

The New Zealand Anglican Church Pension Fund

Fund Update Complying Fund Section

For the year ended
31 March 2023

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This fund update was first made publicly available on 30 June 2023.

What is the purpose of this update?

This document tells you how the Complying Fund Section of The New Zealand Anglican Church Pension Fund (CFS 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 trading as Anglican Financial Care (the 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 CFS Fund does not offer investors a choice of funds. The CFS Fund has exposure to a diversified range of assets with a target mix of 60% invested in growth assets (such as equities and alternative assets) and 40% invested in income assets (such as fixed interest, mortgages and cash). It is designed to have a medium risk profile to pursue long term growth.

| | |
|--------------------------------------|-------------|
| Total value of the CFS Fund: | \$7,089,138 |
| Number of investors in the CFS Fund: | 282 |
| The date the CFS Fund started: | 23 May 2008 |

What are the risks of investing?

Risk indicator for the CFS 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.

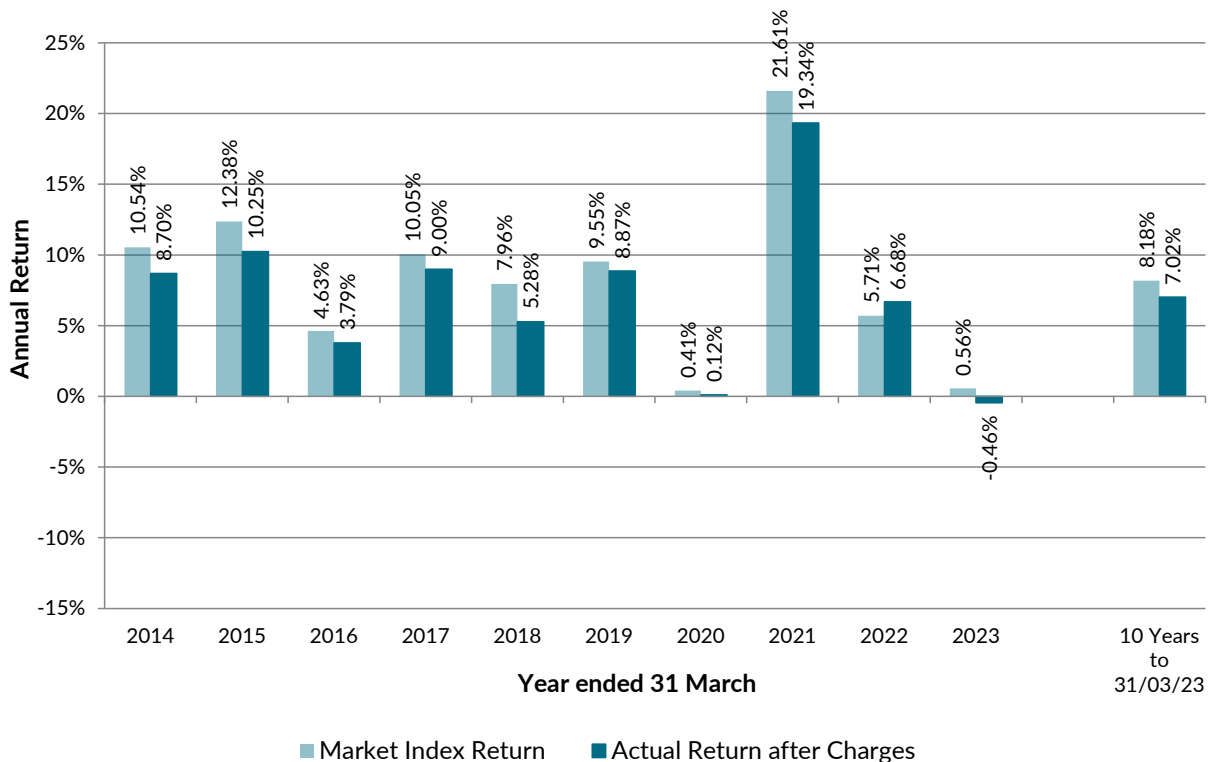
How has the fund performed?

| | Average over past 5 years | Past Year |
|--|---------------------------|-----------|
| Annual return (after deductions for charges ¹) | 6.67% pa | -0.46% |
| Market index annual return (reflects no deduction for charges and tax) | 7.29% pa | 0.56% |

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).

A copy of the SIPO is available from www.angfincare.nz/resources-2/ or on the offer register at the Companies Office www.disclose-register.companiesoffice.govt.nz/ under The New Zealand Anglican Church Pension Fund.

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 2023.

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

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

What fees are investors charged?

Investors in the CFS Fund are charged fund charges. In the year to 31 March 2023 these were:

| | % of net asset value |
|--|----------------------------|
| Total fund charges | 1.13% |
| Which are made up of: | |
| Total management and administration charges | 1.13% |
| Including: | |
| Manager's basic fee | 0.00% |
| Other management and administration charges | 1.13% |
| Total performance-based fees | 0.00% |
| | Dollar amount per investor |
| Other charges | \$0 |

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 quarterly as a percentage of the net asset value of the CFS Fund.

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

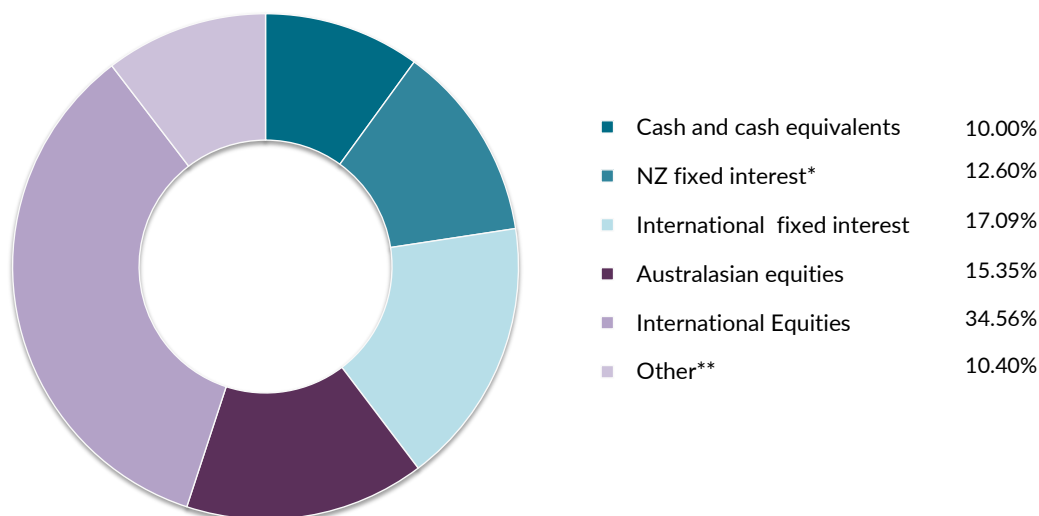
Example of how this applies to an investor

John 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, John received a return after fund charges were deducted of -\$46.10 (that is -0.46% of his initial \$10,000). John did not pay any other charges. This gives John a total return after tax of -\$46.10 for the year.

What does the fund invest in?

Actual investment mix

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



* New Zealand fixed interest includes NZ mortgages (8.55%).

** 'Other' consists of Alternative growth assets (forestry and private equity).

Target investment mix

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

- Cash and cash equivalents 5.00%
- NZ fixed interest 17.50%
- International fixed interest 17.50%
- Australasian equities 19.50%
- International equities 34.00%
- Other – Alternative growth assets (forestry and private equity) 6.50%

Top 10 investments

| Name | % of Fund net assets | Type | Country | Credit Rating (if applicable) |
|--|----------------------|------------------------------|---------|-------------------------------|
| Pimco Global Bond ESG Fund | 10.88% | International fixed interest | Ireland | |
| Legg Mason Brandywine GOFI | 3.33% | International fixed interest | Ireland | |
| UBS-USD Bank Account | 3.06% | Cash and Cash Equivalents | USA | |
| Hawkes Bay Forest, Land, Units | 2.92% | Other* | NZ | |
| Crown Global Opportunities VI plc Fund | 2.91% | Other* | Ireland | |
| Pimco GIS Global Bond Fund | 2.87% | International fixed interest | Ireland | |
| Apple Computer | 2.42% | International equities | USA | |
| Crown Global Opportunities VII plc | 2.00% | Other* | Ireland | |
| Microsoft | 1.59% | International equities | USA | |
| Direct Capital V LP | 0.91% | Other* | NZ | |

* 'Other' consists of Alternative growth assets (forestry and private equity).

The top ten investments make up 32.89% of the CFS Fund.

Currency Hedging

Currency exposures are monitored, and adjusted as appropriate, on a weekly basis. Accordingly, the CFS 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 | 3 years, 10 months | Member of Investment Committee | 3 years, 3 months |
| Simon Brodie | Chief Investment Officer / Investment Consultant | 11 years, 11 months | Portfolio Management / Strategy, Tower Asset Management | 23 years |
| Manher Sukha | Investment Manager | 8 years, 10 months | Investor Relations Analyst, NZ Oil and Gas | 1 year, 3 months |
| Andrew Johnson | Licensed Independent Trustee | 1 year, 8 months | Head of Asset Consulting (NZ), Russell Investments | 3 years, 8 months |
| Margaret Bearsley ² | Chief Executive | 1 year, 6 months | Chief Executive, NZ Registered Architects Board | 1 year, 1 month |

Further information

You can also obtain this information, the PDS for the Complying Fund Section of The New Zealand Anglican Church Pension Fund, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz/.

Notes

1. Fund charges are the recovery of our actual expenses and costs for trusteeship, administration and investment management from fund assets. These expenses and costs also include a proportion of the Board's operating expenses and costs, Trustee meeting costs, fees payable for services by The New Zealand Anglican Church Pension Fund's legal advisers and auditors, expenses such as printing and postage costs and a portion of the annual levy payable by the Board to the Financial Markets Authority under the Financial Markets Authority (Levies) Regulations 2012. The actual expenses and costs charged to you will vary and will depend on the actual costs incurred in the operation of the CFS Fund.

The New Zealand Anglican Church Pension Fund (Pension Fund) is currently a registered charity and therefore its investment income is tax exempt. The current tax exemption on the Pension Fund may change or be discontinued in the future. The Pension Fund is not a portfolio investment entity (PIE).

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

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www.angfincare.nz