

# The Retire Fund

## *Fund Update*

Balanced Pool

For the year ended  
**31 March 2024**

# The Retire Fund

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This fund update was first made publicly available on 27 June 2024.

## What is the purpose of this update?

This document tells you how The Retire Fund's Balanced Pool 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.

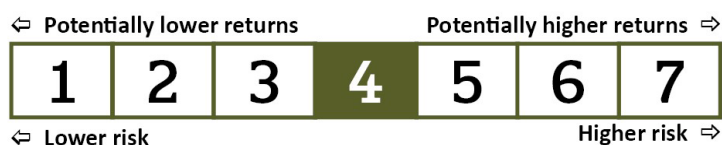
## Description of this fund

The Balanced Pool 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 Balanced Pool:         | \$17,821,885 |
| Number of investors in the Balanced Pool: | 195          |
| The date the Balanced Pool started:       | 11 June 1991 |

## What are the risks of investing?

Risk indicator for the Balanced Pool:



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.

The Retire Fund is closed to new members and so a product disclosure statement is not required to be issued.

## Investment Risks

No investment is free from risk. The return on an investment carries a corresponding potential level of risk that you may lose some or all of the investment, receive negative returns or not receive a particular rate of return. Investments in the Balanced Pool are not guaranteed and the value of your investment in the Balanced Pool can go up or down.

## Specific Risks

Some of the things that may cause the Balanced Pool's value to move up and down, which affect the risk indicator, are investment return risk, interest rate risk, manager risk, market risk and currency risk – see below for a summary of these risks.

- Investment return risk: The risk that assets in which we invest will under-perform (or be unable to pay dividends or distributions) due to poor management, competitive activity or specific economic factors.
- Interest rate risk: The risk that changes in interest rates may directly or indirectly affect investment returns (in particular from cash and fixed interest).
- Manager risk: The risk associated with how we choose to allocate investments in each fund and asset class from time to time (and investment decisions made by the managers of any underlying funds in which we choose to invest).
- Market risk: The risk of being affected by economic or regulatory events (including market sentiment, inflation, interest rates and employment), political events, environmental and technological issues or natural disasters.
- Currency risk: The risk that fluctuations in currency exchange rates will affect returns from overseas investments. We may seek to reduce this risk by entering into 'hedging' contracts to offset the impact of currency movements on investments held overseas.
- Liquidity risk: The risk of certain investments becoming illiquid, meaning we cannot sell assets when we want to, or can only sell them at a discount.

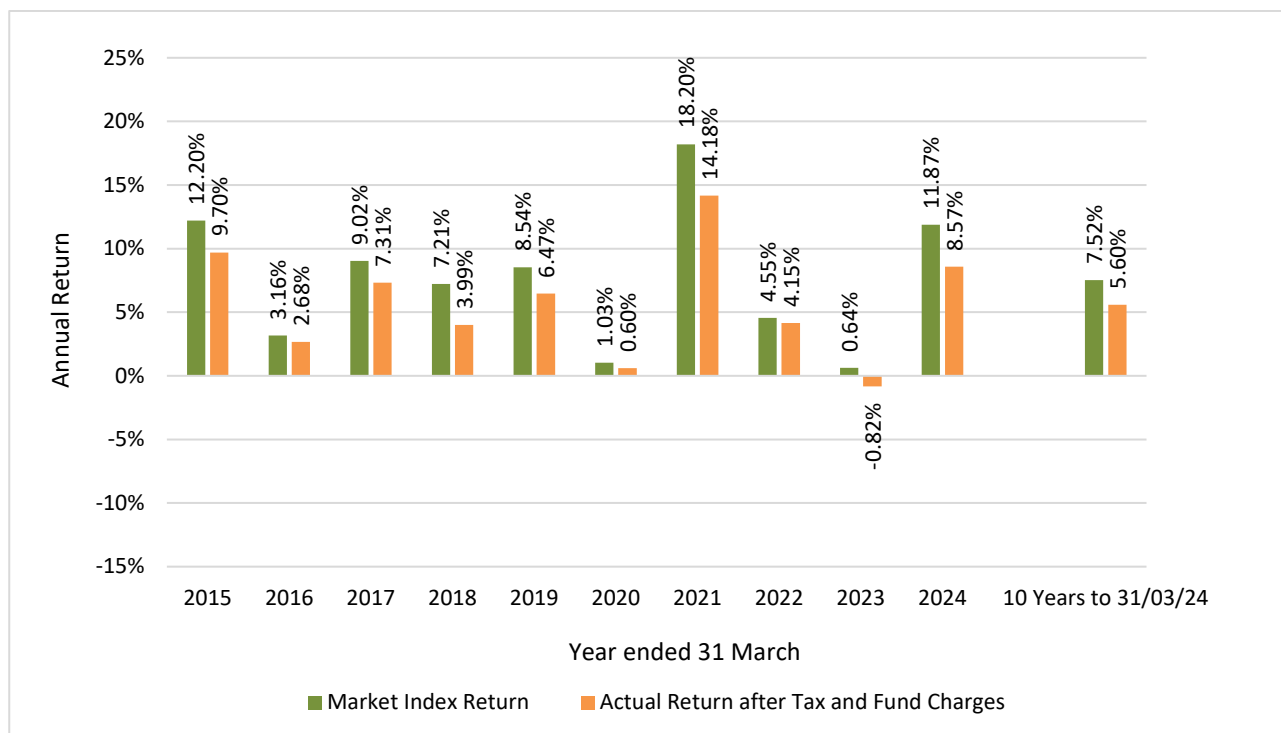
## How has the fund performed?

|   | Average over past 5 years | Past Year |
|---|---------------------------|-----------|
| <b>Annual return</b><br>(after deductions for charges <sup>1</sup> and tax)       | 5.20% pa                  | 8.57%     |
| <b>Annual return</b><br>(after deduction for charges <sup>2</sup> but before tax) | 5.95% pa                  | 9.93%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax)  | 7.05% pa                  | 11.87%    |

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 Retire Fund.

A copy of the SIPO is available from [www.angfincare.nz/resources/](http://www.angfincare.nz/resources/) or on the scheme register at the Companies Office [www.disclose-register.companiesoffice.govt.nz/](http://www.disclose-register.companiesoffice.govt.nz/) under The Retire 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 2024.

**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.

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

## What fees are investors charged?

Investors in the Balanced Pool are charged fund charges. In the year to 31 March 2024 these were:

|  | % of net asset value |
|--|----------------------|
| <b>Total fund charges</b>                          | 1.38%                |
| Which are made up of:                              |                      |
| <b>Total management and administration charges</b> | 1.38%                |
| Including:   |                      |
| Manager's basic fee                                | 0.00%                |
| Other management and administration charges        | 1.38%                |
| Total performance-based fees                       | 0.00%                |
| <b>Other Charges</b>                               |                      |
| Other fees and costs                               | \$0                  |

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

The total annual fund charges<sup>1</sup> are calculated quarterly as a percentage of the expenses and costs associated with the management, administration and investment of the Balanced Pool.

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

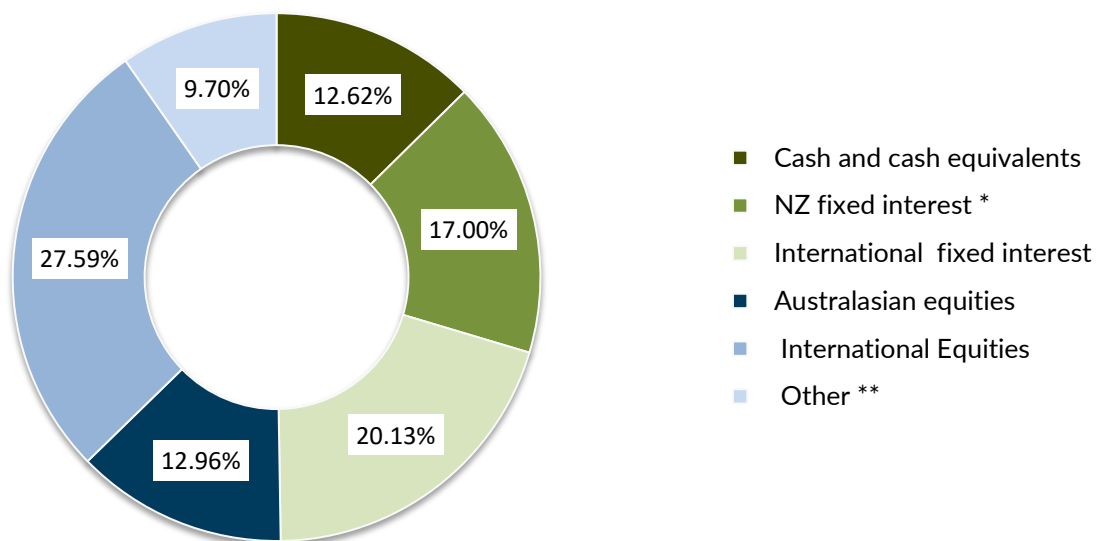
## Example of how this applies to an investor

Matthew had \$10,000 in the Balanced Pool at the start of the year and did not make any further contributions. At the end of the year, Matthew incurred a return after fund charges were deducted of \$856.96 (that is 8.57% of his initial \$10,000). Matthew did not pay any other charges. This gives Matthew a total return after tax of \$856.96 for the year.

## What does the fund invest in?

### Actual investment mix

This shows the types of assets that the Balanced Pool invests in.



\* New Zealand fixed interest includes NZ mortgages (10.43%).

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

### Target investment mix

This shows the mix of assets that the Balanced Pool 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 (forestry and private equity) 5.00%

## Top 10 investments

| Name                                   | % of Fund net assets | Type                         | Country | Credit Rating (if applicable) |
|--|----------------------|------------------------------|---------|-------------------------------|
| Pimco Global Bond ESG Fund             | 12.89%               | International fixed interest | Ireland |                               |
| Legg Mason Brandywine GOFI             | 3.80%                | International fixed interest | Ireland |                               |
| Pimco GIS Global Bond Fund             | 3.42%                | International fixed interest | Ireland |                               |
| Hapua Forest                           | 2.85%                | Other*                       | NZ      |                               |
| ANZ Bank Accounts                      | 2.67%                | Cash and cash equivalents    | NZ      |                               |
| Crown Global Opportunities VI plc Fund | 2.52%                | Other*                       | Ireland |                               |
| Crown Global Opportunities VII plc     | 2.10%                | Other*                       | Ireland |                               |
| Apple Computer                         | 1.95%                | International equities       | USA     |                               |
| Microsoft                              | 1.78%                | International equities       | USA     |                               |
| Amazon.Com Inc                         | 0.87%                | International equities       | USA     |                               |

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

The top ten investments make up 34.85% of the Balanced Pool.

## Currency Hedging

Currency exposures are monitored, and adjusted as appropriate, on a weekly basis. Accordingly, the Balanced Pool 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%;
- Australian 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                    | 4 years,<br>10 months  | Member of Investment Committee                          | 3 years,<br>3 months |
| Simon Brodie      | Chief Investment Officer / Investment Consultant | 12 years,<br>11 months | Portfolio Management / Strategy, Tower Asset Management | 23 years             |
| Manher Sukha      | Investment Manager                               | 9 years,<br>10 months  | Investor Relations Analyst, NZ Oil and Gas              | 1 year,<br>3 months  |
| Andrew Johnson    | Licensed Independent Trustee                     | 2 years,<br>8 months   | Head of Asset Consulting (NZ), Russell Investments      | 3 years,<br>8 months |
| Margaret Bearsley | Chief Executive                                  | 2 years,<br>6 months   | Chief Executive, NZ Registered Architects Board         | 1 year,<br>1 month   |

## Further information

You can also obtain this information and some additional information about The Retire Fund from the offer register at [www.disclose-register.companiesoffice.govt.nz/](http://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 Retire 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 Balanced Pool.



