

*Fund Update*

Income Fund

For the year ended 31 March 2019

# *Christian KiwiSaver Scheme*

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*Ethical at heart* 

This fund update was first made publicly available on 28 June 2019.

## What is the purpose of this update?

This document tells you how the Christian KiwiSaver Scheme Income 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.

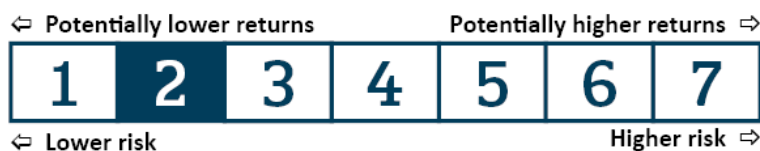
## Description of this fund

The Fund invests solely in income assets (fixed interest, mortgages and cash). It is designed to have a low risk profile and to appeal to investors close to retirement (who consider they may not have enough time to ride out investment highs or lows) or are more risk averse.

|                                  |              |
|----------------------------------|--------------|
| Total value of the Fund:         | \$6,198,003  |
| Number of investors in the Fund: | 392          |
| The date the Fund started:       | 1 April 2012 |

## 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](http://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.

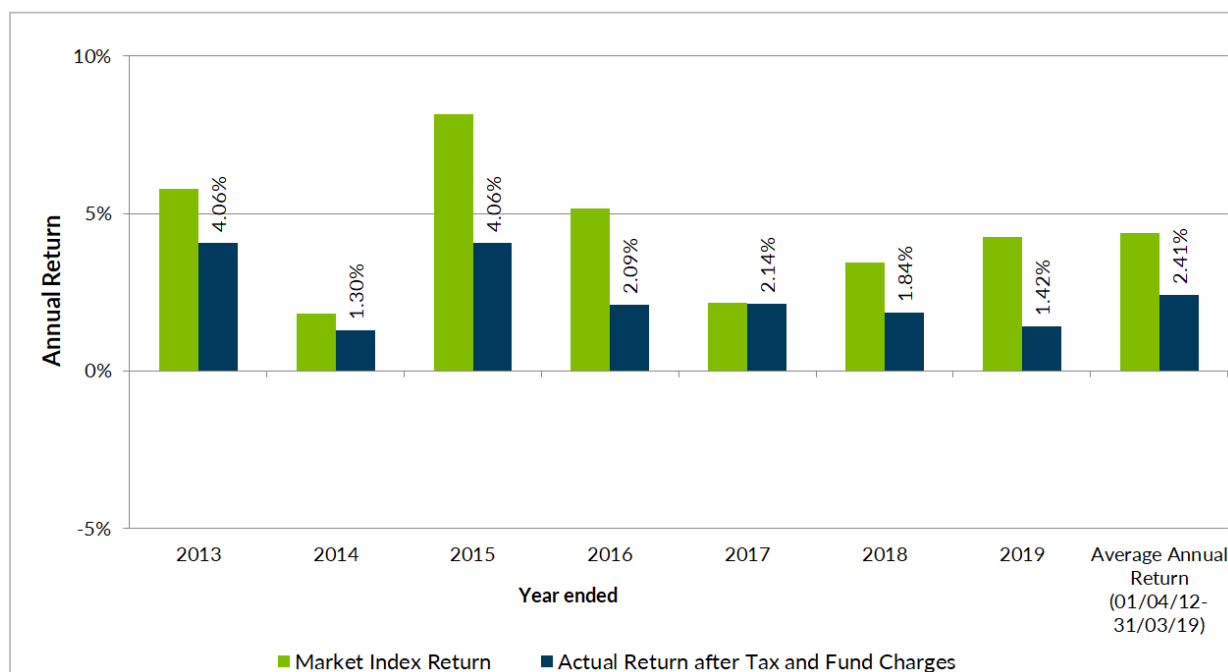
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

|  | Average over past 5 years | Past Year |
|--|---------------------------|-----------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | 2.31%pa                   | 1.42%     |
| <b>Annual return</b><br>(after deduction for charges but before tax)             | 3.30%pa                   | 2.00%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 4.62%pa                   | 4.26%     |

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 which is available from [www.christiankiwisaver.nz/documents](http://www.christiankiwisaver.nz/documents) or on the offer register at the Companies Office [www.disclose-register.companiesoffice.govt.nz/](http://www.disclose-register.companiesoffice.govt.nz/) under Christian KiwiSaver Scheme.

## Annual Return Graph



This shows the return after fund charges and tax for each year ending 31 March since the Fund started. The last bar shows the average annual return since the Fund started, up to 31 March 2019.

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

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.

## What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 31 March 2019 these were:

|  | % of net asset value |
|--|----------------------|
| <b>Total fund charges</b>                          | 1.40%                |
| Which are made up of:                              |                      |
| <b>Total management and administration charges</b> | 0.00%                |
| Including:   |                      |
| Manager's basic fee                                | 1.40%                |
| Other management and administration charges        | 0.00%                |
| Total performance-based fees                       | 0.00%                |
| <b>Other Charges</b>                               |                      |
| 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.

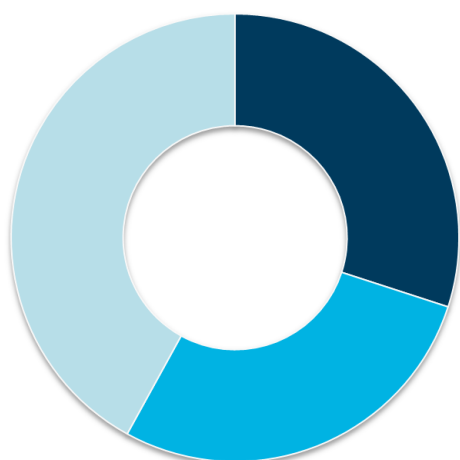
## Example of how this applies to an investor

Rachel 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, Rachel received a return after fund charges and tax were deducted of \$142.32 (that's 1.42% of her initial \$10,000). Rachel did not pay any other charges. This gives Rachel a total return after tax of \$142.32 for the year.

## What does the fund invest in?

### Actual investment mix

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



- Cash and cash equivalents 30.00%
- NZ fixed interest\* 28.00%
- International fixed interest 42.00%

\* NZ fixed interest includes NZ mortgages (19.53%)

## Target investment mix

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

- Cash and cash equivalents 30.00%
- NZ fixed interest 35.00%
- International fixed interest 35.00%

## Top 10 investments

| Name                               | % of Fund net assets | Type                         | Country | Credit Rating (if applicable) |
|------------------------------------|----------------------|------------------------------|---------|-------------------------------|
| Pimco Global Bond ESG Fund         | 26.15%               | International fixed interest | Ireland |                               |
| Legg Mason Brandywine GOFI         | 8.17%                | International fixed interest | Ireland |                               |
| Pimco GIS Global Bond Fund         | 7.60%                | International fixed interest | Ireland |                               |
| ASB Term Deposit - 18/04/19        | 1.61%                | Cash and cash equivalents    | NZ      | AA-                           |
| BNZ Term Deposit - 15/05/19        | 1.60%                | Cash and cash equivalents    | NZ      | AA-                           |
| ASB Term Deposit - 18/07/19        | 1.60%                | Cash and cash equivalents    | NZ      | AA-                           |
| ASB Term Deposit - 05/12/19        | 1.58%                | Cash and cash equivalents    | NZ      | AA-                           |
| ANZ/UDC-NZD Bank Account(s)        | 1.22%                | Cash and cash equivalents    | NZ      |                               |
| NZ Government Inflation Index Bond | 1.08%                | NZ fixed interest            | NZ      | AA+                           |
| ASB Term Deposit - 22/05/19        | 1.07%                | Cash and cash equivalents    | NZ      | AA-                           |

The top ten investments make up 51.68% of the Fund.

## Currency Hedging

The Cash and cash equivalents sector is 100% hedged to the New Zealand dollar.

The International fixed interest sector is 100% hedged to the New Zealand dollar.

## Key personnel

| Name           | Current position                                    | Term                  | Previous position   | Term     |
|----------------|---|-----------------------|---|----------|
| Ian Millard QC | Chair of Investment Committee                       | 32 years<br>3 months  |   |          |
| Simon Brodie   | Chief Investment Officer /<br>Investment Consultant | 7 years,<br>11 months | Portfolio Management<br>/ Strategy, Tower<br>Asset Management                   | 23 years |
| Manher Sukha   | Investment Manager                                  | 4 years,<br>10 months |   |          |
| Garry Gould    | Investment Manager                                  | 7 years,<br>11 months | Investment Consultant<br>to The New Zealand<br>Anglican Church<br>Pension Board | 21 years |
| Mark Wilcox    | Chief Executive                                     | 5 years,<br>5 months  | Chief Financial Officer,<br>The Co-operative<br>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](http://www.business.govt.nz/disclose).

## Notes

1. In addition to the above 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.
2. The Christian KiwiSaver Scheme was formerly called the Koinonia KiwiSaver Scheme. The name changed on 15 March 2018.

