

Fund Update

Balanced Fund

For the year ended 31 March 2020

Christian KiwiSaver Scheme

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Ethical at heart 

This fund update was first made publicly available on 26 June 2020.

What is the purpose of this update?

This document tells you how the Christian KiwiSaver Scheme Balanced Fund (the “Fund”) has performed and what fees were charged. The document will help you to compare the Fund with other funds.

The New Zealand Anglican Church Pension Board prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

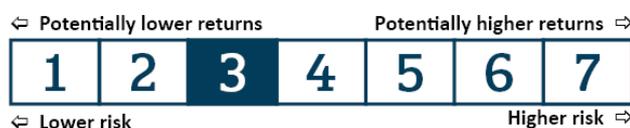
Description of this fund

The Fund has moderate exposures to both growth assets (such as equities and alternative assets) and income assets (such as fixed interest, mortgages and cash). It is designed to have a medium risk profile and to appeal to investors willing to accept medium risk to pursue long term growth.

| | |
|----------------------------------|--------------|
| Total value of the Fund: | \$32,848,016 |
| Number of investors in the Fund: | 1,489 |
| The date the Fund started: | 20 July 2007 |

What are the risks of investing?

Risk indicator for the Fund:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund’s assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the past 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

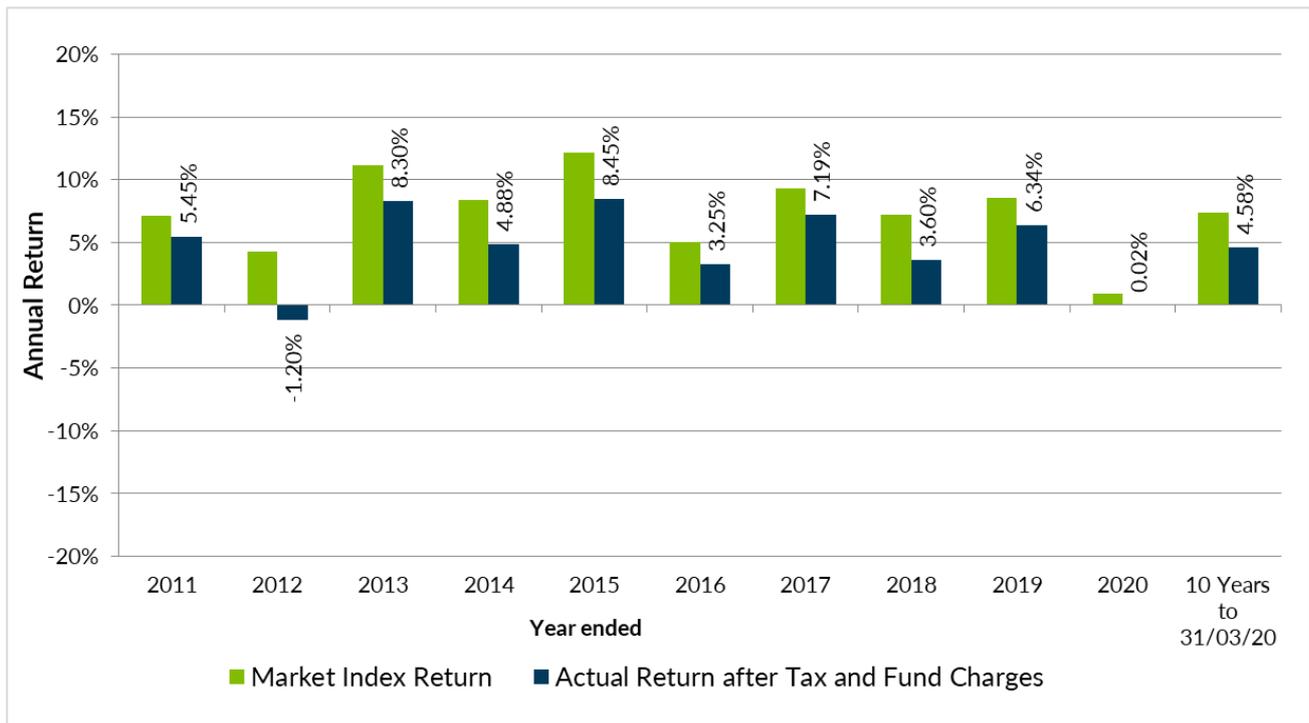
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Average over past 5 years | Past Year |
|--|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 4.05%pa | 0.02% |
| Annual return (after deduction for charges but before tax) | 4.52%pa | -0.01% |
| Market index annual return (reflects no deduction for charges and tax) | 6.17%pa | 0.95% |

The market index annual return is based on a composite index comprising a mix of benchmark indices. More information on the benchmark indices used for each asset class is contained in the Statement of Investment Policies and Objectives (SIPO) for the Christian KiwiSaver Scheme. A copy of the SIPO is available from www.christiankiwisaver.nz/documents or on the offer register at the Companies Office www.disclose-register.companiesoffice.govt.nz/ under Christian KiwiSaver Scheme.

Annual Return Graph



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 March 2020.

Important: This does not tell you how the fund will perform in the future.

The Fund returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

The market index return used in the above graph is before tax and fees.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 31 March 2020 these were:

| | % of net asset value |
|--|----------------------|
| Total fund charges | 1.50% |
| Which are made up of: | |
| Total management and administration charges | 0.00% |
| Including: | |
| Manager's basic fee | 1.50% |
| Other management and administration charges | 0.00% |
| Total performance-based fees | 0.00% |
| Other Charges | |
| Other fees and costs | 0.00% |

There are currently no transaction individual action fees (e.g. establishment, contribution, withdrawal, fund switching) or other fees charged.

The total annual fund charges are calculated daily as a percentage of the net asset value of the Fund.

Small differences in fees and charges can have a big impact on your investment over the long term.

Example of how this applies to an investor

Sarah had \$10,000 in the Fund at the start of the year and did not make any further contributions. At the end of the year, Sarah received a return after fund charges and tax were deducted of \$1.77 (that's 0.02% of her initial \$10,000). Sarah did not pay any other charges. This gives her a total return after tax of \$1.77 for the year.

What does the fund invest in?

Actual investment mix

This shows the types of assets that the Fund invests in.



* New Zealand fixed interest includes NZ mortgages (12.82%).

** 'Other' consists of Alternative Growth Assets (Forestry and Private Equity).

Target investment mix

This shows the mix of assets that the Fund generally intends to invest in:

- Cash and cash equivalents 10.00%
- NZ fixed interest 20.00%
- International fixed interest 20.00%
- Australasian equities 15.00%
- International equities 30.00%
- Other – Alternative growth assets 5.00%

Top 10 investments

| Name | % of Fund net assets | Type | Country | Credit Rating (if applicable) |
|------------------------------------|----------------------|------------------------------|---------|-------------------------------|
| Pimco Global Bond ESG Fund | 14.74% | International fixed interest | Ireland | |
| Pimco GIS Global Bond Fund | 4.28% | International fixed interest | Ireland | |
| Legg Mason Brandywine GOFI | 4.19% | International fixed interest | Ireland | |
| Crown Global Opportunities VI Fund | 2.61% | Other | Ireland | |
| Hapua Forest and Land | 1.76% | Other | NZ | |
| Apple Computer | 1.06% | International equities | USA | |
| Microsoft | 0.98% | International equities | USA | |
| ANZ/UDC-NZD Bank Account(s) | 0.93% | Cash and cash equivalents | NZ | AA- |
| Fisher & Paykel Healthcare | 0.90% | Australasian equities | NZ | |
| ASB Term Deposit - 17/04/20 | 0.82% | Cash and cash equivalents | NZ | AA- |

The top ten investments make up 32.27% of the Fund.

Currency Hedging

Currency exposures are monitored, and adjusted as appropriate, on a weekly basis. Accordingly, the Fund will not maintain the same level of currency hedging at all times. The currency risk benchmarks and ranges for the extent to which various asset classes are hedged to the New Zealand dollar are as follows:

- Cash and cash equivalents in any sector: 100% hedged to the New Zealand dollar;
- International fixed interest sector: 100% hedged to the New Zealand dollar;
- International equities sector: 50% hedged to the New Zealand dollar with a range of 25% to 75%; and
- Alternative assets (overseas) sector: 50% hedged to the New Zealand dollar with a range of 25% to 75%.

Key personnel

| Name | Current position | Term | Previous position | Term |
|-------------------|--|-----------------------|--|---------------------|
| Brendan O'Donovan | Chair of Investment Committee | 10 months | Member, Investment Committee | 3 years 3 months |
| Simon Brodie | Chief Investment Officer / Investment Consultant | 8 years, 11 months | Portfolio Management / Strategy, Tower Asset Management | 23 years |
| Manher Sukha | Investment Manager | 5 years, 10 months | | |
| Garry Gould | Investment Manager | 8 years, 11 months | Investment Consultant to The New Zealand Anglican Church Pension Board | 21 years |
| Mark Wilcox | Chief Executive | 6 years, 5 months | Chief Financial Officer, The Co-operative Bank | 4 years |

Further information

You can also obtain this information, the PDS for the Christian KiwiSaver Scheme, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. In addition to the fixed fee the Manager is entitled under the trust deed to be reimbursed from the Christian KiwiSaver Scheme for other costs and expenses, such as those that are irregular or extraordinary or cannot be reasonably known or estimated.

