 287
Wellington 6144

If you are not satisfied with our response to your complaint you can refer your concerns to the independent approved dispute resolution scheme:

Write to: Financial Services Complaints Limited
PO Box 5967
Lambton Quay
Wellington 6145

Phone: 0800 347 257

Web: www.fscl.org.nz

Email: info@fscl.org.nz

Neither we nor Financial Services Complaints Limited will charge you a fee to investigate or resolve a complaint.

You can also contact the Supervisor with an enquiry or complaint:

Write to: Financial Markets Authority
PO Box 106 672
Auckland 1143

Phone: 0800 434 566

Please note there is no statutory ombudsman for this Scheme.



