

The New Zealand Anglican Church Pension Fund

Annual Report 2024



Scheme Snapshot



Scheme Size
\$132,680,080

VALUE OF NET ASSETS



Gross Return
12.9%

ANNUAL RETURN



Investment Income
\$17,045,257

INVESTMENT INCOME BEFORE EXPENSES



Withdrawals
\$8,124,496

TOTAL BENEFIT PAYMENTS
TO MEMBERS



Contributions
\$2,117,121

MEMBER, EMPLOYER AND
GOVERNMENT CONTRIBUTIONS



Average age
55

AVERAGE AGE OF SUBSCRIBERS



Members
1005

TOTAL MEMBERS

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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 this Annual Report of The New Zealand Anglican Church Pension Fund for the year ended 31 March 2024.

It is pleasing to report that it was a good year for the Fund's investments. This was mainly driven by the world sharemarkets. The top investment sector was International Equities which returned 27.3% for the year. Something that will be difficult to repeat in the coming year. All the investment sectors produced positive returns over the year.

The returns before expenses for the year was 12.9%. Over the last five years, the Fund provided an average return before expenses of 8.5% per annum and over the last ten years of 8.9% per annum.

The Actuary conducted the triennial review of the Fund as at 31 March 2023. He advised that the Fund remained in a sound financial position, with a surplus of \$1.783 million. This enabled us to provide a 3% increase to retirement benefits from 1 October 2023.

Many schemes claim to invest ethically. The unique way we express our ethical values is through our Ethical Investment Policy, which focuses on the financial interests of you, our members, while also seeking to participate in the good that God is doing in the world. So, we focus our investments on those entities that produce more good than harm. But realistically, none of them is perfect. Even so, our Ethical Investment Policy is critical to our Christian approach to investing, as it articulates how we feel we can best live out our faith and Biblical principles in the wider investment market, while maintaining our fiduciary responsibilities to you. The Ethical Investment Policy is in the General section at angfincare.nz/resources.

In last year's message I reported on some uncertainties and discrepancies we had regarding the recording of our carbon credits (NZUs) relating to the forest AFC owns in the Hawkes Bay. This was satisfactorily resolved with the expected number of NZUs being restored to our carbon register in late 2023. Our carbon liability for having harvested the forest several years ago fell due in March 2024. In February 2024 we exercised the Government's Fixed Price Option (FPO) to purchase NZUs to cover part of the carbon liability and we surrendered NZUs back to the Government to cover the rest of the liability. The sale of the FPO-related NZUs will provide a return to the Forestry portfolio which the Pension Fund has holdings in. If you are interested to read more about these forest issues, you can do so in the Scheme's Financial Statements (particularly Note 5) which is in the Pension Fund section at angfincare.nz/resources.

Since the start of the Scheme year there have been changes to the AFC Board membership. Details are on page 9. We wish to express our appreciation for the service provided to the Board by Hugh Stevens, Tom Ricketts, and Kerry Burrigge over the years, and welcome the Ven. Carole Hughes, Suzanne Wolton and Manoj Kumar to the Board.

Finally, I thank AFC's Chief Executive, Margaret Bearsley, and her staff for all the work they do for you. Our Member Services team is available to handle any of your requests or queries.

Yours in Christ,



The Reverend Lawrence Kimberley
Chairperson

Annual Report

For the period 1 April 2023 to 31 March 2024.

Details of scheme

The scheme name is The New Zealand Anglican Church Pension Fund (the Fund). It is an employer related restricted workplace savings scheme. It has two sections, the Defined Benefit Section and the Complying Fund Section. The Manager is The New Zealand Anglican Church Pension Board, trading as Anglican Financial Care. As it is a restricted scheme, the Supervisor is the Financial Markets Authority. The Product Disclosure Statement is dated 19 March 2024 and is open for applicants. The fund update for the year ended 31 March 2024 was issued on 27 June 2024.

The financial statements of the Fund as at 31 March 2024, 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 The New Zealand Anglican Church Pension Fund.

Information on contributions and scheme participants

Numerical changes in membership

The Fund's membership decreased by 11 members from 1,016 to 1,005 during the Fund year.

There are 281 contributing members and 112 non-contributing members. There are 612 members receiving a pension.

Defined Benefit Section (DBS)

	Subscribers	Leave of Absence	Retained Interests	Clergy Pensioners	Widow/ers Pensioners	Total
1 April 2023	91	2	37	406	160	696
New entrants	2	-	-	-	-	2
New pensioners	-	-	-	10	19	29
Retirements	-8	-	-2	-	-	-10
Full commutation	-	-	-	-	-	-
Deaths	-1	-	-	-26	-10	-37
Resignations	-	-	-1	-	-	-1
Transfer to CFS	-	-	-	-	-	-

Transfer between categories

Into	4	-	9	-	-	13
Out of	-11	-	-2	-	-	-13
31 March 2024	77	2	41	390	169	679

Complying Fund Section (CFS)

	Subscribers	Leave of Absence	Retained interests	Locked-in only	Clergy Pensioners	Widow/ers Pensioners	Total
1 April 2023	206	6	46	13	46	3	320
New entrants	14	-	-	-	-	-	14
Transfer from DBS	-	-	-	-	-	-	-
New pensioners	-	-	-	-	6	-	6
Retirements	-1	-	-5	-	-	-	-6
Full commutation	-	-	-1	-	-	-	-1
Deaths	-	-	-	-	-1	-	-1
Resignations	-	-	-5	-1	-	-	-6

Transfer between categories

Into	3	-	17	1	-	-	21
Out of	-18	-1	-2	-	-	-	-21
31 March 2024	204	5	50	13	51	3	326

Total accumulations

As at 1 April 2023, the Complying Fund Section held total accumulated funds of \$7,089,138 on behalf of 282 members. As at 31 March 2024, the total accumulated funds totalled \$8,022,033 on behalf of 280 members.

Contributions

	Number of members	\$
Member contributions	282	926,930
Employer contributions	272	921,415
Member voluntary additional contributions	28	194,727
Government contributions	157	74,049

Changes relating to the scheme

On 9 August 2023 the Product Disclosure Statement (PDS) was updated to reflect a change to the estimated annual fund charges and insert the date of the current Trust Deed and SIPO. This PDS was replaced by a new PDS on 19 March 2024 to correct a typo in the August 2023 version.

On 3 November 2023 the Other Material Information document was updated to reflect changes to the Board and Investment Committee membership and adding a commentary on the forest owned by Anglican Financial Care and issues with the carbon credits.

There were no amendments to the Trust Deed or Statement of Investment Policy and Objectives during the year.

There were no changes to the nature or scale of the related party transactions in respect of the Scheme. All related party transactions entered into during the year were on arm's length commercial terms.

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.

Withdrawal type	Number of members
Retirement	23
Resignation	6
Transfer to a KiwiSaver scheme	6
Permanent Emigration	1
Death	2

Investment returns

The Complying Fund Section of the Fund includes an accumulation account for each member of the Complying Fund Section. Net earnings are credited quarterly. The earning rate (after expenses) for each quarter were as follows:

Quarter ending	Earning rate
30 June 2023	3.03%
30 September 2023	-0.83%
31 December 2023	4.72%
31 March 2024	3.89%

Interim rate

Where earnings needed to be allocated between quarters (e.g. a full payment of the retirement benefit from the locked-in account) then an interim rate was applied. The CFS interim rate 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.

Complying Superannuation Fund

The market value of assets subject to complying superannuation fund rules was \$8,022,033. This relates to 280 members. The total value of withdrawals subject to complying superannuation fund rules was \$511,028.

Actuarial Report

As the Fund is a defined benefit superannuation fund, the Trustee engages an actuary to assess the financial soundness of the Fund.

In accordance with the Fund's trust deed, and legislation, an actuarial investigation of the Fund must be made at not more than three yearly intervals. The Actuary investigated the financial condition of the Fund as at 31 March 2023 and reported to the Trustee in September 2023.

The investigation covered the three years since the previous investigation as at 31 March 2023.

The Fund earned an average investment return of 8.8% per year over the three years. The market value of the assets increased from \$112,736,000 to \$125,043,000.



“I was checking my bank account a few minutes ago. To my delight I have found my pension deposited, and at an increased amount! Please convey my thanks to all concerned.

It is so encouraging to know of the dedication of you all to ensure that those of us in retirement have a supplement to our National Super each month.

You are all great people. Thank you!

Inflation in the three years since 31 March 2020 had been high, averaging 5.0% p.a. over the period. The retirement benefit rate increased by 7% in total over the period 1 April 2020 to 31 March 2023.

The results of the valuation at 31 March 2023 indicated that there was an overall surplus of \$1.783 million, allowing for future contributions by members and the Church. Accordingly, the Actuary confirmed current contribution levels to be sufficient, but recommended close monitoring of the Fund's investment performance given the on-going economic uncertainties. The next full actuarial investigation is due as at 31 March 2026, and the adequacy of the contribution rates will then be reassessed.

A copy of the report was sent to the Financial Markets Authority.

Any member who would like further information can ask to see a copy of the Actuary's report or obtain a copy of the report from AFC.

Manager's Statement

The Board, as Manager of the Fund, states that:

- All contributions required to be made to the Fund in accordance with the terms of the Trust Deed have been made;
- All benefits required to be paid from the Fund in accordance with the terms of the Trust Deed have been paid;
- The market value of the property of the Fund as at 31 March 2024 exceeded the total value of benefits that would have been payable had all members of the Fund 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 31 March 2024.
- The rate of contributions paid has been in accordance with the recommendation contained in the most recent report of the Actuary.

Changes to persons involved in the scheme

The Venerable Carole Hughes was appointed to the Board in July 2023, replacing the Reverend Vicki Sykes who had resigned on 31 March 2023.

Hugh Stevens resigned from the Board on 28 February 2024.

Kevyn Rendell resigned from the Board's Investment Committee in August 2023. It was decided not to replace Kevyn and therefore the Committee's membership was decreased from seven members to six.

Since year end, in May 2024 Suzanne Wolton was appointed to the Board to fill the vacancy and Manoj Kumar was appointed to the Board, replacing Tom Ricketts as the Tikanga Pasefika representative. Also, in May 2024, Kerry Burridge resigned from the Board.

How to find further information

You can obtain a copy of the Trust Deed, the Fund's latest audited financial statements or the Statement of Investment Policy and Objectives, electronically (and free of charge), by visiting disclose-register.companiesoffice.govt.nz, selecting Search schemes and entering the Fund's name.

You can obtain a copy of those documents (or an estimate of your benefits) free of charge by writing to the Manager as follows:

Funds Administrator
Anglican Financial Care
PO Box 12 287
Wellington 6144

You can also obtain free of charge, by writing to the Manager at the above address, a copy of the latest three-yearly actuarial report on the Fund (or a statement of the specific interest, mortality and other assumptions and bases of calculation applied in determining the value of the Fund's assets and liabilities for the purposes of this report).

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: 04 473 9369

Email: admin@angfincare.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: 04 473 9369

Email: office@angfincare.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 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. 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

04 473 9369
angfincare.nz

Issued by The New Zealand Anglican Church Pension Board.

A Product Disclosure Statement is available on the Disclose website <https://disclose-register.companiesoffice.govt.nz/>