

Christian KiwiSaver Scheme



Annual Report 2022

Scheme snapshot

as at 31 March 2022



Scheme size

\$84,276,785

Value of net assets



Assets growth

↑19.1%

Growth in net assets from last year



Contributions

\$17,324,259

Member, Employer and
Government contributions



Withdrawals

\$7,041,778

Total benefit payments
to members



Investment income

\$4,359,677

Investment income before expenses



Gross Return

-1.3% **5.5%** **9.2%**

Income
Fund

Balanced
Fund

Growth
Fund



Members

↑4.8%

Increase in membership



Average balance

\$39,994

Average balance of member accounts



“Ethical at heart”

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Message from the Board

Dear Friends,

Anglican Financial Care / Te Maru Mihinare, as Manager and Trustee, is pleased to present the Annual Report of the Christian KiwiSaver Scheme for the year ended 31 March 2022.

Last year I greeted you with a message that we had had an extraordinary 12 months. This notion of 'extraordinariness' has carried on through the latest 12 months.

In the last nine months of 2021 world sharemarkets performed strongly with increased economic activity as countries came out of Covid-19 lockdowns and the growing availability of the Covid-19 vaccines increased investor confidence. However, sharemarkets declined in the first three months of 2022 due to economic uncertainty led by increasing interest rates, inflation, the price of oil, tightening monetary policy and Russia's invasion of Ukraine. Our forestry and private equity investments were the best performing assets this year. These, coupled with the returns from shares, meant that the growth assets sector produced a reasonable return for the year.

In comparison, this year the income assets sector made a negative return. Driving this was the bond investments losing value as interest rates increased sharply worldwide. The losses in our fixed interest portfolio could not be recouped from the positive returns made by our mortgage and cash portfolios.

The investment outlook remains uncertain. We maintain a cautious approach, with a focus on protecting what we have and our commitment to invest ethically, rather than chasing riskier returns.

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	9.2%	10.2%	9.6%
Balanced	5.5%	7.5%	7.7%
Income	-1.3%	2.4%	3.4%

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

Our staff are based in Wellington and are available to handle any of your queries.

Yours in Christ,

The Very Reverend Lawrence Kimberley
Chairperson

Annual report

For the period 1 April 2021 to 31 March 2022

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 27 September 2021 and the Scheme is open for applications.
- » The fund updates for the Income, Balanced and Growth Funds were all issued on 30 June 2022.
- » The financial statements of the Scheme for the year ended 31 March 2022 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 2021	31 March 2022
Total contributing scheme participants	1,306	1,300
Total non-contributing scheme participants	705	807
Total number of members	2,011	2,107

Membership movements

Members at 1 April 2021	2,011
New members	92
Transfers in from other schemes	117
Transfers out to other schemes	-74
Retirements	-30
Deaths	-4
Other reasons	-5
Members at 31 March 2022	2,107

Member accumulations

	Number of members	\$
1 April 2021	1,987	70,765,744
31 March 2022	2,076	84,268,290

Contributions

Contribution type	Number of members	\$
Member contributions	1,316	3,084,854
Employer contributions	1,263	1,484,998
Member voluntary additional contributions	470	8,622,483
Government contributions	1,310	558,150

The number of members in this table are those members with a non-zero account balance.

Changes relating to the Scheme

SIPO

The Scheme's Statement of Investment Policy and Objectives (SIPO) was amended on 27 September 2021 to:

- Revise the description of Investment Philosophy and to add in Beliefs.
- Update the risk indicators for the Scheme.

There have been no changes made to the benchmarks or investment policies.

Related Party Transactions

The Board signed one certificate in respect of transactions giving related party benefits during the year ending 31 March 2022. This certificate was dated 7 September 2021 and related to the payment of fees to the Board member who is the Licensed Independent Trustee.

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 204 members made a withdrawal. These withdrawals include partial and full payments paid to a member.

Withdrawal type	Number of members
Transfers out	69
Qualifying date withdrawal	96
First home purchase	16
Permanent emigration	2
Significant financial hardship	15

Death	4
Serious illness	2
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 2021	Income Fund	0.41%	0.38%	0.32%	0.59%
	Balanced Fund	2.62%	2.60%	2.57%	2.92%
	Growth Fund	3.73%	3.71%	3.68%	4.07%
30 September 2021	Income Fund	-0.37%	-0.34%	-0.30%	0.19%
	Balanced Fund	0.96%	0.94%	0.91%	1.26%
	Growth Fund	1.80%	1.75%	1.68%	2.13%
31 December 2021	Income Fund	-0.33%	-0.31%	-0.27%	-0.15%
	Balanced Fund	2.45%	2.46%	2.47%	2.75%
	Growth Fund	3.65%	3.65%	3.64%	3.99%
31 March 2022	Income Fund	-1.89%	-1.89%	-1.89%	-1.69%
	Balanced Fund	-2.34%	-2.34%	-2.34%	-2.00%
	Growth Fund	-2.25%	-2.25%	-2.25%	-1.87%

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.

The declared earning rates for the quarter ended 31 March 2022 were impacted by the Scheme's tax position resulting from the negative investment returns posted over the period. As no tax was payable for the quarter, the declared earning rates were the same for all prescribed investor rates.

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 2021	Income Fund	0.67%	0.62%	0.53%	0.85%
	Balanced Fund	1.67%	1.63%	1.57%	1.97%
	Growth Fund	2.27%	2.23%	2.18%	2.60%
30 September 2021	Income Fund	0.62%	0.50%	0.49%	0.79%
	Balanced Fund	1.75%	1.72%	1.66%	2.06%
	Growth Fund	2.42%	2.39%	2.34%	2.76%
31 December 2021	Income Fund	0.55%	0.51%	0.44%	0.73%
	Balanced Fund	1.69%	1.66%	1.61%	1.99%
	Growth Fund	2.38%	2.35%	2.30%	2.70%
31 March 2022	Income Fund	0.54%	0.50%	0.43%	0.72%
	Balanced Fund	1.71%	1.68%	1.63%	2.01%
	Growth Fund	2.39%	2.35%	2.31%	2.71%

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

Andrew Johnson's appointment as the Licensed Independent Trustee on the Board took effect on 26 July 2021. Andrew replaced Brendan O'Donovan who resigned from the role effective 25 July 2021.

On 1 July 2021, Rosemary Hambling replaced Hugh Stevens on the Board's Investment Committee. The membership of the Investment Committee was increased from seven members to eight with the appointment of Suzanne Wolton on 4 November 2021.

Margaret Bearsley commenced as the Chief Executive on 13 September 2021 following the resignation of Mark Wilcox.

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;
- » The Trust Deed (and any amendments); and
- » Other Material Information.

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.





