

# ANNUAL REPORT 2023

*Christian  
KiwiSaver Scheme*



# Scheme Snapshot



**Scheme Size**  
**\$88,349,805**

VALUE OF NET ASSETS



**Assets Growth**  
**↑ 4.8%**

GROWTH IN ASSETS  
FROM LAST YEAR



**Investment Income**  
**\$485,408**

INVESTMENT INCOME BEFORE EXPENSES



**Withdrawals**  
**\$6,074,598**

TOTAL BENEFIT PAYMENTS TO  
MEMBERS



**Contributions**  
**\$10,834,567**

MEMBER, EMPLOYER AND  
GOVERNMENT CONTRIBUTIONS



**Average Balance**  
**\$41,398**

AVERAGE BALANCE OF  
MEMBER ACCOUNTS



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# Message from the Chair

Dear Friends,

Anglican Financial Care / Te Maru Mihinare (AFC), as Manager and Trustee, is pleased to present the Annual Report of the Christian KiwiSaver Scheme for the year ended 31 March 2023.

Christian KiwiSaver Scheme is a KiwiSaver Scheme that believes in Christian values and expresses them in what we invest in. As one of the only Christian faith-based KiwiSaver Schemes available, we believe in Christians being able to live out their faith in all areas of their life – including in their investments.

In last year's message, I commented that the investment outlook remained uncertain for 2023. While 2023 indeed proved to be another challenging year in the investment markets, we stood firm amidst the storm.

One key factor that impacted the markets was the high rate of consumer price inflation throughout the year. Among the OECD countries, the average inflation rate reached its highest point of 10.7% in October 2022, which was the highest we have seen since 1982. To address high inflation, Central Banks, such as New Zealand's Reserve Bank, typically increase interest rates. In Aotearoa New Zealand, the Official Cash Rate experienced a significant increase over the last year, from 1.0% at 1 April 2022 to 4.75% at 31 March 2023, and has remained elevated since then.

While increasing interest rates are good for cash, term deposit and mortgage-lending investments, it is not good for fixed interest investments (nor for mortgage-borrowers). The increasing interest rates worldwide resulted in the international fixed interest investments losing value. Like last year, these losses could not be recouped from the positive returns made by our cash and mortgage portfolios, negatively impacting the Income Fund.

The growth assets fared better than the income sector. Our investments in forestry, private equity and Australian shares helped produce an overall modest positive return for the Balanced and Growth Funds.

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   | 1.9%   | 8.5%    | 8.3%     |
| Balanced | 0.7%   | 6.1%    | 6.6%     |
| Income   | -1.0%  | 1.4%    | 2.6%     |

Our mortgage investment portfolio provides lending on residential properties and is administered by our Member Services team. Christian KiwiSaver Scheme members are eligible to apply for a mortgage from AFC. As well as helping some members purchase their first home, our mortgage portfolio has also been used towards providing a positive social impact. AFC has provided funds for the purchase of houses for low-income families in a local Church community. It is exciting to hear that regular shared meals, prayer and community events across the houses have been established, especially catering for the large number of children living there. More information about mortgages with AFC is available on our website [angfincare.nz/mortgages](http://angfincare.nz/mortgages).

AFC owns Hapua Forest in Hawkes Bay, which was recently harvested and is now fully replanted. We are a participant of the Emissions Trading Scheme to demonstrate our commitment to ethical investing through supporting the government's major tool for reducing carbon emissions in Aotearoa New Zealand. However, we have encountered some uncertainties and discrepancies regarding the recording of our carbon credits. We are working on resolving this with the relevant government agencies. Depending on the price of carbon units when our harvesting liability falls due in 2023 (or possibly 2024), we may either surrender carbon credits, or exercise the 'Fixed Price Option' if it would provide a material uplift in value in our growth assets. If you are interested to read more about these forest issues, you can do so in the Scheme's Financial Statements (particularly Note 5) located at [christiankiwisaver.nz/documents](http://christiankiwisaver.nz/documents).

The Reverend Vicki Sykes resigned from her position on the Board on 31 March 2023. We record our appreciation of her seven years' service to the Board and the Scheme. In July 2023 the Venerable Carole Hughes was appointed to the Board. We welcome Carole. Vicki was our Deputy Chair. Hugh Stevens was appointed as the new Deputy Chair.

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

I would like to thank our Chief Executive, Margaret Bearsley, and all our staff for everything they do for you, our members. They are based in Wellington and are available to handle any of your queries.

Yours in Christ,

A handwritten signature in black ink, appearing to read 'Lawrence Kimberley', written in a cursive style.

The Very Reverend Lawrence Kimberley  
Chairperson

# Annual Report

For the period 1 April 2022 to 31 March 2023

## 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 2023.
- The financial statements of the Scheme for the year ended 31 March 2023 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](https://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 2022 | 31 March 2023 |
|--|--------------|---------------|
| Total contributing scheme participants     | 1,300        | 1,304         |
| Total non-contributing scheme participants | 807          | 830           |
| Total number of members                    | 2,107        | 2,134         |



## Membership movements

|                                 |       |
|---------------------------------|-------|
| Members at 1 April 2022         | 2,107 |
| New members                     | 47    |
| Transfers in from other schemes | 76    |
| Transfers out to other schemes  | -42   |
| Retirements                     | -51   |
| Deaths                          | -1    |
| Other reasons                   | -2    |
| Members at 31 March 2023        | 2,134 |

## Member accumulations

|               | Number of members | \$         |
|---------------|-------------------|------------|
| 1 April 2022  | 2,076             | 84,268,290 |
| 31 March 2023 | 2,103             | 88,344,230 |

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

## Contributions

| Contribution type                         | Number of members | \$        |
|---|-------------------|-----------|
| Member contributions                      | 1,343             | 3,324,981 |
| Employer contributions                    | 1,301             | 1,587,484 |
| Member voluntary additional contributions | 337               | 2,927,389 |
| Government contributions                  | 1,321             | 578,138   |

## Changes relating to the Scheme

### Trust Deed

The Scheme's Trust Deed was amended on 30 June 2022 to align the deed with the Trusts Act 2019.

### Ethical Investment Policy

The Ethical Investment Policy was amended on 9 March 2023 to tighten up the alcohol exclusion, and provide information on the forestry investment:

- Out of respect for communities that have identified alcohol as being of particular harm, Anglican Financial Care (AFC) has no direct holdings in alcohol. Also, companies deriving more than 5% of turnover from the production or sale of alcohol are excluded.

- Under its fossil fuel divestment policy, AFC has a long-standing direct investment in a forest. AFC uses reputable silviculture managers, monitors their work, and maintains the in-forest structures including slash traps, culverts, and wetland areas. Within the forest is a large native forest block (around 14 hectares) which benefits from the whole-of-forest possum and pests control programmes. AFC's careful harvest management has ensured that Kumara Pits, indicating old garden sites within the forest, which are protected by the Heritage New Zealand Pouhere Taonga Act 2014, are safeguarded from all forest activity.

As a forest owner, AFC participates in the Emissions Trading Scheme, which is a key tool for New Zealand to meet its domestic and international climate change targets.

## SIPO

The Scheme's Statement of Investment Policy and Objectives (SIPO) was amended on 10 March 2023 to:

- Change the upper limit in the benchmark range for Alternative Growth in:
  - the Balanced Fund from 7.5% to 15%; and
  - the Growth Fund from 15% to 20%.
- Insert a limit that the total growth and total income asset class allocations must be maintained within 10% of the benchmarks of the total growth and total income asset classes.
- Remove the risk indicators for the Scheme, as these are provided in the Fund Updates.

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

| Withdrawal type  | Number of members |
|--|-------------------|
| Transfers out  | 41                |
| Qualifying date withdrawal                                   | 146               |
| First home purchase  | 11                |
| Permanent emigration   | 1                 |
| Significant financial hardship                               | 16                |
| Death  | 1                 |
| Serious illness  | 0                 |
| Transfers out to complying Australian superannuation schemes | 0                 |



**“Thank you so much. Your service is outstanding, especially in the financial services area. We are so blessed to be in your care.”**



## 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 2022      | Income Fund     | -2.87%    | -2.87%    | -2.87%  | -2.67%   |
|                   | Balanced Fund   | -4.84%    | -4.84%    | -4.84%  | -4.50%   |
|                   | Growth Fund     | -5.70%    | -5.70%    | -5.70%  | -5.32%   |
| 30 September 2022 | Income Fund     | -1.27%    | -1.27%    | -1.27%  | -1.07%   |
|                   | Balanced Fund   | -0.47%    | -0.47%    | -0.47%  | -0.13%   |
|                   | Growth Fund     | 0.11%     | 0.11%     | 0.11%   | 0.49%    |
| 31 December 2022  | Income Fund     | 0.61%     | 0.61%     | 0.61%   | 0.81%    |
|                   | Balanced Fund   | 1.22%     | 1.22%     | 1.22%   | 1.56%    |
|                   | Growth Fund     | 1.57%     | 1.57%     | 1.57%   | 1.95%    |
| 31 March 2023     | Income Fund     | 1.66%     | 1.66%     | 1.66%   | 1.86%    |
|                   | Balanced Fund   | 3.11%     | 3.11%     | 3.11%   | 3.45%    |
|                   | Growth Fund     | 3.70%     | 3.70%     | 3.70%   | 4.07%    |

**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 Under 18 interim rate has a PIR of 10.5%.

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

### Interim rates

Where earnings needed to be allocated between quarters (e.g. a full payment of the retirement benefit) then an interim rate was applied. During the year the Trustee changed its policy on how the interim rate was set. Up to 31 January 2023, the interim rate for each investment fund was calculated as the average return of the previous 20 quarters for that investment fund unless otherwise determined by the Trustee. From 1 February 2023, the interim rate for each Investment fund is calculated on a monthly basis, being the gross return for the period from the start of the quarter less prescribed fees and an estimate for tax, unless otherwise determined by the Trustee.

The interim rates (expressed as a quarterly rate) were:

| Effective from   | Investment Fund | 10.5% PIR | 17.5% PIR | 28% PIR | Under 18 |
|------------------|-----------------|-----------|-----------|---------|----------|
| 6 May 2022       | Income Fund     | 0.40%     | 0.37%     | 0.32%   | 0.58%    |
|                  | Balanced Fund   | 1.47%     | 1.44%     | 1.40%   | 1.77%    |
|                  | Growth Fund     | 2.10%     | 2.08%     | 2.04%   | 2.44%    |
| 29 July 2022     | Income Fund     | 0.22%     | 0.21%     | 0.18%   | 0.40%    |
|                  | Balanced Fund   | 1.21%     | 1.19%     | 1.16%   | 1.51%    |
|                  | Growth Fund     | 1.81%     | 1.79%     | 1.76%   | 2.15%    |
| 28 October 2022  | Income Fund     | 0.10%     | 0.09%     | 0.08%   | 0.28%    |
|                  | Balanced Fund   | 1.07%     | 1.05%     | 1.03%   | 1.37%    |
|                  | Growth Fund     | 1.66%     | 1.64%     | 1.62%   | 1.99%    |
| 31 January 2023  | Income Fund     | 0.10%     | 0.09%     | 0.08%   | 0.28%    |
|                  | Balanced Fund   | 0.98%     | 0.97%     | 0.95%   | 1.28%    |
|                  | Growth Fund     | 1.52%     | 1.51%     | 1.49%   | 1.86%    |
| 16 February 2023 | Income Fund     | 2.24%     | 2.06%     | 1.80%   | 2.42%    |
|                  | Balanced Fund   | 4.63%     | 4.58%     | 4.50%   | 4.93%    |
|                  | Growth Fund     | 5.60%     | 5.47%     | 5.27%   | 5.93%    |
| 27 February 2023 | Income Fund     | 1.71%     | 1.58%     | 1.38%   | 1.89%    |
|                  | Balanced Fund   | 3.54%     | 3.51%     | 3.46%   | 3.84%    |
|                  | Growth Fund     | 4.27%     | 4.18%     | 4.03%   | 4.61%    |
| 14 March 2023    | Income Fund     | 0.48%     | 0.45%     | 0.39%   | 0.66%    |
|                  | Balanced Fund   | 2.18%     | 2.17%     | 2.15%   | 2.48%    |
|                  | Growth Fund     | 2.90%     | 2.84%     | 2.75%   | 3.23%    |
| 28 March 2023    | Income Fund     | 0.41%     | 0.38%     | 0.33%   | 0.59%    |
|                  | Balanced Fund   | 1.84%     | 1.83%     | 1.82%   | 2.14%    |
|                  | Growth Fund     | 2.44%     | 2.40%     | 2.33%   | 2.78%    |

The Under 18 interim rate has a PIR of 10.5%.

## 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

The Reverend Vicki Sykes resigned from the Board effective 31 March 2023. The Venerable Carole Hughes was appointed to the Board in July 2023.

In November 2022 Rosemary Hambling resigned from the Board's Investment Committee. It was decided not to replace Rosemary and therefore the membership of the Investment Committee was decreased from eight members to seven.

## 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](https://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](mailto:info@christiankiwisaver.nz)

Please contact us if you are not satisfied with the service you have received from us. We have an internal complaints process and will investigate your concerns promptly and fairly. You can contact us to make a complaint by phone, email or in writing to:

Phone: 0508 738 473

Email: [complaints@christiankiwisaver.nz](mailto:complaints@christiankiwisaver.nz)

Write to: Chief Executive  
Anglican Financial Care  
PO Box 12 287  
Thorndon  
WELLINGTON 6144



We are a member of an independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) – A Financial Ombudsman Service. If you make a complaint to us and we have not been able to resolve it in a way that you think is satisfactory within 40 working days, you can refer the matter to FSCL by emailing [info@fscl.org.nz](mailto:info@fscl.org.nz) or calling FSCL on 0800 347 257 or writing to them at:

Financial Services Complaints Limited  
PO Box 5967  
101 Lambton Quay  
WELLINGTON 6145

Full details of how to access the FSCL scheme can be obtained on their website [www.fscl.org.nz](http://www.fscl.org.nz). FSCL will not 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

An elderly couple is standing on a balcony, leaning on a wooden railing. The man, on the left, is wearing a purple and white striped polo shirt and is holding a white cup with grey horizontal stripes. The woman, on the right, is wearing a dark blue quilted vest over a grey and white striped long-sleeved shirt. She is also holding a similar white cup with grey horizontal stripes. Both are smiling warmly at the camera. The background shows the side of a house with horizontal siding and a window.

**“Thank you for the prompt and efficient way you have attended to our request.**

**We do appreciate all that you do for members of Christian KiwiSaver Scheme, Pension Fund and Retire schemes.”**

**0508 738 473**  
**christiankiwisaver.nz**

The New Zealand Anglican Church Pension Board trading as Anglican Financial Care is the issuer.  
A Product Disclosure Statement is available from our website.