Presbyterian
Beneficiary Fund

APRIL
2026

NEWSLETTER



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Chair's Message

It's not quite the start to 2026 we all hoped for!

After appearing to have recovered from the tariff tantrums of 2025, we now have more than just geopolitical tension and economic turmoil to deal with. Countries are at war and people are dying. Yes, it's had an adverse impact on investment returns as share and bond prices have fallen, but our prayers are once again for peace in the Middle East.

The adverse impact on investment returns in the face of a steep rise in the price of oil is most obvious in the chart on page. 3. It was promising to be a very strong last year otherwise. That said, Beneficiary Fund returns over the 12 months to 31 March 2026 (after fees and expenses) remain remarkably robust. The Growth Fund returned 9.4%, the Balanced Fund 7.8%, the Moderate Fund 5.9%, the Conservative Fund 4.2%, and the Cash Fund 3.0%. However, as the chart shows, investment returns don't always go up. What happens from here is highly uncertain and changes day by day as highlighted in the investment market update on page 2. Time will tell.

The Beneficiary Fund is an important way in which the Church supports our ordained ministers, but it is not the only way. The Church Property Trustees administer a variety of trusts for the purpose of supporting ministers – summarised on page 4. We have been pleased to hear that some ministers who have applied to the Beneficiary Fund for early access to their retirement savings, have instead been helped out by one or more of these trusts (leaving their savings intact).

Page 4 also includes a reminder about the Beneficiary Fund's complaint procedures. We hope you don't need them, but it's important that you know what to do if you do.



Thanks once again for your support.

Yours in Christ

M. N. Galt

Margaret Galt

Investment Market Update

After a positive 2025, investment markets have had a volatile start to 2026, as highlighted by the returns chart on page 3. The most significant influence has been the war in Iran, which has lifted global oil prices and increased uncertainty for investors. At the same time, inflation trends, interest-rate expectations, and ongoing investment in all things AI, continue to shape returns across both share and bond markets.

Shares

Global share markets entered 2026 after a period of generally strong performance, particularly in the United States. However, the escalation of tensions in the Middle East has contributed to higher energy prices and renewed concerns about inflation. The impact is evident in the way markets are moving each day in response to the latest news. When it appears the conflict is becoming entrenched, share prices fall. When it looks like the conflict might end, share prices rise, as they did when a ceasefire was announced on 8 April. The position is not helped by the constantly changing storyline from the White House.

Despite this uncertainty, company earnings in many developed economies remain reasonably stable. While returns are expected to be more modest than in recent years, global shares are still expected to produce positive but uneven returns through the remainder of 2026 – provided we avoid a drawn out and damaging conflict, in which case share prices may suffer accordingly.

New Zealand shares have experienced similar pressures to global markets, with the extra burden of a slow domestic economic recovery. While the outlook for the local economy is improving, higher fuel prices may well set this back. If so, returns from NZ shares are less certain.

Bonds

Global bond markets have been adjusting to the possibility that interest rates may stay higher for longer than previously expected. The recent rise in oil prices has reinforced concerns that inflation could take longer to settle down. While this can create short-term price volatility for bonds, today's higher yields mean investors are now receiving better income than they did several years ago.

In contrast, New Zealand bond prices have already fallen in response to expectations that the Reserve Bank will need to raise interest rates as the economy recovers. While the Bank will likely look past any short-term impacts from higher fuel and transport costs, if higher prices look like becoming embedded, the Bank has signalled it is prepared to raise rates to keep inflation in check.

Over the remainder of 2026, bonds are expected to deliver modest positive returns, mainly from income rather than capital gains. They also continue to provide an important stabilising role in diversified portfolios.



Outlook to the end of 2026

Looking ahead, three factors are likely to shape markets:

- Developments in the Middle East and global energy prices
- The path of inflation and interest rates
- The strength of economic recovery in New Zealand and other developed economies

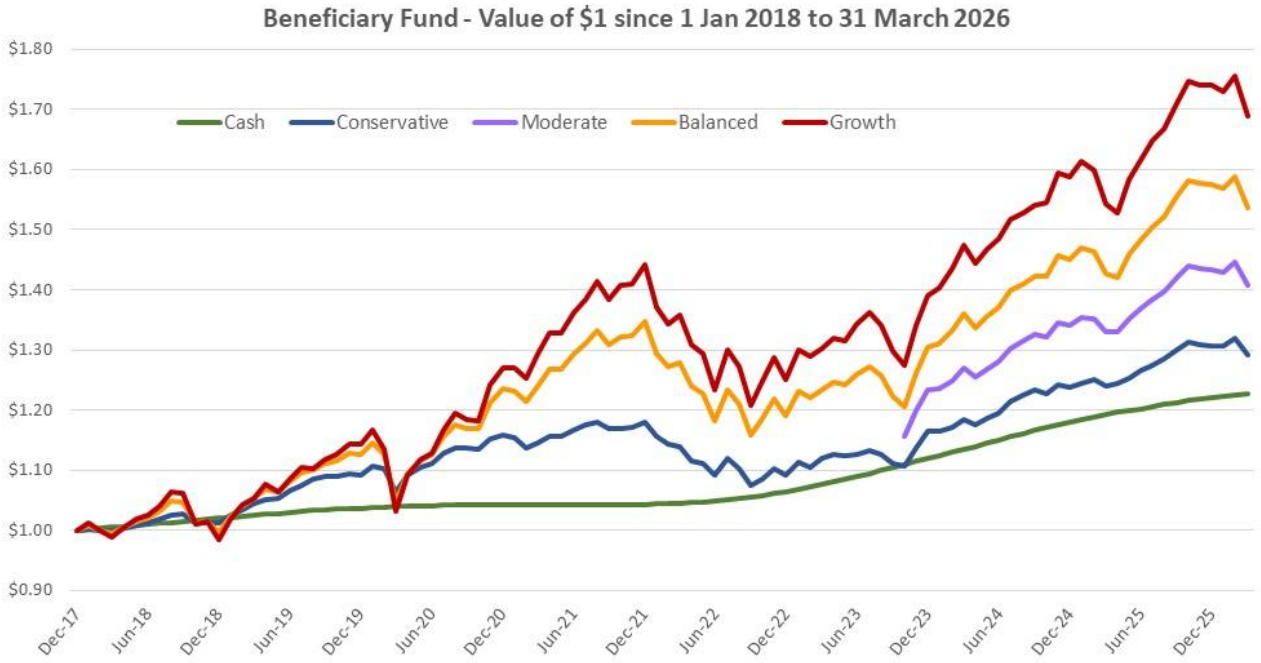
Overall, returns across both shares and bonds are expected to be positive but more moderate than in earlier years, with ongoing periods of market volatility. Maintaining diversification across global and New Zealand assets remains the most effective approach in the current environment.

Fund Returns to 31 March 2026

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 31 March 2026.

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 – and now in March 2026. On those earlier occasions, markets soon recovered. We wait to see what will happen in 2026.

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. It highlights the importance of selecting the investment option with the right risk/return profile for you - and then sticking with this through the ups and downs of market returns, rather than reacting 'in the heat of the moment' to events that are, ultimately, transitory.



The impact of the war in Iran is immediately obvious

The table below provides annualised returns after fees and expenses for each investment option for periods to 31 March 2026 (the Moderate Fund was introduced in November 2023).

Presbyterian Beneficiary Fund – investment option returns per annum to 31 March 2026					
	Cash	Conservative	Moderate	Balanced	Growth
1 year	3.0%	4.2%	5.9%	7.8%	9.4%
3 years	4.5%	4.9%	NA	7.6%	9.0%
5 years	3.3%	2.4%	NA	4.4%	5.5%

The table below provides unit prices for each investment option as at 31 March 2026.

Presbyterian Beneficiary Fund – unit prices as at 31 March 2026					
	Cash	Conservative	Moderate	Balanced	Growth
Unit Price	1.8545	1.2821	1.1587	1.6070	1.6755

Other Support for Ministers

The Presbyterian Church Property Trustees administer a small number of trusts that can provide support for ministers and their families – and not just national ordained ministers. These include:

Presbyterian Benevolent Fund - provides financial support to ministers by way of special needs grants (of up to $12,000 for couples), retirement support, and assistance in times of illness or injury.

Burnett Loan Fund - offers interest-free loans of up to $15,000 to ministers in support of their ministry (just not for holidays).

Wigston Shannon Fund - provides financial support to the spouse or partner of deceased ministers.

McNutt Trust (Glen Innis Holiday Houses) - offers two holiday houses available for a week's free accommodation each year on Glen Innis Station, a sheep and beef farm just south of Waipukurau in Central Hawkes Bay. A subsidy is available for ministers travelling from the South Island.

If you would like to apply to one of these trusts or would like more information about who they are for and the relevant criteria, please email trustees@presbyterian.org.nz.



Other Trusts

There are other trusts, administered by the Assembly Office, available to assist ministers with training and travel.

Complaints Procedures

We are always looking for ways to improve Beneficiary Fund members' experience. If something has gone wrong, we want to know. Please email trustees@presbyterian.org.nz and tell us what has happened and how we can resolve matters. If you have any documents or correspondence that will help us understand your complaint, please attach them to your email.

When we receive your complaint, we will:

- Acknowledge your complaint within two working days
- Gather and evaluate information about your complaint
- Respond to you within 20 working days.

If we cannot resolve your complaint to your satisfaction, you can contact Financial Services Complaints Limited (FSCL) – a Financial Ombudsman Service. They are an independent, not-for-profit, external dispute resolution service approved by the Minister of Consumer Affairs. FSCL's role is to investigate and fairly resolve complaints. Their service is free (it does not cost you anything).

FSCL's contact details are: web fscl.org.nz; phone 0800 347 257; email complaints@fscl.org.nz; post to FSCL, PO Box 5967, Wellington 6140

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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