



Presbyterian
Beneficiary Fund

**DECEMBER
2025**

NEWSLETTER



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Chair's Message

First, I would like to take the opportunity to wish all our members and their families a wonderful Christmas and a splendid New Year!

It has been another good year for the Beneficiary Fund. The market took a little time to digest the impact of President Trump's tariffs, with share prices falling in April. But since then, share prices have roared on, boosted by the Artificial Intelligence (AI) boom. Some companies have invested massive amounts of money on AI in the expectation that it will revolutionise the way we work and play.

Returns over the 12 months to 30 November 2025 (after fees and expenses) remain very healthy (see page 5). The Growth Fund returned 9.2%, the Balanced Fund 8.2%, the Moderate Fund 6.7%, the Conservative Fund 5.5%, and the Cash Fund 3.6%. However, as the chart shows, investment returns don't always go up. There is some suggestion the AI boom is really a bubble. Time will tell.

This newsletter also includes some more Q&As following the recent member survey (page 2) and a brief piece on how our investment manager is dealing with modern slavery (page 4). Please also check out the piece on page 6 which covers an update to the KiwiSaver changes announced earlier this year.

At our most recent Board meeting, I was delighted to welcome Rose Luxford back as a director of the Beneficiary Fund Trustee company after her time as Moderator (Rose resigned from being a director for that period). At the same time, we farewelled two directors who have decided it was time to retire. Roger Gyles has been actively involved with the Fund since he joined the Church Property Trustees in 2008. Alan Jamieson joined the Board in 2018. We will miss them both and thank them for their valued contributions and service.

Thanks once again for your support.

Yours in Christ

Margaret Galt



More Questions and Answers

Q: Can I get access to my savings before I turn 65?

A: You are entitled to withdraw some or all of your Balance as a cash payment on the occurrence of certain events. Because the Fund is legally a workplace savings scheme, you can generally only withdraw on retirement, or reaching retirement age (currently 65 years, even if you are still contributing), ceasing service (New Benefits Section), or upon other extraordinary events such as suffering significant financial hardship. These are set out in the Product Disclosure Statement (PDS), which can be found on the PCANZ website [here](#). In summary, they include:

- i. Purchase of a first home
- ii. Significant financial hardship
- iii. Permanent emigration
- iv. Life-shortening congenital condition
- v. Serious illness
- vi. Leaving active ministry

Each type of early access is subject to particular conditions as set out in the PDS (and Trust Deed). In some instances, access may only be available to the balance in either the Complying Section or New Benefit Section (but not both). Where access is restricted to the Complying Section balance, you may be able to transfer the balance to another complying fund or KiwiSaver scheme.



Q: What about the money I left in the Fund when the Fund was restructured?

A: When the Fund was restructured in 2017 and the Defined Benefit section was wound up, eligible members were able to receive a benefit in cash, or reinvest that amount in the Fund (or a combination of the two). If you reinvested some or all of that benefit, now called your Continuing Value (or Voluntary Account) balance, those funds are available for withdrawal at any time.

However, please note that once you withdraw any or all of your Continuing Value balance, it cannot be put back into the Fund (and you lose the tax advantage that balance currently enjoys).

Q: What can members do to make it easier for their family to access our savings when we die?

A: First, let's consider the different scenarios that might apply . . .

- i. **With a Nominated Spouse** - for those members who have a Nominated Spouse (a facility available if you were a member of the former Beneficiary Fund, but not available if you joined after the 2017 restructuring), this person becomes a member of the Fund on your passing and will get immediate access to your Beneficiary Fund balance. This means they will be able to change the investment option, set up a regular withdrawal, and/or make lump sum withdrawals once Melville Jessup Weaver, the Fund's administrator (MJW), has met the Fund's identity verification obligations. If you have a Nominated Spouse, the rules under the below headings "With a will" and "Without a will" do not apply.

Any regular payments being made to a joint bank account in the name of the member and a Nominated Spouse will continue. In the event of your death, MJW will contact your Nominated Spouse advising them of their position and the options available to them.

- ii. **With a will** - for those members who have a will, the Beneficiary Fund balance is part of the member's estate and becomes subject to the normal rules governing the processing of wills. Except where the Beneficiary Fund balance is \$40,000 or less, this means waiting for the High

Court to grant probate, where the court validates the will and grants the executor(s) the legal authority to administer the estate.

Until this happens, the Beneficiary Fund account is 'frozen' and MJW cannot process any withdrawals, including any regular withdrawals that were operating prior to death (even if paid into a joint account).

- iii. **Without a will** - if you die without a will, your estate is distributed according to the Administration Act 1969. Someone must first apply to the court to be appointed as the administrator of the estate (a similar role to that of an executor under a will). Once appointed, the administrator distributes the estate according to the law and the deceased's family circumstances. The law sets out a formula as to how the estate should be shared among any surviving spouse or partner, children, parents, or siblings.

This is more complex and takes more time than if there was a will. Until the administrator is in a position to distribute the estate, the Beneficiary Fund balance remains 'frozen' as is the case with a will (unless the Beneficiary Fund balance is \$40,000 or less). Having a will is usually much better than not having one.

So, what can you do?

- a. **Write a will** - we suggest you ensure you have a will and if it was written some time ago, review it to make sure it remains current. The benefit of having a will is twofold. First, your estate will be distributed to the people you want to receive it, rather than distributed using the legal formula that applies if there is no will. Secondly, the process is typically quicker (and can be much quicker) than if there is no will.



You might also like to let the executor(s) of your will know that they will be required to provide proof of identity to MJW before they can process any payments.

- b. **Appoint a power of attorney** - we also suggest you consider appointing a power of attorney over your financial affairs. A power of attorney allows someone else to issue instructions on your Beneficiary Fund when you are still alive, but are incapable of issuing instructions yourself. But please note that a power of attorney is not able to issue instructions when you die.
- c. **Provide contact details** – MJW is able to hold contact details for a family member or solicitor that it can contact in the event of your death. Sometimes it takes a long time for the executor or administrator to get in touch with MJW. Timely communication can help ensure your estate is dealt with as smoothly and efficiently as possible.
- d. **Set aside some funeral funds** - some members have noted that the old Fund used to pay a funeral benefit. This was paid out to eligible members when the Defined Benefit section was wound up. That is, those members have already received a pre-paid funeral benefit. However, if you reinvested this at the time the Fund was restructured in 2017, it is now part of your Continuing Value balance (see the Q&A above) and as part of the Beneficiary Fund (and your estate), is not immediately accessible when you die.

If you think that your family might need some funding immediately after your death, for instance, to meet living costs or funeral expenses, one option is to withdraw some funds and put them into an account they can access (e.g. a joint account in yours and their names).

The **Wigston Shannon Fund** is a new fund able to make payments to the spouse or partner of a deceased minister to assist with funeral costs (and other things). You can find out more information about this fund by contacting the Trustees [here](#).

Market Update

Global equity markets continued to drive higher over the last six months. Developed and emerging markets both delivered strong gains, helped by improving economic optimism, easing interest-rate pressure and rising demand for technology and Artificial Intelligence related firms. In some regions, such as parts of Asia and Europe, equity returns were especially strong, reflecting relatively better growth prospects and investor interest shifting away from the United States (despite the US being the undisputed leader in investment in AI).

At the same time, global fixed-income (bond) markets offered modest, but stable, returns. With global uncertainty lingering, many investors sought the relative safety of bonds. That led to generally higher bond prices, particularly for longer-dated, government bonds.

Closer to home, the local share market's bumpy ride has continued. While the NZ market has posted some gains, overall returns remain muted and returns over the last couple of years have underperformed many global markets. On the bond side, New Zealand fixed-interest investments have been more stable. Domestic bonds have delivered low but steady returns, benefiting when the Reserve Bank of New Zealand (RBNZ) cut the cash rate to stimulate the economy.

However, despite healthy past returns, heightened uncertainty remains. Persistent inflation, geopolitical tensions, interest-rate policies and shifting global trade dynamics have made markets more volatile. While some investors remain bullish about future returns, others are cautious. There is a particular concern among some investors that the AI boom has fuelled an investment bubble, which has to burst at some point. In contrast, the outlook for New Zealand appears to be improving, with signs of growth starting to emerge.

What is Modern Slavery?

At our recent Board meeting, our fund manager, Mercer, provided an update on how it is addressing the risks associated with modern slavery. Modern slavery is a term for various exploitative practices undertaken for commercial gain, including human trafficking, forced labour, debt bondage, child labour, and forced marriage. It is estimated that 50 million people are trapped in slavery worldwide, including some in New Zealand.

Mercer has considered modern slavery as part of its sustainable investment approach for many years. This includes: subscribing to a third party modern slavery analysis service which helps identify companies with a greater risk of the use of modern slavery; surveying and directly engaging with underlying fund managers about how they deal with modern slavery risks in the companies they are buying, and encouraging improvement to their practices; and collaborating with industry initiatives, such as participation in Investors Against Slavery and Trafficking Asia-Pacific (IAST) and the Human Rights Industry Working Group (led by Responsible Investment Association of Australasia).

By way of example, Fisher & Paykel Healthcare (FPH), one of New Zealand's largest companies, represents one of the largest modern slavery risks in the local shares portfolio due to its operations in Mexico. The workforce in Mexico is vulnerable to things like forced labour, despite the government passing anti-modern slavery legislation. FPH notes staff turnover in its factory in Mexico of 20% is above NZ standards (10%) but well below the Mexico average of 30% (or more).

Did you know that many countries have (anti) modern slavery legislation, but not New Zealand? The previous government had proposed legislation, however this has not been prioritised by the present government.

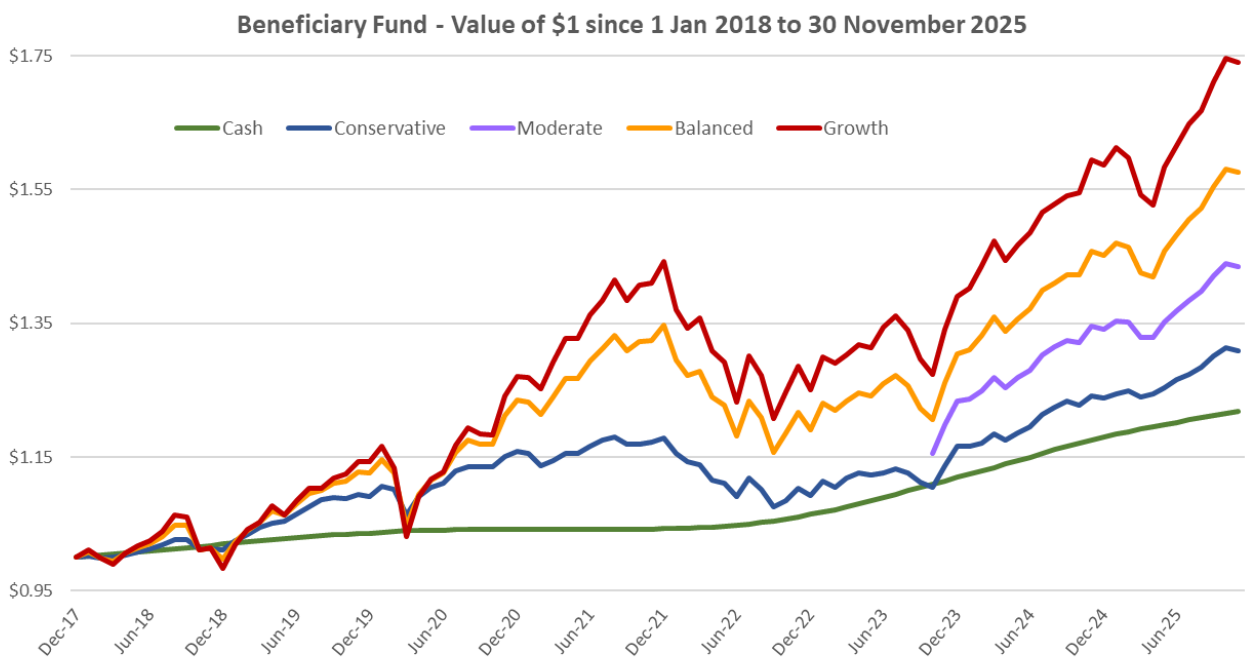


Fund Returns to 30 November 2025

The chart below illustrates the value of \$1 invested in most investment options available in the Fund since 1 January 2018 and from 1 November 2023 for the Moderate Fund, after fees and expenses (the Moderate Fund was introduced in November 2023) to 30 November 2025.

It shows returns first peaking at the end of 2021 after an amazing period following the initial Covid shock. After that, returns fell to a low point at the end of September 2022. Returns have largely risen since then, with the exception of some sharp drops in October 2023 and early 2025. However, on both occasions, markets soon recovered.

Indeed, the rise over the last six months has been among the steepest over the whole period. Share prices have surged based on an Artificial Intelligence (AI) boom. Companies like Nvidia, which make the computer chips used in AI applications, have benefited the most. Nvidia became the first US\$5 trillion company (from US\$1 trillion in May 2023 to just over US\$5 trillion in October 2025).



The chart illustrates the relative performance of the different investment options, from the relatively smooth path of the Cash option to the more volatile Growth option.

Markets have bounced back remarkably since the tariff tantrums

The table below provides annualised returns after fees and expenses for each investment option for periods to 30 November 2025 (the Moderate Fund was introduced in November 2023).

Presbyterian Beneficiary Fund – investment option returns per annum to 30 November 2025					
	Cash	Conservative	Moderate	Balanced	Growth
1 year	3.6%	5.5%	6.7%	8.2%	9.2%
3 years	4.7%	5.9%	NA	9.0%	10.6%
5 years	3.2%	2.6%	NA	5.4%	7.0%

The table below provides unit prices for each investment option as at 30 November 2025.

Presbyterian Beneficiary Fund – unit prices as at 30 November 2025					
	Cash	Conservative	Moderate	Balanced	Growth
Unit Price	1.8403	1.3003	1.1821	1.6485	1.7285

Changes to KiwiSaver - Update

The government recently proposed a further amendment to the KiwiSaver changes it introduced in July. The changes affect members of the Beneficiary Fund who save via the Complying Section in two noteworthy ways.

1. Government Contribution decreases

From 1 July 2025, the government contribution dropped from 50 cents to 25 cents for each dollar you contribute to the Complying Section (or KiwiSaver) each year, reducing the maximum government contribution from \$521.43 to \$260.72.

And if you earn more than \$180,000 of taxable income a year, you no longer qualify for the government contribution at all.

So, for the current year to 30 June 2026, if you earn less than \$180,000 and contribute \$1,042.86 or more to the Complying Section, you will receive a government contribution of \$260.72.

2. Minimum Complying Section Contribution increases to 3.5%

From 1 April 2026, the minimum member and Church (or employer) contribution to the Complying Section of the Beneficiary Fund will rise from 3% to 3.5% (of your stipend or salary). The change does not affect the overall Beneficiary Fund contribution rate, which remains at 5%. Both members

and the Church (or employer) will still each be required to contribute 5% (unless you are a Kindred Service member with a different contribution regime), but if you are contributing at least part of your contribution to the Complying Section, then the minimum contribution to the Complying Section will increase to 3.5% (with the other 1.5% going into the New Benefits Section).

The latest proposal attempts to clarify that the minimum contribution to the Complying section will rise to 3.5% for *both* the member and Church (or employer). The earlier changes left members with the option of leaving their minimum Complying Section contribution at 3%, even though the Church (or employer) had to increase their minimum contribution. The proposed change, which is expected to become law early in 2026, aligns the increase for both the member and Church (or employer).

From 1 April 2028, the minimum contribution, for both member and the Church (or employer) will rise again to 4%.

For information about your account balance and Fund details, please call the Fund's Administration Manager, Melville Jessup Weaver (MJW), on 0800 266 787, emailing them at presbyterian@mjw.co.nz, or posting to PO Box 1096, Wellington 6140.

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