

FUND UPDATE

The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund – Balanced Option for the year ended 30 June 2023

This fund update was first made publicly available effective 29 September 2023.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Balanced option has performed and what fees were charged. The document will help you to compare the fund with other funds. Presbyterian Beneficiary Fund Trustee Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

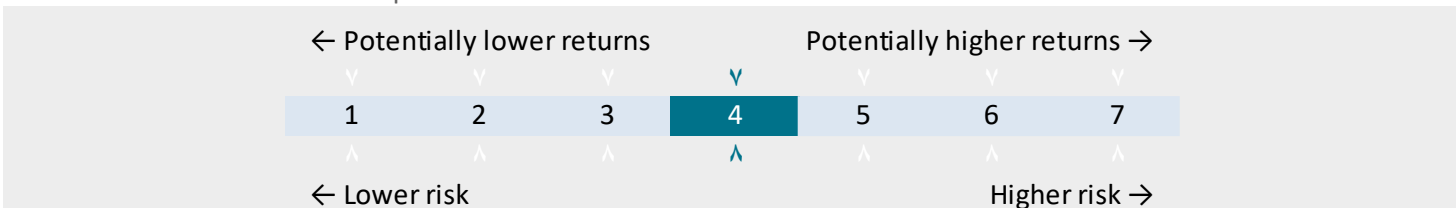
DESCRIPTION OF THIS FUND

The Balanced option invests in a wide range of assets. This option may be suitable for investors who want a diversified investment with exposure to shares and real assets, who are comfortable with greater fluctuations in the value of their retirement savings than can be expected from the Conservative option and who want to invest for the long term.

| | |
|---------------------------------|----------------|
| Total value of the fund | \$28,413,580 |
| Number of investors in the fund | 333 |
| The date the fund started | 1 January 2009 |

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Balanced option:



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 5 years to 30 June 2023. 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.

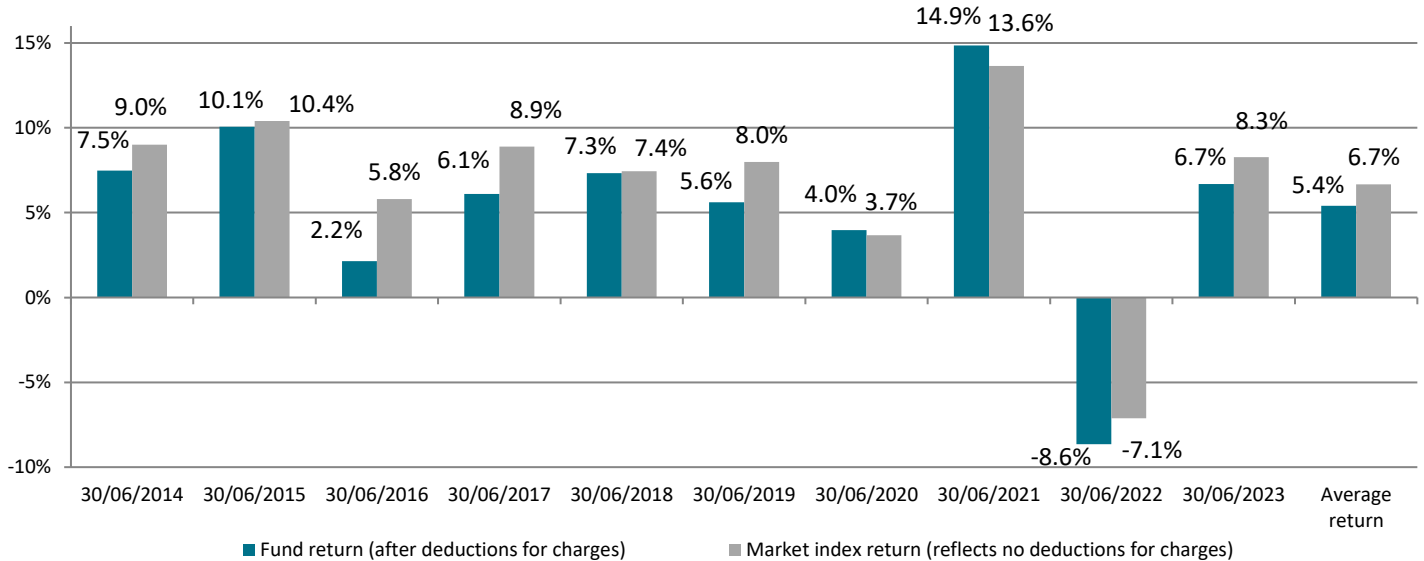
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

HOW HAS THE FUND PERFORMED?

| | Average over past five years | Past year |
|---|------------------------------|-----------|
| Annual return (after deductions for charges and tax) | 4.22% | 6.73% |
| Annual return (after deductions for charges but before tax) | 4.22% | 6.73% |
| Market index annual return (reflects no deduction for charges and tax) | 5.05% | 8.28% |

The market index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives. Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/>, search for The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund.

ANNUAL RETURN GRAPH¹



This shows the return after fund charges and tax for each year ending 30 June for each of the last 10 years ending 30 June. The last bar shows the average annual return for the last 10 years, up to 30 June 2023. The Beneficiary Fund is currently exempt from tax on investment income.

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

WHAT FEES ARE INVESTORS CHARGED?

Investors in the Balanced option pay fund charges. In the year to 30 June 2023 these were:

| % of net asset value | |
|--|--|
| TOTAL FUND CHARGES | 0.76% |
| Which are made up of: | |
| TOTAL MANAGEMENT AND ADMINISTRATION CHARGES | 0.76% |
| Including: | |
| Manager's basic fee | 0.56% |
| Other management and administration charges ² | 0.20% |
| TOTAL PERFORMANCE BASED FEES | 0.00% |
| OTHER CHARGES | Dollar amount per investor Nil |

More detail on other management and administration charges is included in the Notes section at the end of this document.

Investors may also be charged individual action fees for specific actions or decisions. See the Product Disclosure Statement for information about those fees.

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

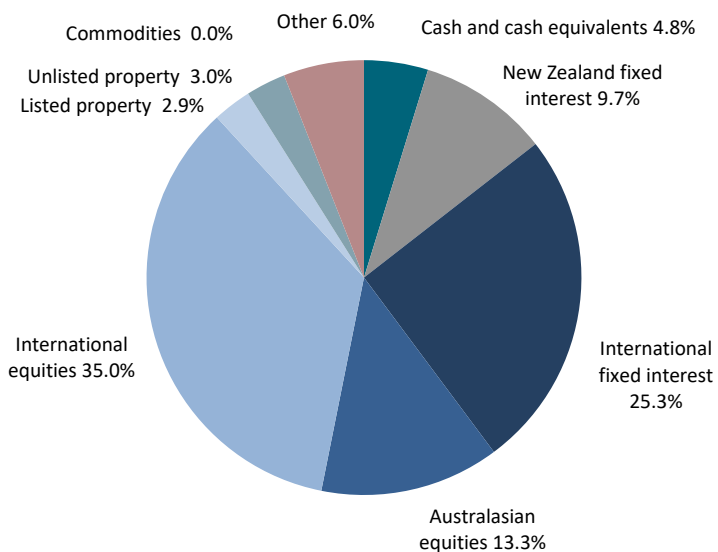
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Michael 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, Michael received a return after fund charges were deducted of \$673.00 (that is 6.73% of his initial \$10,000). No other charges were deducted. This gives Michael a total return after tax of \$673.00 for the year.

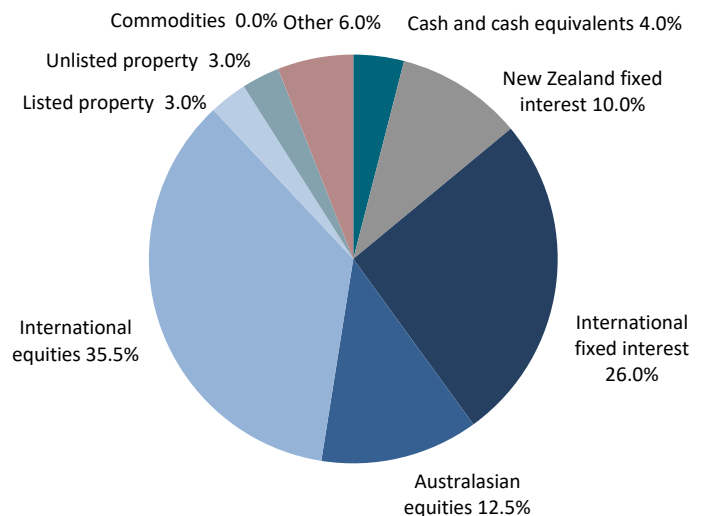
WHAT DOES THE FUND INVEST IN?

This shows the types of assets that the fund invests in

Actual investment mix



Target investment mix



*Other investments include listed and unlisted infrastructure assets and alternatives.

Top 10 Investments

| | Name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|---|--|----------------------|------------------|---------|-------------------------------|
| 1 | Mercer Socially Responsible Balanced Portfolio | 100% | Diversified Fund | NZ | N/A |

The top 10 investments make up 100% of the fund.

Refer to the Statement of Investment Policy and Objectives for more information which is available from <https://disclose-register.companiesoffice.govt.nz/>.

KEY PERSONNEL

This shows the manager's directors who have the most influence on the investment decisions of the fund.

| | Name | Current position | Time in current position | Previous or other position | Time in previous or other position |
|---|-----------------|--|--------------------------|---|------------------------------------|
| 1 | Margaret Galt | Director - Presbyterian Beneficiary Fund Trustee Limited | 6 years, 7 months | Principal Adviser, New Zealand Treasury | 16 years, 5 months |
| 2 | Roger Gyles | Director - Presbyterian Beneficiary Fund Trustee Limited | 6 years, 7 months | General Manager - Finance - New Zealand Local Government Insurance Corporation Ltd. | 18 years, 6 months |
| 3 | Warren Potter | Director - Presbyterian Beneficiary Fund Trustee Limited | 6 years, 7 months | Global Futures Portfolio Manager, ACC | 2 years, 11 months |
| 4 | Russell Garrett | Director - Presbyterian Beneficiary Fund Trustee Limited | 6 years, 7 months | Executive Officer, The Presbyterian Church Property Trustees Limited | 4 years |
| 5 | Alan Jamieson | Director - Presbyterian Beneficiary Fund Trustee Limited | 4 years, 2 months | Managing Director, Added Value Applications Limited | 25 years |

FURTHER INFORMATION

You can also obtain this information, the PDS for the Presbyterian Church of Aotearoa New Zealand Beneficiary Fund, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

NOTES

- 1) The returns for each year up to and including the year to 30 June 2017 relate to the Complying Section of the Presbyterian Church of Aotearoa New Zealand Beneficiary Fund before the New Benefits Section was introduced.
- 2) Other management and administration charges include performance-based fees of 0.05%, charged by external managers of underlying funds the Balanced option invested into. Performance-based fees are subject to market movements and external manager performance and for any given period may materially differ from those disclosed for the year to 30 June 2023. Underlying performance-based fees have been estimated based on data to 30 June 2023. These are not included in 'Total Performance Based Fees' as this line relates solely to any performance-based fees paid directly to the Manager (Presbyterian Beneficiary Fund Trustee Limited).