

Christian KiwiSaver Scheme



Annual Report 2020

Scheme snapshot

as at 31 March 2020



Scheme size

\$54,717,235

Value of net assets



Assets growth

↑10.9%

Growth in net assets from last year



Contributions

\$9,978,518

Member, Employer and
Government contributions



Withdrawals

\$4,292,369

Total benefit payments
to members



Investment income

\$464,772

Investment income before expenses



Gross Return

2.8%

Income
Fund

1.4%

Balanced
Fund

0.0%

Growth
Fund



Members

↑6.2%

Increase in membership



Average balance

\$28,215

Average balance of member accounts



A person is sitting on a sandy beach next to a thatched hut. The person is wearing a white t-shirt and dark shorts. The hut has a thatched roof made of dried grass or straw. The background is a bright, hazy sky. The overall scene is peaceful and natural.

“Ethical at heart”

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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 2020.

Despite the challenges provided by the Covid-19 pandemic towards the end of the year, it was another positive year for the Scheme. The total of members' accumulated funds increased by 10.9% and the number of members increased by 6.2%. After a number of years of solid returns, at the very end of this financial year there was a short sharp market downturn. In March 2020 many of the asset classes were negatively affected by concerns over the economic consequences of Covid-19. Due to the good returns in the first three quarters, the returns for the year for most funds were slightly positive. Pleasingly, the investments have seen a recovery in the first quarter of the new financial year.

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	0.0%	6.9%	7.4%
Balanced	1.4%	6.1%	6.7%
Income	2.8%	3.7%	4.3%

When it comes to retirement savings, it is important to look at longer term returns and not focus on short term spikes in investment performance. Being in a Fund (or mix of Funds) that suits your needs and risk profile is key to delivering your savings goals.

During the year the Government introduced a new withdrawal category which allows members with a life-shortening congenital condition to apply to withdraw their savings before the age of 65.

In August 2019, the Board began trading as Anglican Financial Care / Te Maru Mihinare. Our staff are based in Wellington and are available to handle any of your queries.

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 2019 to 31 March 2020

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, trading as Anglican Financial Care.
- » 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 26 June 2020.
- » The financial statements of the Scheme for the year ended 31 March 2020 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 for a scheme and entering Christian KiwiSaver Scheme.

Information on contributions and Scheme participants

Membership overview

	1 April 2019	31 March 2020
Total contributing scheme participants	1,270	1,244
Total non-contributing scheme participants	557	697
Total number of members	1,827	1,941

Membership movements

Members at 1 April 2019	1,827
New members	91
Transfers in from other schemes	109
Transfers out to other schemes	-63
Retirements	-19
Deaths	-2
Other reasons	-2
Members at 31 March 2020	1,941

Member accumulations

	Number of members	\$
1 April 2019	1,805	49,345,749
31 March 2020	1,913	54,765,014

Contributions

Contribution type	Number of members	\$
Member contributions	1,266	2,578,963
Employer contributions	1,222	1,281,966
Member voluntary additional contributions	355	3,053,216
Government contributions	1,459	559,488

Changes relating to the Scheme

Related Party Transactions

The Manager signed one certificate in respect of transactions giving related party benefits during the year ending 31 March 2020. This certificate was dated 19 June 2019 and related to the payment of fees to the Board member who is the Licensed Independent Trustee.

Fees

The fee for the Income Fund changed from 1.4% to 1.0% effective from 1 July 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 170 members made a withdrawal. These withdrawals include partial and full payments paid to a member.

Withdrawal type	Number of members
Transfers out	63
Qualifying date withdrawal	71
First home purchase	23
Permanent emigration	1
Significant financial hardship	9
Death	2
Serious illness	1
Mortgage diversion	0
Transfers out to complying Australian superannuation schemes	0

Returns

Declared rates

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 declared earning rates are after tax and expenses have been deducted. However, members under age 18 do 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.

The earning rates for each quarter, at each Prescribed Investor Rate (PIR), were:

Quarter ending	Investment Fund	10.5% PIR	17.5% PIR	28% PIR	Under 18
30 June 2019	Income Fund	1.28%	1.18%	1.01%	1.60%
	Balanced Fund	3.05%	3.00%	2.93%	3.39%
	Growth Fund	4.04%	4.02%	3.99%	4.40%
30 September 2019	Income Fund	0.93%	0.86%	0.74%	1.15%
	Balanced Fund	2.58%	2.60%	2.62%	2.92%
	Growth Fund	3.51%	3.57%	3.65%	3.86%
31 December 2019	Income Fund	0.25%	0.23%	0.19%	0.48%
	Balanced Fund	1.59%	1.50%	1.37%	1.92%
	Growth Fund	2.34%	2.22%	2.04%	2.69%
31 March 2020	Income Fund	-0.96%	-0.89%	-0.78%	-0.75%
	Balanced Fund	-6.87%	-6.76%	-6.59%	-6.54%
	Growth Fund	-10.19%	-10.06%	-9.92%	-9.83%

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.

Interim rates

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	Under 18
30 June 2019	Income Fund	0.72%	0.68%	0.59%	1.04%
	Balanced Fund	1.53%	1.49%	1.43%	1.87%
	Growth Fund	2.01%	1.98%	1.94%	2.37%

Quarter ending	Investment Fund	10.5% PIR	17.5% PIR	28% PIR	Under 18
30 September 2019	Income Fund	0.81%	0.75%	0.65%	1.03%
	Balanced Fund	1.60%	1.56%	1.49%	1.94%
	Growth Fund	2.13%	2.10%	2.06%	2.49%
31 December 2019	Income Fund	0.81%	0.75%	0.65%	1.03%
	Balanced Fund	1.60%	1.56%	1.49%	1.94%
	Growth Fund	2.11%	2.09%	2.04%	2.47%
31 March 2020	Income Fund	0.74%	0.69%	0.60%	0.97%
	Balanced Fund	1.59%	1.55%	1.49%	1.93%
	Growth Fund	2.14%	2.10%	2.06%	2.49%

With the significant decline in world share markets in March 2020, the interim rates for the quarter ended 31 March 2020 were regularly reviewed until the final rates were declared. The dates of the review and the interim rates applied from that date were:

Review date	Investment Fund	10.5% PIR	17.5% PIR	28% PIR	Under 18
11 March 2020	Income Fund	0.74%	0.69%	0.60%	0.97%
	Balanced Fund	-4.80%	-4.80%	-4.80%	-4.50%
	Growth Fund	-7.50%	-7.50%	-7.60%	-7.20%
20 March 2020	Income Fund	0.60%	0.50%	0.50%	0.80%
	Balanced Fund	-9.80%	-9.80%	-9.90%	-9.50%
	Growth Fund	-15.40%	-15.40%	-15.40%	-15.00%
31 March 2020	Income Fund	0.60%	0.50%	0.50%	0.80%
	Balanced Fund	-7.40%	-7.40%	-7.50%	-7.10%
	Growth Fund	-11.80%	-11.80%	-11.80%	-11.40%
8 April 2020	Income Fund	-0.83%	-0.77%	-0.68%	-0.69%
	Balanced Fund	-7.00%	-6.89%	-6.72%	-6.77%
	Growth Fund	-10.60%	-10.51%	-10.40%	-10.35%
23 April 2020	Income Fund	-0.90%	-0.84%	-0.74%	-0.69%
	Balanced Fund	-6.97%	-6.85%	-6.69%	-6.97%
	Growth Fund	-10.44%	-10.35%	-10.24%	-10.08%

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 were less than 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. This was due to a lower valuation than previously estimated for one of the investment assets being received and adjusted for after the earnings for the March 2020 quarter had been allocated to members. A correction was made to the earnings allocated to members in the June 2020 quarter.

Changes to persons involved in the Scheme

In September 2019 Ian Millard QC retired as the Chair of the Board's Investment Committee and was replaced by Brendan O'Donovan.

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
Anglican Financial Care
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)
Anglican Financial Care
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.



