



## REPORT OF ANGLICAN FINANCIAL CARE TO GENERAL SYNOD / TE HĪNOTA WHĀNUI 2026

Clause 3.2.2 of Title B Canon XIV requires The New Zealand Anglican Church Pension Board to report annually to the Standing Committee of the General Synod / Te Hīnota Whānui. This report to the General Synod / Te Hīnota Whānui is a summary of the Board's activities in the two years since the report to the 2022 General Synod / Te Hīnota Whānui.

The trading name of The New Zealand Anglican Church Pension Board is Anglican Financial Care *Te Maru Mihinare* ('AFC').

This report covers the calendar years of 2024 and 2025. However, AFC's financial year runs from 1 April to 31 March.

### The matters covered in this Report are:

- AFC's Purpose
- AFC's Operations and Business Strategy, including:
  - Christian KiwiSaver Scheme
  - Tikanga Māori initiatives (financial assistance; lending for housing on Māori land)
  - Mortgage assistance for clergy in Wellington Diocese, Te Pihopatanga o Te Upoko o Te Ika
- Widows and Orphans Endowment (including an update on the Health Fund)
- Investments
- Movements in Funds Under Management; Ethical Investment Policy
- AFC's Governance
- Board Fees

### AFC's PURPOSE

AFC's Purpose is to serve the financial wellbeing of those who serve God.

AFC provides savings and investment opportunities for workers in Christian churches and in approved organisations in New Zealand, and also Health and Financial Assistance Services specifically for the clergy of the Anglican Church in Aotearoa, New Zealand and Polynesia. We do this primarily through providing the following schemes and funds:

- Pension Fund
- Christian KiwiSaver Scheme
- The Retire Fund (closed to new members)

- Welfare Fund
- Health Fund
- Supplementary Support Fund.

AFC also provides administration services to the Baptist Union Superannuation Scheme ('**BUSS**') and the Anglican Insurance Board ('**AIB**'), and wholesale funds management for several Christian organisations.

## **OPERATIONS AND BUSINESS STRATEGY**

### **Schemes**

AFC's Christian KiwiSaver Scheme ('**CKS**') is a restricted Scheme that is open to clergy (both stipendiary and non-stipendiary), minita-a-iwi, and all Christians as well as to those who work for Christian organisations. CKS continues to grow in significance in AFC's investment services. By the end of 2025, CKS represented more than 1/3 of total funds under management ('**FUM**') and had reached almost 4/5 the size of the Pension Fund. Growth in CKS membership provides a strategic boost to the size, stability, and trajectory of AFC's investment operations.

The Pension Fund, and services to the Anglican clergy and their widow/ers, however, remain at the heart of AFC's services. At the close of 2025, there were 1,010 Pension Fund members, 618 of whom were receiving a Pension Fund pension. It is important to note that only full time clergy are mandatorily enrolled in the Pension Fund scheme. Part time clergy are only enrolled if their Diocese appoints them on those terms.

Volatility across investment markets globally throughout 2025 created challenges for all fund managers and AFC was no exception. Even so, we commenced 2024 with around \$269 million in FUM, and closed the 2025 year with \$307 million.

AFC must continue to grow its scale to offset the increasing costs of doing business. One of the challenges—and opportunities—for growth is the changing nature of the Church. CKS offers a Christian retirement savings vehicle for lay Church leaders and workers, and for part time Anglican clergy not enrolled in the Pension Fund by their Diocese.

AFC was grateful for the Church's efforts at the 2024 General Synod / Te Hīnota Whānui to pass AFC's Motion, to "strongly encourage all Anglican Church-related employers to apply to AFC to have CKS as their employer chosen KiwiSaver scheme". Unfortunately, only one Anglican Church-related employer has undertaken this move, being Trust Management Limited.

We continue to encourage parishes and rohe, as well as Christian employers such as private schools and charities, to promote the merits of their staff and members joining Christian KiwiSaver Scheme. **All Anglican Church employers can do this through completing the "Employer chosen" form on the AFC website [angfincare.nz](http://angfincare.nz) (under Christian KiwiSaver Scheme>Benefits of KiwiSaver>[Benefits for Christian Employers](#))**

## **Tikanga Māori initiatives**

### ***Financial assistance***

In February 2021 we commenced work on the creation of a differentiated financial assistance application and approval process that catered more appropriately to Tikanga Māori. A model using a local Komiti with delegated authority from AFC now operates in three Hui Amorangi (with a fourth in the process of being established), under which assistance is provided from the AFC welfare funds to clergy and clergy widow/ers in financial need. The model has bedded in and appears to be working well.

Applications from clergy and clergy widow/ers from Tikanga Māori can be dealt with under either the Te Maru Mihinare Komiti initiative or via the standard application process directly to AFC.

### ***Lending for houses on Māori land***

In November 2022, the AFC Board approved a project to find a way to extend AFC's mortgage lending criteria to enable lending for housing on Māori land.

Legal advice was required by AFC for ensuring appropriate loan documentation would be used, and for determining the requirements for registering a security for lending for housing on Māori land. It proved to be a frustratingly slow process to obtain the necessary advice and complete the documentation. However, having at completed all the requirements in late 2024, we have been able to offer lending for housing on Māori land since 1 September 2024. To date, AFC has received several enquiries but none has progressed to formal applications.

## **Mortgage assistance for clergy in the Wellington Diocese, Te Pīhopatanga o Te Upoko o Te Ika**

AFC and the Wellington Diocesan Board of Trustees (WDBT) are working together to provide mortgages to eligible clergy in the Diocese and te Hui Amorangi. The WDBT is the Trustee of the Stewart Trust whose purpose is to assist clergy in the Wellington Diocese and Te Pīhopatanga o Te Upoko o Te Ika to acquire a home for retirement.

AFC and WDBT agreed a joint venture (JV) in September 2022, which provides for utilising the Stewart Trust, to contribute to mortgage financing for eligible clergy. Under the JV, AFC can provide mortgage lending for up to 90% of the value of the home (LVR), as opposed to standard AFC mortgages which have an 80% LVR. The first 10% of the loan is effectively provided from Stewart Trust funds, and the remainder from AFC funds.

Management and the WDBT agreed the legal documentation for the JV by early February 2023, and the AFC Board approved the WDBT as a Permitted Investor (as required by the Trust Deed of the Investment Trust) on 10 February 2023. Two loans were provided under the JV during the reporting period.

## **WIDOWS AND ORPHANS ENDOWMENT**

The Widows and Orphans Income Distribution Account ('**WOIDA**') and the Welfare Fund provide financial assistance to retired clergy, clergy in financial need and clergy widows and widowers. Assistance can be by a grant or a loan.

WOIDA grants decreased 54% during the 2024/25 years when compared with 2023/24, with the temporary suspension of the Health Fund. Welfare assistance grants increased by 32% and Basden Fund grants by 13%.

During the two years, \$17,350 was provided by way of WOIDA loans (\$29,845 in 2022-2023).

After several years of mainly low investment returns for the Widows and Orphans Endowment, well below what was needed to sustain the level of grants being made from the Health Fund, the decision was made by the AFC Board at its December 2023 Board meeting to suspend making grants from the Health Fund from 1 April 2024. However, there were sufficient funds in the WOIDA to maintain the Welfare Fund and the Basden Fund.

A difficulty for managing Health Fund expenditure is that access to the grants has not been means tested. Accordingly, regardless of the circumstances of the clergy it assisted, all eligible applications were paid, and this depleted the reserves.

We provided several months' notice of the impending suspension of the Health Fund, and honoured all applications relating to treatments within the still-eligible time period. The Welfare Fund, which is means tested, has remained available to assist with medical costs that are a financial burden for those eligible under that Fund.

At its March 2026 meeting, the Board decided to spend more time on considering how to ensure equality of access to the Health Fund, with a special emphasis on access by Tikanga Māori and Tikanga Pasefika. AFC will provide an update on the likely reopening of the Health Fund in due course.

## **INVESTMENTS**

The Board has appointed an Investment Committee with suitable experience and expertise to oversee the investments. There was one change to Committee members over the reporting period, with Andrew Johnson resigning, to reduce his workload, and Michelle Forster replacing him.

The Investment Committee members are Brendan O'Donovan (Chair), Don Baskerville, Wayne Head, Michelle Forster, Ross Tanner and Suzanne Wolton. We are indebted to our Investment Committee members for their astute oversight, and to our in-house investment management team for their ongoing prudent management of members' funds.

### **Forests—trees and carbon**

One of the Alternative Growth assets in AFC's investment holdings is Hapua forest, which comprises 742 hectares of mainly pine forest, in Hawke's Bay. Hapua forest is registered under the Emissions Trading Scheme ('ETS'), which is the Government's key regulatory tool for managing New Zealand's greenhouse gas emissions. By 2021 when the harvest of the forest's first rotation of trees was completed, around 163,000 carbon units ('NZUs') were held in AFC's Emissions Trading Register ('ETR'), in relation to the carbon sequestered by the trees.

Harvesting a forest triggers a carbon liability, and AFC had always intended to meet our carbon liability through handing back the NZUs sitting in our ETR. But this intention was affected by the Government having had, at that time, a Fixed Price Option ('FPO') for settling carbon liabilities from harvesting activities that occurred before 1 January 2021—this matched the harvesting period of AFC's forest.

The FPO allowed eligible ETS participants to pay a fixed price to the Government (\$25 to \$35 per eligible NZU) for settling all or part of their carbon liability, depending on the actual years of harvest activity, instead of handing back NZUs. In AFC's case, the FPO would allow us to settle part of the liability at the FPO rates, and then to sell those FPO-related NZUs from our ETR on the secondary carbon market at the market price.

The decision as to whether it was worthwhile to exercise the FPO depended largely on the trading price of carbon around the time AFC was notified by the Government agencies of the exact extent of the carbon liability and the date by which it must be settled. The carbon market was extremely volatile in 2023, with prices ranging between \$37 and \$74 per NZU.

In December 2023, AFC was notified of the exact extent of its carbon liability, and of how many of our NZUs were eligible for the FPO and the split between the \$25 and \$35 settlement prices. The carbon liability had to be fully settled (whether by handing back NZUs, or by a combination of the FPO and handing back NZUs) by 18 March 2024.

This deadline was met, the carbon liability was fully settled with the Government, and the decision was made to exercise the FPO on 20 February 2024. The FPO-related NZUs were then sold on the secondary carbon market over a period of around nine months, as we tried to get the best price in a tricky market. Ultimately, the FPO sales resulted in a net gain of \$3.7m across our investors, including scheme members invested in growth funds, such as for the Pension Fund and CKS members in the Balanced Fund and Growth Fund. These gains were posted to the relevant members' accounts in November 2024.

Forestry provides an asset class that is not subject to the cycles of the capital markets, providing a means of spreading risks. As the size of AFC's FUM grows, we need to keep the right proportion of this kind of asset. In November 2025, we bought 220 hectares of land in Tuatapere in Southland for forestry planting. This provides geographical diversity to the forestry portfolio.

### **FUM Movements; Ethical Investment Policy**

AFC's total FUM grew by \$38.1 million (14.2%) from \$268.8 million to \$306.9 million over the two-year period to 31 December 2025.

CKS net assets grew by \$18.3m (19.2%) from \$95.4 million to \$113.7 million, including \$20.8 million of contributions and transfers in from other KiwiSaver Schemes. Fund withdrawals including transfers out were \$21.7 million.

The Pension Fund's net assets increased by \$17.0 million over the two years (from \$129.3m to \$147.3m).

Expectations are for continuing challenges, with volatility in the year ahead. However, it is important to remember that AFC's investment returns, particularly in a weak market, have been better than those of many of our peers.

AFC's Ethical Investment Policy provides the Christian principles and ethical boundaries for the investment choices we make. The Ethical Investment Policy was amended in September 2025 to set out in detail the way it is applied to our investment choices. This amendment followed interactions with the FMA's Investor Information team, from late 2024 through to late 2025. The results of our interactions were that we were able to satisfy the FMA regarding the way AFC applies the Ethical Investment Policy, but we needed to fully describe the processes involved.

### **AFC's GOVERNANCE**

The members of The New Zealand Anglican Church Pension Board also act in the capacity as members of the governance Board of AFC.

AFC operates under a Charter which fosters principles of good governance and establishes the roles and responsibilities of the Board of AFC, as well as the moral and legal obligations of individual AFC Board members. The Board formally assesses its performance and the skills mix of Board members once a year.

The Board members, and their appointing bodies, are:

The Rev'd Canon Ihaka Beach	Tikanga Māori
The Ven Carole Hughes	Ordained Ministers of the General Synod
Michelle Forster / Andrew Johnson*	General Synod Standing Committee
The Rev'd Lawrence Kimberley	Tikanga Pākehā
Manoj Kumar / Tom Ricketts	Tikanga Pasefika
David Tikau	General Synod Standing Committee
David Wallace	General Synod Standing Committee
Suzanne Wolton / Hugh Stevens	General Synod Standing Committee

\* AFC's Licensed Independent Trustee

The Rev'd Lawrence Kimberley is the Chair, and the Ven Carole Hughes is the Deputy Chair.

There were several changes to Board composition during the reporting period: Manoj Kumar was appointed to the Board to replace Tom Ricketts, by the Diocese of Polynesia at the May 2024 General Synod / Te Hīnota Whānui. Suzanne Wolton was appointed to the Board on 10 May 2024 by the General Synod Standing Committee to replace Hugh Stevens. Michelle Forster was appointed to the Board on 16 November 2024 by the General Synod Standing Committee to replace Kerry Burrige, and was reappointed on 4 September 2025, as the Licensed Independent Trustee ('LIT') to replace Andrew Johnson. David Tikao was appointed to the Board on 16 October 2025 by the General Synod Standing Committee to fill the vacancy left by Michelle Forster moving to the LIT role.

## **BOARD FEES**

The Board has an 'opt in' meeting fee policy for Board members and Board Committee members. The fee schedule is reviewed biennially, with the most recent review being implemented on 15 August 2024.

Under the fee policy, Board and Committee members may elect to receive an annual fee, as set out below. The Board Chair's claimable fees are higher, in recognition of the Chair's significantly greater workload.

By law, the Board in its capacity as trustee of the Pension Fund, Retire Fund, and Christian KiwiSaver Scheme must have a LIT. The fee paid to the LIT increased on 1 October 2025, from \$39,845 at the beginning of the reporting period, to \$48,000 (excl GST).

Opt-in fees are as follows (exclusive of GST):

- Chair of Board: \$20,000 per annum (includes all Committee work and CE engagement).
- Other Board members (except the LIT whose fee includes all Board and Committee work): \$9,000 per annum (assuming six scheduled meetings).
- Committee members:
  - Board Committee Chairs: \$5,000 per annum.
  - Board Committee Members: \$4,000 per annum.

Eleven individual Board and Committee members (not including the LIT) opted in to claiming in accordance with the fee schedule over the reporting period (noting that there were a number of

changes to the Board members, as described above). A total of \$171,500 was claimed over the two years (\$121,500 in 2022 to 2023).

A handwritten signature in black ink, appearing to read "Lawrence Kimberley". The signature is fluid and cursive, with a large initial "L" and "K".

The Rev'd Lawrence Kimberley  
**CHAIRPERSON**

12 March 2026

## **APPENDIX**

### **PENSION FUND**

The New Zealand Anglican Church Pension Fund is a scheme which provides a lump sum and lifetime pension upon retirement from stipendiary ministry. Since 23 May 2008, new members in Aotearoa, New Zealand have been required to join the Complying Fund Section of the Fund.

At 31 December 2025 there were 272 subscribers, 120 non-contributory members, 618 pensioners and 7 children receiving allowances.

The Fund's net assets had increased by \$17.0 million over the two years (from \$129.3 million to \$146.3 million).

On 31 March 2025 an actuarial review was undertaken. The result was a surplus of \$2.9 million and a solvency ratio of 105.1%.

Pensions were increased by 4% in 2024 and 3% in 2025.

### **THE RETIRE FUND**

The Retire Fund is a scheme which provides a lump sum benefit on leaving the service or employment of an approved charitable organisation in the Fund. The Fund is no longer open to new members.

At 31 December 2025 there were 180 members.

The Fund's net assets had decreased by \$0.7 million over the two years (from \$19.6 million to \$18.9 million).

### **CHRISTIAN KIWISAVER SCHEME**

The Christian KiwiSaver Scheme (formerly known as Koinonia KiwiSaver Scheme) provides a lump sum benefit on attaining age 65 years. The offer of Christian KiwiSaver Scheme membership is restricted to the workers of Christian organisations and to persons with a Christian affiliation (and their families).

At 31 December 2025 there were 2,063 members, a decrease of 87 since 31 December 2023.

The Fund's net assets had increased by \$18.3 million over the two years (from \$95.4 million to \$113.7 million).

At 31 December 2025 there were 67 employers who have appointed the Christian KiwiSaver Scheme as their Chosen Scheme for their employees.

## **WELFARE EXPENDITURE**

Financial assistance to the clergy and their families is funded largely by the income from the Widows and Orphans Endowment. The other sources are investment income and a share of the annual distribution from the Bullock-Webster Estate.

AFC has a policy to maintain a reserve of approximately two years' expenditure to protect against adverse investment years and when income is not available from the Widows and Orphans Endowment.

Assistance is provided via the following funds:

- The Health Fund assists retired clergy and clergy widows with major medical and surgical costs.
- The Basden Fund assists clergy and widows in the Diocese of Polynesia with the education costs of their dependent children.
- The Welfare Fund provides assistance to subscribers and pensioners of the Pension Fund who are in financial need.
- The Non Stipendiary Clergy Welfare Fund provides assistance to clergy and widows who are not members of the Pension Fund and who are in financial need.
- Other funds are available to assist with the costs of Chaplains to the Retired and ngā Te Maru Mihinare Komiti.

In the two years ended 31 December 2025 the total assistance provided was \$0.7 million.

At 31 December 2025 there was \$1.4 million of retained income for future allocation. At that date the capital of the Widows and Orphans Endowment was \$16.7 million and the Welfare Fund was \$0.1 million.

## **SUPPLEMENTARY SUPPORT FUND**

The Supplementary Support Fund is a Sickness, Accident, Disablement and Death Fund approved by the Inland Revenue Department. The AFC Board is the Trustee and AFC is the Administrator of the Fund.

The Fund provides, by way of two insurance policies, a lump sum benefit on the death of a member while in service, and a continuing income when a member suffers an illness or disablement making them unable to work for at least 90 consecutive days.

Te Pihopatanga o Aotearoa and all the New Zealand Dioceses except Auckland participate in the Supplementary Support Fund. A number of other Church employers also participate.

At 31 December 2025 two members were in receipt of insurance payments due to long term illness. In the two years to 31 December 2025 there were no Death Benefit payments.

### **ANCILLARY SERVICES**

AFC undertakes various ancillary services for the Anglican Church, some of which provide benefits to other Churches. These bodies report separately to the General Synod/Te Hīnota Whānui.

- **THE ANGLICAN INSURANCE BOARD (AIB)**

AFC provides financial and investment services to AIB.

Costs are paid by AIB.

- **THE INTER CHURCH BUREAU (ICB)**

AFC provides financial and administration services to ICB. ICB is an ecumenical group that monitors taxation, finance, risk management, and property issues of common concern. There are over 30 Churches involved, representing almost all NZ Christian denominations.

Costs are paid by the various Churches, with the General Synod/Te Hīnota Whānui funding the Anglican Church's share.

- **BAPTIST UNION SUPERANNUATION SCHEME (BUSS)**

AFC administers the BUSS for which it is paid a time-based fee.