

The Retire Fund

Statement of Investment Policy & Objectives

30 September 2025

Contents

1.	Introduction	3
2.	Investment philosophy	6
3.	Investment strategy & objectives	8
4.	Investment guidelines	11
5.	Investment performance	14
6.	Investment reporting	17
7.	Compliance reporting	17
8.	Conflicts of interest	17
9.	Earnings rate	18

1. Introduction

This Statement of Investment Policy and Objectives (**SIPO**) applies to The Retire Fund (**Fund**).

The Trustee and manager of the Fund is The New Zealand Anglican Church Pension Board trading as Anglican Financial Care (**Trustee, we, us or our**).

When read together with our Ethical Investment Policy, the SIPO provides a complete picture of the investment policy and objectives of the Fund and of our investment philosophy.

The SIPO details:

- the Trustee's overall investment objectives for the Fund;
- the Trustee's investment strategy for the Fund and each investment pool within the Fund, including:
 - the nature or types of investments that may be made (and the limits on those); and
 - the limits on the proportions of each type of asset invested in;
- the allocation of responsibilities as between the Trustee and its Investment Committee;
- the terms of the investment mandates and constraints to be monitored by the Investment Committee;
- the methods used for developing and amending the investment strategy and measuring performance against the Trustee's investment objectives for the Scheme and each investment pool; and
- the process to follow in the event of a breach of the SIPO.

This SIPO takes effect on 30 September 2025 and replaces the version dated 24 July 2024.

The current versions of this SIPO and of our Ethical Investment Policy are available on our website at www.angfincare.nz/resources/ and on the register entry for the Fund on the Disclose website www.disclose-register.companiesoffice.govt.nz/.

1.1 Fund details

The Fund is a defined contribution retirement scheme and its primary purpose is as a retirement savings vehicle for clergy and other workers of the Anglican Church and other associated religious organisations.

The Fund was established in 1991 and is governed by a trust deed.

Under the Financial Markets Conduct Act 2013 (**FMCA**), the Fund is designated as:

- a restricted workplace savings scheme in respect of all members other than the private member category; and
- a restricted legacy superannuation scheme in respect of private members.

The Fund is no longer open to new members.

The Fund provides lump sums to its members on and during retirement or when ceasing membership prior to retirement.

The Fund offers two investment pools for members to invest in - the Balanced Pool and the Conservative Pool (each a **Pool**). Members can invest in either Pool or a mix of both Pools.

1.2 Trustee

The Trustee is responsible for maintaining and reviewing this SIPO and the Ethical Investment Policy and ensuring compliance with each of them.

The FMCA requires the Trustee, when exercising any powers or performing any duties, to exercise the care, diligence and skill that a prudent person engaged in the profession of managing a registered managed investment scheme would exercise in the same circumstances.

The Trusts Act 2019 also contemplates that when exercising any power of investment the Trustee may have regard to the following matters, as far as they are appropriate to the circumstances of the Fund:

- the objectives of the Fund or the permitted purpose of the Fund;
- the desirability of diversifying Fund investments;
- the nature of existing Fund investments and other Fund property;
- the need to maintain the real value of the capital or income of the Fund;
- the risk of capital loss or depreciation;
- the potential for capital appreciation;
- the likely income return;
- the length of the term of the proposed investment;
- the probable duration of the Fund;
- the marketability of the proposed investment during, and on the expiry of, the term of the proposed investment;
- the aggregate value of the Fund property;
- the effect of the proposed investment in relation to the tax liability of the Fund;
- the likelihood of inflation affecting the value of the proposed investment or other Fund property; and
- the Trustee's overall investment strategy.

The key responsibilities of the Trustee, as they relate to the investments made by the Fund, are:

- to maintain an investment governance framework;
- to agree investment beliefs and an investment process;
- to set investment objectives and risk tolerances for each Pool;
- to determine an investment strategy (including benchmark asset allocations and permitted ranges) for each Pool;
- to implement that investment strategy; and
- to monitor each Pool's performance and compliance with strategic limits.

We will review the investment objectives and risk tolerances for each Pool at least annually, or more frequently as we may consider appropriate (including, for example, as a result of significant changes to market conditions or relevant Government policy). We will review the SIPO in its entirety three-yearly, or more frequently as we may consider appropriate. We will review the Ethical Investment Policy as we may consider appropriate.

The Trustee approves and adopts each new SIPO (and any changes to the Ethical Investment Policy) by Board resolution. If we change the SIPO or the Ethical Investment Policy, any material changes will be advised in the Fund's next Annual Report.

1.3 Investment Committee

The Trustee has delegated the exercise of its power of investment, though not its investment responsibilities, to an Investment Committee (**Committee**). The Committee is appointed in accordance with clause 4.9(a) of Title B Canon XIV, part of the Code of Canons of the Anglican Church.

The Committee has developed an Investment Policies, Authorities and Limits (**PALs**) document which sets out the parameters within which it works.

The Committee maintains a conflicts of interest policy and each Committee member is required to disclose interests which the member believes may have the potential to lead to conflicts or may be relevant to the perception of their conduct as a member of the Committee.

The Committee oversees the implementation of the investment strategy for each Pool, under which:

- that Pool's assets (excluding, in the case of the Balanced Pool, forests and forest land holdings) are invested in The New Zealand Anglican Church Pension Board Investment Trust (**Investment Trust**), an underlying wholesale investment fund of which we are the trustee; and
- some of the Balanced Pool's assets are invested directly in forests and forest land.

We employ professional investment management staff who are accountable for:

- managing and monitoring all aspects of the Fund's investments and reporting on a quarterly basis to the Committee;
- confirming on a quarterly basis whether the Fund's investments comply with the SIPO, the PALs, and the Ethical Investment Policy; and
- advising on the appointment of any external fund managers, and on the overall investment strategy, including tilts towards income asset classes (such as fixed interest) or growth asset classes (such as equities) for each Pool.

2. Investment philosophy and beliefs

2.1 Core investment philosophy

Our core investment philosophy is to take a Christian approach to turning members' savings into wealth.

This philosophy has guided our investment approach since our foundation in 1972. We aim to administer the Fund and invest its assets in a manner consistent with what we consider reflects Christian values, recognising the importance of ethical considerations to investment decisions and dealings with stakeholders and third parties.

Our investment activity focuses on the financial interests of members while also seeking to participate in the good God is doing in the world.

2.2 General investment approach

We place a high priority on diversification and capital preservation. Our belief is that it's not just superior investment performance that is important, but superior performance while managing risk and endeavouring to avoid losses. We seek to participate in the good times but also to protect members when the investment climate is not so good. Our goal is to deliver performance for members across the full investment cycle.

We actively manage a range of investments in-house, including cash, direct mortgage lending, forestry, New Zealand fixed interest, Australasian equities, and international equities.

In addition to our in-house managed investments, we maintain strategic exposures to outsourced investments such as international fixed interest, New Zealand and international private equity, and smart energy (an alternative asset type that involves investing in sustainable investment opportunities).

Our investments in illiquid assets such as private equity reflect our belief that there's a premium return for illiquidity.

We recognise that long-term strategic asset allocations will be the prime source of the investment return for members. We also believe that, where it makes sense, it's possible to enhance returns via stock selection since although investment markets are generally efficient, asset prices don't always reflect fair value and investors don't always behave rationally.

Further, we may tilt portfolios from time to time towards income asset classes (such as fixed interest) or growth asset classes (such as equities) but such tilts will tend to be modest and appropriately balanced with our stock selection within asset classes.

2.3 Ethical investing

As the Anglican Church's General Synod / Te Hīnota Whānui recognises, ethical considerations in the investment process are in keeping with the Church's Christian values.

Our Australasian and international equities investments are subject to the screening processes set out in our Ethical Investment Policy. Our other in-house managed investments are under AFC's direct control. While they are not subject to the screening processes applying to equities, we align our decision-making for these other in-house managed investments with our Ethical Investment Policy.

Our externally managed investments, which complement the in-house managed investments, are not governed by our Ethical Investment Policy. There is a risk that the standards applied by the external managers differ from our approach, such they may hold investments that are contrary to the contents of our Ethical Investment Policy.

The screening considerations set out in the Ethical Investment Policy relate to the following categories: human life, alcohol, animal welfare, armaments and defence, fossil fuels, gambling, pornography, and tobacco.

We use a leading provider of corporate governance and responsible investment research, Institutional Shareholder Services (**ISS**), to help us meet our ethical thresholds (based on those considerations) when we are considering investing directly in equities. ISS also screens our direct equity investments quarterly for compliance with the ethical thresholds set out in the Ethical Investment Policy, and if a security is assessed as no longer compliant it is sold.

We also have a relationship with the UK based Church Investors Group, which enables further insights into ethical matters and provides us with an opportunity to vote on our equity investments with like-minded investors.

While investment decisions made in accordance with our Ethical Investment Policy will typically involve exclusions, we recognise that some entities whose business activities might otherwise cause us to exclude them may be adopting and practising corporate responsibility policies that weigh against the misuse and harm related to their relevant business activities. In such cases, we may consider exclusion inappropriate and inconsistent with God's redemptive purpose..

In some instances, we may apply a best-in-class, or positive screening, approach as a means of reflecting a positive influence that may lead to an improvement in overall ethical standards.

One of the risks of this approach is that some entities in which we invest may still be involved in practices that would not be considered ethical. However, because they are taking steps towards a better approach, we may still choose to hold them in our portfolios.

We acknowledge that, as a fiduciary, there are limitations on our ability to exclude investments.

Our Ethical Investment Policy can be found at: www.angfincare.nz/resources/.

3. Investment strategy & objectives

3.1 Setting the investment strategy

Establishing an investment strategy involves ensuring alignment between agreed investment objectives and the structure of the Fund's investments. The strategy setting process includes consideration of:

- expected risk and return relative to the objectives for the Pools;
- the overall composition of the investments held for the Pools (including the adequacy of diversification);
- the expected liquidity of selected investments
- the availability and reliability of valuation information; and
- associated costs of investing and other relevant matters.

The investment strategy is formulated with reference to the risk and return objectives for the Pools, as well as the considerations listed above.

The investment strategy is reviewed every three years, or more frequently if required. An independent consultant is engaged annually to provide an assessment of the investment objectives and risk tolerance for each Pool. The consultant's report is discussed by the Committee which makes recommendations to the Trustee.

3.2 Objectives

Balanced Pool

The objective for the Balanced Pool is to achieve medium returns over a long-term horizon by accepting a medium degree of risk. We seek to do this by investing in a diversified range of growth assets (equities, private equity, forests and forest land) and income assets (cash and cash equivalents, fixed interest and direct mortgage lending) with the benchmark allocation to growth assets equal to the allocation to income assets (50%/50%).

Conservative Pool

The objective for the Conservative Pool is to achieve modest returns with a low expectancy of capital loss. We seek to do this by investing in a diversified range of income assets (cash and cash equivalents, fixed interest and mortgages).

Measurement

In assessing performance against the investment objective for each Pool we have regard to the performance of each asset class against the relevant benchmark index (if any) for that asset class, as described in section 5 below. In addition, we assess the overall performance of each Pool against a number of measures, including the rate of inflation (on a rolling 3 year basis) and other benchmarks.

3.3 Investment strategy

We aim to meet the investment objectives for each Pool by investing in accordance with the benchmark asset allocations and ranges set out below:

Balanced Pool	Benchmark	Sector Range	
		Min	Max
Australasian Equities	15.0%	5.0%	25.0%

International Equities	30.0%	20.0%	40.0%
Other - Alternative Assets	5.0%	0.0%	15.0%
	50.0%	40.0%	60.0%
New Zealand Fixed Interest	20.0%	10.0%	30.0%
International Fixed Interest	20.0%	10.0%	30.0%
Cash and cash equivalents	10.0%	0.0%	25.0%
	50.0%	40.0%	60.0%
	100.0%		

Conservative Pool

	Benchmark	Sector Range	
		Min	Max
New Zealand Fixed Interest	35.0%	25.0%	45.0%
International Fixed Interest	35.0%	25.0%	45.0%
Cash and cash equivalents	30.0%	15.0%	50.0%
	100.0%		

Australasian Equities means equities in companies which are listed in Australia and/or New Zealand.

International Equities means equities in companies which are publicly listed on a securities exchange outside of New Zealand and may include some investments in Australian equities.

Other - Alternative Assets means investments which do not fall within any of the other asset classes described in this SIPO. Examples of these can include:

- private equity investments, which are direct or indirect ownership interests in operating companies not publicly listed on a securities exchange;
- smart energy investments, which are direct or indirect ownership interests in publicly listed companies that offer sustainable energy investment opportunities;
- forests, which is ownership of trees being established and grown for harvesting purposes on forest land (together with associated carbon credits); and
- forest land, which is ownership of land on which trees are being established and grown for harvesting purposes.

New Zealand Fixed Interest means:

- registered first mortgages and house loans (for lending on Māori land); and
- loans made in New Zealand dollars to the New Zealand Government, the New Zealand Local Government Funding Agency, local authorities, banks and corporates, and investments in fixed interest products issued by foreign issuers approved by the Reserve Bank of New Zealand for repurchase transactions.

International Fixed Interest means a diversified portfolio of loans which may include loans to governments, major local authorities, banks and corporate organisations, and other fixed interest securities, which are predominantly outside New Zealand.

Cash and Cash Equivalents means short-term products such as deposits, bank bills, floating rate notes, on call deposits and fixed interest securities with maturity periods of generally less than one year.

We may invest in other investments (not explicitly referred to) that we consider are of a type which falls within an asset class and will contribute to meeting the performance objective for the relevant Pool.

3.4 Use of managed funds

We may invest in each asset class by investing through underlying third party wholesale managed funds which, in turn, ultimately invest in (or predominantly in) underlying assets falling within that asset class.

Where we invest in an asset class through a managed fund, that managed fund may also have allocations to other asset classes. For example, where we invest in International Equities by investing in a managed fund, that managed fund may have an allocation to Australasian Equities. An investment in such a managed fund is treated by us as an investment entirely in the core asset class of that managed fund (in this example International Equities) for the purposes of this SIPO.

3.5 Rebalancing of the portfolio and cash flow management

Asset allocation ranges have been set as above (see section 3.3 *Investment strategy*) and the rebalancing rules which apply are as follows:

- The allocation to each asset class for each Pool will be allowed to vary within the ranges set, with variations being caused by:
 - market movements;
 - cash flows; and
 - potentially, tilting decisions (the Trustee adjusting a Pool's investment mix away from the long-term benchmark from time to time in order to pursue investment opportunities or seek to protect asset values during periods of market volatility);
- If the allocation to an asset sector varies from the desired allocation, we may at any time arrange for a rebalancing to take place such that the actual allocation is at or nearer the relevant desired allocation;
- If any asset allocations move materially outside their ranges, or if there is any material non-compliance with our Ethical Investment Policy or another aspect of this SIPO, we must ensure as soon as practicable (but in any event within no more than 5 working days) that, as applicable, the allocations are rebalanced back to within the ranges set or the material non-compliance is remedied.¹

Whether or not a breach of any range limits or regarding the permitted nature or type of investments is “material” (and thus a reportable “limit break” for the purposes of the Financial Markets Conduct Act 2013) will be determined at the Trustee’s discretion.

The above rebalancing provisions are without prejudice to our ability to alter the asset allocation ranges as we consider appropriate from time to time.

Cash flows are one of the causes of asset allocation fluctuations within the Pools. The various funds and pools each have differing liquidity needs. On a daily basis the assets in the Investment Trust and in forests and forest land (into which both the Fund and other funds invest) are

¹ If the rebalancing does not occur (or the material breach is not remedied) within the 5 working day period, this must be reported to the Financial Markets Authority (**FMA**) as soon as practicable after that period expires (and the report to the FMA must contain the information set out in regulation 96 of the Financial Markets Conduct Regulations 2014). If the rebalancing does occur (or the material breach is remedied) within 5 working days, the Trustee must report it to the FMA following the quarter-end.

allocated among the various funds and pools so that they are all invested in a way which corresponds as closely as possible to their individual benchmark asset allocations while meeting their liquidity requirements. The cash flows of the Pools will affect the allocations to the other funds and the cash flows of the other funds will affect the allocations to the Pools.

3.6 Tax

The Fund is a portfolio investment entity. The amount of tax a member pays is based on the member's prescribed investor rate (PIR). The Fund pays tax on behalf of its members at 10.5%, 17.5% or 28% depending on each member's PIR.

4. Investment guidelines

4.1 Investment in underlying managed funds

The Trustee recognises that to the extent that it invests through underlying third party wholesale managed funds, it may invest indirectly in securities which are not subject to ethical review, meaning that conformity with this SIPO and the Ethical Investment Policy cannot be assured - this is because the Trustee has no direct influence over either:

- the individual investments held (or excluded) by; or
- the investment policies, voting decisions or engagement activities of;

the managers of those chosen wholesale funds – the Trustee's influence is primarily one of assessing, monitoring and engaging with those managers and funds and deciding whether or not to add them to or remove them from the Fund's investment portfolio.

When considering whether to make or retain an investment in an underlying third party wholesale managed fund, the Trustee will take into consideration the extent to which the manager of that fund invests in a manner that is in line with or contrary to the Trustee's policies and beliefs.

4.2 Borrowing

Borrowing is prohibited without the specific consent of the Trustee.

4.3 Asset concentration

No more than 5% of the assets of the Fund can be invested in any one asset, with the exception of:

- authorised cash and cash equivalents;
- forests and forest land; and
- an interest held in a broadly diversified managed investment fund.

No more than 12.5% of the combined assets held by the Trustee in the Investment Trust (see page 8 and in forests and forest land can be invested by way of direct mortgage lending.

4.4 Hedging policy

Currency is not treated as a separate asset class. We enter into foreign currency contracts as required to mitigate the impact of foreign currency movements on the value of offshore assets. Hedging may be achieved through the use of derivatives.

We believe that an active approach to currency hedging is appropriate. Currency exposures are

monitored, and adjusted as appropriate, on a weekly basis. Accordingly, the Pools will not maintain the same level of currency hedging at all times.

The pre-tax currency hedging benchmarks and ranges for the extent to which various asset classes will be hedged to the New Zealand dollar are as follows:

Sector	Currency Hedge	
	Policy	Range
International Fixed Interest	100%	
International Equities	50%	25%-75%
Australian Equities	50%	25%-75%
Other - Alternative Assets (overseas)	50%	25%-75%

4.5 Liquidity and cash flow management policy

The Trustee is committed to a robust liquidity management framework that ensures the assets of the Fund are allocated with consideration to future obligations, primarily invested in exchange-traded assets with limits on unlisted holdings, and regularly monitored to manage timely realisations without material losses. This includes ongoing market and cash flow monitoring, stress testing (as appropriate), and maintaining procedures to proactively identify and manage potential liquidity events before they escalate.

4.6 Other relevant policies

Other policies that are directly relevant to achieving the Trustee's investment objectives and strategies include its Trade Allocation Policy, its Trade Execution Policy, its Corporate Engagement Policy and its Pricing policies for (respectively) forests and forest land and all other investment assets. Each of these can be found on our website at www.angfincare.nz/resources/.

5. Investment performance

5.1 Australasian Equities

We invest directly into the New Zealand and Australian share markets through the Investment Trust.

The Committee assesses the Balanced Pool's investment performance in the Australasian Equities sector by reference to the S&P/NZX50 Index (for New Zealand equities) and the S&P/ASX200 Index (50% NZD hedged) for Australian equities, in each case over rolling periods of three months, one year, three years, five years and ten years. In addition, the Committee compares performance in this sector to the median manager return for Australasian equities reported in the MJW Investment Survey.

5.2 International Equities

We invest directly into the international share markets through the Investment Trust.

The Committee assesses the Balanced Pool's investment performance in the International Equities sector by reference to the MSCI World Index (50% NZD hedged) over rolling periods of three months, one year, three years, five years and ten years. In addition, the Committee compares performance in this sector to the median manager return for international equities reported in the MJW Investment Survey.

5.3 Other - Alternative Assets

The alternative assets in which we may invest include (but are not limited to) private equity, smart energy, forests and forest land. We currently invest directly in forests and forest land, and in private equity and smart energy, through the Investment Trust investing in underlying third party wholesale managed funds.

The Committee does not use benchmarks for assessing the Balanced Pool's investment performance with respect to Alternative Assets, due to those assets not having in its view either an appropriate market index or a peer group index.

5.4 New Zealand Fixed Interest

We invest directly into the New Zealand fixed interest market through the Investment Trust.

We provide registered first mortgage finance at competitive rates to clergy and other Christians who meet our lending criteria. We invest a portion of the New Zealand Fixed Interest asset allocation in the mortgage portfolio.

The Committee assesses investment performance in the New Zealand Fixed Interest sector, excluding its direct mortgage lending portfolio, by reference to the S&P/NZX Composite Investment Grade Bond Index over rolling periods of three months, one year, three years, five years and ten years. The Committee does not use a benchmark for assessing the investment performance of the direct mortgage lending portfolio, due to those assets not having in its view either an appropriate market index or a peer group index.

The Committee also compares performance in this sector to the median manager return for New Zealand fixed interest reported in the MJW Investment Survey.

5.5 International Fixed Interest

We outsource the management of our international fixed interest investments to reputable third party wholesale fund managers.

The Committee assesses investment performance in the International Fixed Interest sector by reference to the Bloomberg Global Aggregate Index (100% NZD hedged) over rolling periods of three months, one year, three years, five years and ten years. In addition, the Committee compares performance in this sector to the median manager return for international fixed interest reported in the MJW Investment Survey.

5.6 Cash and Cash Equivalents

We manage investments in the Cash and Cash Equivalents sector with consideration for the liquidity requirements of the Pools, including ensuring sufficient funds are available to meet withdrawals.

The Committee assesses investment performance in the Cash and Cash Equivalents sector by reference to the S&P/NZX 90 Day Bank Bill Index over three months, one year, three years, five years and ten years. In addition, the Committee compares performance in this sector to the median manager return for cash and cash equivalents reported in the MJW Investment Survey.

5.7 Market indices

The benchmark portfolio against which we compare the investment return for each Pool is a composite index:

- comprising the benchmark sector indices used to measure the Pool's investment performance in each of the following asset classes (as applicable):
 - cash and cash equivalents;
 - NZ fixed interest (excluding NZ mortgages);
 - international fixed interest;
 - Australasian equities; and
 - international equities; and
- weighted according to the Pool's benchmark allocation to that asset class.

The Trustee has determined that those of the Fund's assets which comprise:

- NZ mortgages (i.e. direct mortgage-backed loans); and
- alternative assets (described in the Fund Updates as 'other' assets) – these are forests, forest land, smart energy (shares in publicly listed companies offering sustainable energy opportunities) and private equity;

do not have either an appropriate market index or a peer group index, because there is no quoted market price for some of the underlying assets and/or the nature of the assets differs markedly from the composition of other relevant possible indices. Specifically:

- in the case of NZ mortgages, some of our mortgage-backed loans are interest only and the majority have been made to clergy and clergy family members, so our clientele is markedly different from the market (and in addition, we have no historical credit loss experience, which differentiates our portfolio from market lenders);
- in the case of our investments in smart energy, we consider that there is no appropriate market index or peer group index due to the nature of the relevant underlying fund, which focuses on a concentrated group of listed companies transitioning away from fossil fuels and into sustainable energy sources;

- in the case of private equity, the pricing information for listed private equity investments includes inputs differing from the returns data generated by our overseas private equity managers, and we do not consider that it provides a useful benchmark for our private equity performance; and
- in the case of forestry, we directly own just one forest in Hawke's Bay which:
 - has been assessed as 66% suitable for ground based harvesting and otherwise as suitable for hauler (cable) harvesting;
 - is close to a port and a pulp and sawlog mill;
 - is predominantly a post-1989 forest, with 659.8 hectares registered in the Emissions Trading Scheme (ETS); and
 - Is now into its second rotation;

and because the valuation of this asset is very specific to its location, its land type, and the age classes of the trees (seven, counting post Cyclone Gabrielle replanting), we do not consider that public market data on forestry investments (which is generalised across multiple locations, land types, rotations, ETS classifications and age classes) provides a useful performance benchmark.

The Trustee considers that the composite index described above is likely to be useful to investors when assessing the performance of each Pool as a whole, because:

- throughout the relevant periods, each Pool's investments have principally been held in asset types other than NZ mortgages and alternative assets; and
- accordingly the Trustee considers that composite market index to provide a reasonable benchmark against which to compare the performance of each Fund as a whole.

More information about the benchmark indices referred to in this SIPO (and in the latest fund update for each Pool) can currently be found on the following web pages:

- [S&P/NZX 50 Index](#)
- [S&P/ASX 200 Index](#) (50% NZD hedged)
- [MSCI World Index](#) (50% NZD hedged)
- [S&P/NZX Composite Investment Grade Bond Index](#)
- [Bloomberg Global Aggregate Index](#) (100% NZD hedged)
- [S&P/NZX 90-Day Bank Bill Index](#)

The market indices and those web pages may change, or may be renamed or replaced, from time to time without notice to Fund members.

6. Investment reporting

The Committee reports to the Trustee on a quarterly basis.

The reporting includes a commentary on the current state of the financial markets, a commentary on the investment strategy and decisions, performance reports (and supporting commentary) including gross returns, returns relative to benchmarks (by asset class), attribution analysis (the contribution of asset allocation, stock selection and hedging to overall performance, by asset class) and returns relative to peers.

7. Compliance reporting

Our Management team monitors the Pools each month for compliance with the PALs and with the investment policies and objectives in this SIPO, and each business day for compliance with the PALs and with the SIPO limits.

Management reports quarterly to the Committee on all performance and compliance matters, and to the Trustee as appropriate. On an annual basis, the Committee reports any changes to its PALs document to the Trustee.

8. Conflicts of interest

We and the Investment Committee maintain conflict of interest policies. Members of the Board and the Investment Committee are required to disclose interests which they believe may have the potential to lead to conflicts of interest or may be relevant to the perception of their conduct as a member of the Board and/or Investment Committee.

Notwithstanding their interests, all Board members must act honestly, in good faith and in the Fund members' best interests, treat Fund members equitably and not use Fund information either for improper advantage or to cause detriment to Fund members. The Trustee must also, in exercising any power or performing any duty, exercise the care, diligence and skill that a prudent person engaged in the profession of acting as manager of a registered retirement scheme would exercise in those circumstances. We have a Licensed Independent Trustee as a Board member, as required by the FMCA.

Where we have entered, or enter, into any transaction providing for a related party benefit (as defined in the FMCA) to be given:

- that transaction must be in the Fund members' best interest or on arm's length terms (or otherwise comply with the FMCA related party transactions provisions); and
- the Trustee, with the consent of the Licensed Independent Trustee, must certify accordingly.

If any particular conflicts of interest do arise in relation to the Fund then the Board members will identify and record those conflicts and take steps to manage them (as appropriate) on a case by case basis. Those steps might include (for example):

- taking independent legal or other advice; and

- having a Board member who is conflicted due to having a direct personal interest in a matter under consideration withdraw from the discussions and decision-making process.

9. Earnings rates

We currently calculate an earnings rate for each Pool on a quarterly basis. These earnings rates can be positive, negative or zero.

We calculate each Pool's returns using a methodology determined by us from time to time which takes into account:

- the earnings of the Pool;
- taxation liabilities and provisions; and
- such other matters as we may consider relevant.

After the end of each quarter we decide the earnings rate for each Pool with respect to that quarter taking into account the matters listed above.

If we declare a negative earnings rate for any Pool in which a member has invested, we will reduce their account balance. Currently we allocate investment earnings to a member's account quarterly.

Our current methodology for determining the earnings rates to be allocated (expressed as a percentage) is:

$$\text{Earnings Rate} = A \div B$$

Where

A = Investment income and non-investment income

LESS investment earnings allocated on withdrawals since the previous allocation

PLUS amount remaining in reserve after previous allocation

and

B = The daily average aggregate balance of members' holdings in the Fund which have not already had earnings applied across the period for which the earnings rate is determined.

Two earnings rates are determined: one for taxable investment earnings and one for tax-exempt investment earnings.

Interim returns

When a member becomes eligible **and** elects to receive a benefit (i.e. make a full withdrawal of money from their account), for each Pool the member has chosen we will apply an interim earnings rate (currently calculated in the manner set out below) in respect of the benefit payable for the period between:

- the last date on which the earnings rate for that Pool was allocated to the member's account; and
- the date on which the benefit is paid to the member.

The interim earnings rate for each Pool is currently determined on a monthly basis, and is based on the gross investment return for the period from the start of the relevant quarter less

prescribed fees and an estimate for tax, unless otherwise determined by the Trustee.

We currently also apply an interim earnings rate if a member switches all of their balance from one Pool to another.

If, however, you choose to switch only some of your money from one Pool to another Pool, or to withdraw only part of the balance which you hold in a Pool, then, after we have next determined quarterly earnings rates, the investment earnings attributed to you will take account of the balance you held in each respective Pool for the relevant period during the quarter.

Fund charges

We currently deduct a share of the costs and expenses (**Fund Charges**) incurred by the Fund in each Pool from the savings in members' accounts as applicable on a quarterly basis.

Our current methodology for determining the amount of Fund Charges to be deducted (expressed as a percentage) is:

$$\text{Fund Charges} = A \div B$$

Where

A = Investment expenses and non-investment expenses,

and

B = The daily average balance of members' holdings in the Pool across the period for which the earnings rate is determined.

We apportion certain of the expenses, costs and liabilities which Anglican Financial Care incurs among the Fund, The New Zealand Anglican Church Pension Fund, the Christian KiwiSaver Scheme and other investment entities based on approximations of their respective total assets.

Approved by the Trustee

23 September 2025

A Product Disclosure Statement is available upon request.

04 473 9369
angfincare.nz