

Annual Finance & Investment Update 2026

Diocese of Waikato & Taranaki

Prepared for:



Contents

Finance and Investment Update

Consolidated Accounts

Waikato Diocesan Trust Board

Taranaki Anglican Trust Board

Standing Committee

Parish Accounting

Investment Review

About Us

01

Diocese of Waikato and Taranaki Consolidated Accounts

Highlights

Diocese of Waikato and Taranaki Consolidated Accounts

NET EQUITY

- Net equity of \$22.7 m Dec 2025 compared to \$23 m in 2024, a decrease of \$0.3 m.

DEFICIT

- Deficit for the year, excluding capital gains and land and building transactions, was \$598,000 (2024: \$257,000 deficit), mainly due to lower Grants & Bequests and higher people Costs and Building Repairs & Maintenance.

CAPITAL GAINS

- 0.2m gain in value, mainly from WDTB (2024: \$0.3 m gain).

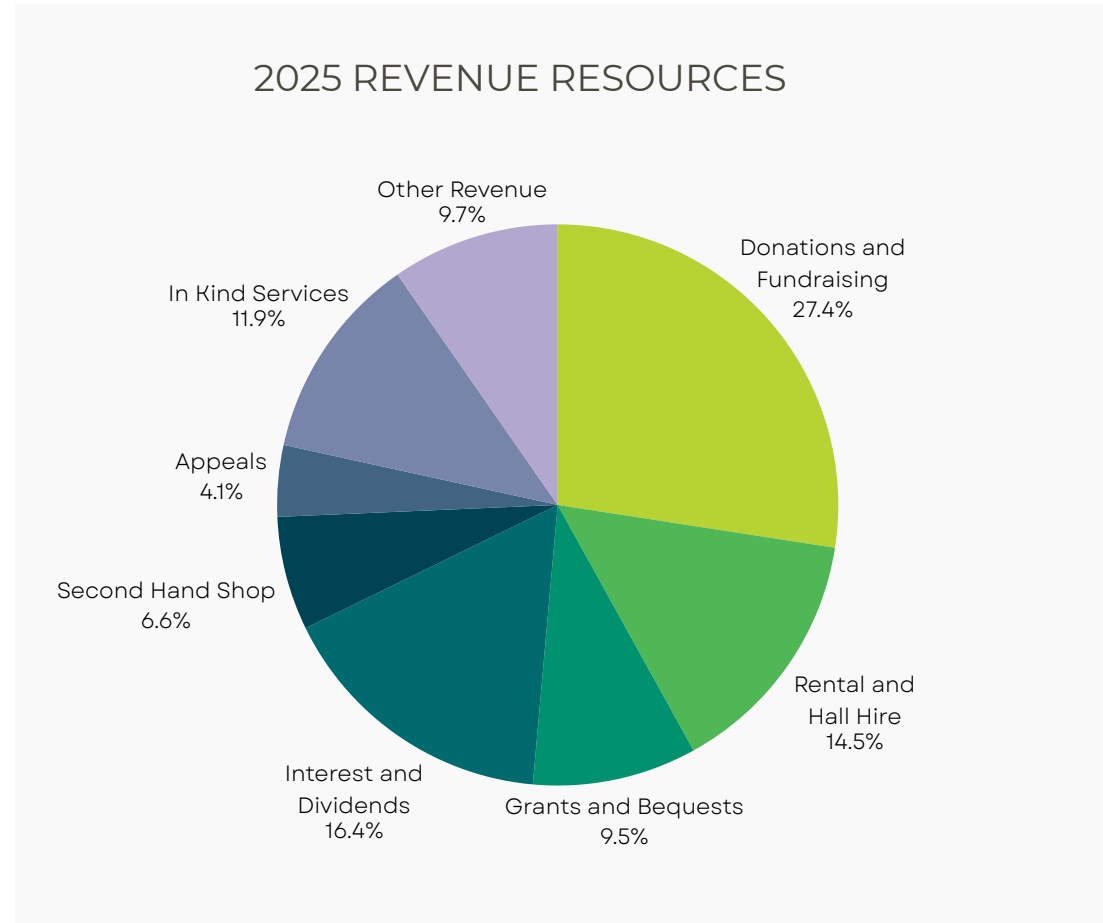


Revenue

Diocese of Waikato and Taranaki Consolidated Accounts

SUMMARY

- 2025 Revenue: \$8.3m, up \$1.1m from 2024.
- In-kind services from the Diocese of Auckland: +\$619,000
 - Investment income: +\$685,000
 - Donations & fundraising: +\$212,000
 - Partly offset by lower Grants & Bequests: -\$406,000



2025 REVENUE RESOURCES

ITEM	2025 (\$NZD)	2024 (\$NZD)	VARIANCE	% VARIANCE
Donations and Fundraising	2,289,000	2,077,000	212,000	10%
Rental and Hall Hire	1,211,000	1,077,000	134,000	12%
Grants and Bequests	789,000	1,195,000	-406,000	-34%
Interest and Dividends	1,364,000	679,000	685,000	101%
Second Hand Shop	547,000	542,000	5,000	1%
Appeals	343,000	384,000	-41,000	-11%
In Kind Services	992,000	373,000	619,000	166%
Other Revenue	807,000	902,000	-95,000	-11%
Total Revenue	8,342,000	7,229,000	1,113,000	15%

Expenses

Diocese of Waikato and Taranaki Consolidated Accounts

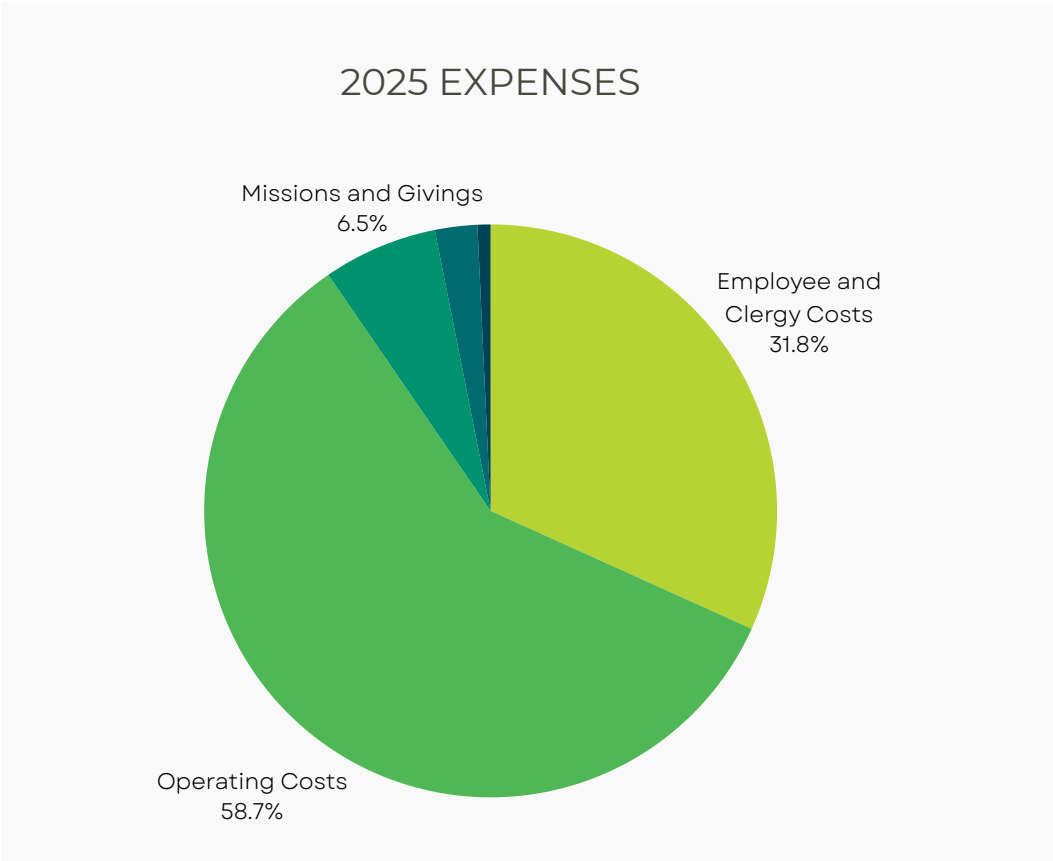
SUMMARY

2025 Expenses: \$8.7m (2024: \$7.4m), up \$1.3m.

- Operating Costs: +\$1.0m
 - In-kind services from the Diocese of Auckland: +\$619,000
 - Other costs, mainly Building Repair & Maintenance: +\$381,000
- Employee & Clergy Costs: +\$319,000

Building transactions (sale and purchase) showed as Gifting from and to WDTB and TATB. Detailed in Note 7C of the accounts.

2025 EXPENSES



ITEM	2025 (\$NZD)	2024 (\$NZD)	VARIANCE	% VARIANCE
Employee and Clergy Costs	2,763,000	2,444,000	319,000	13%
Operating Costs	5,104,000	4,095,000	1,009,000	25%
Missions and Givings	562,000	588,000	-26,000	-4%
Depreciation	208,000	230,000	-22,000	-10%
Interest Expense	64,000	57,000	7,000	12%
Total Expenses	8,701,000	7,414,000	1,287,000	17%

02

Waikato Diocesan Trust Board

Highlights

Waikato Diocesan Trust Board

OPERATING SURPLUS

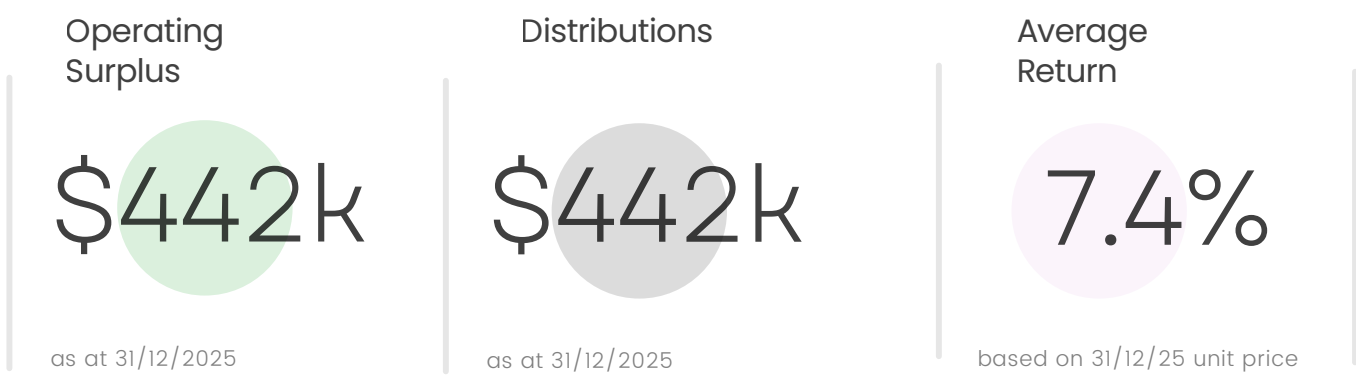
- Operating surplus of \$442,000 (2024: \$457,000).

DISTRIBUTIONS

- Distribution to unit holders \$442,000 (2024: \$457,000).
- Excluding the transactions related to the properties held on behalf.
- Other transactions not included in the distribution to unitholders:
 - Depreciation in respect of properties held on behalf \$710,000 (2024: 667,000).
 - Revaluation of properties \$850,000 (2024: \$4,769,000).

RETURNS

- Average Income Return to Unit holders: 4% (2024: 3.7%).
- Average Capital Return to Unit holders: 3.4% including revaluations of unitholders' investments and properties (2024: 5%).
- Total average return based on 31/12/25 unit price: 7.4% (2024: 8.7%).



INVESTMENT RETURNS (5 YEARS)

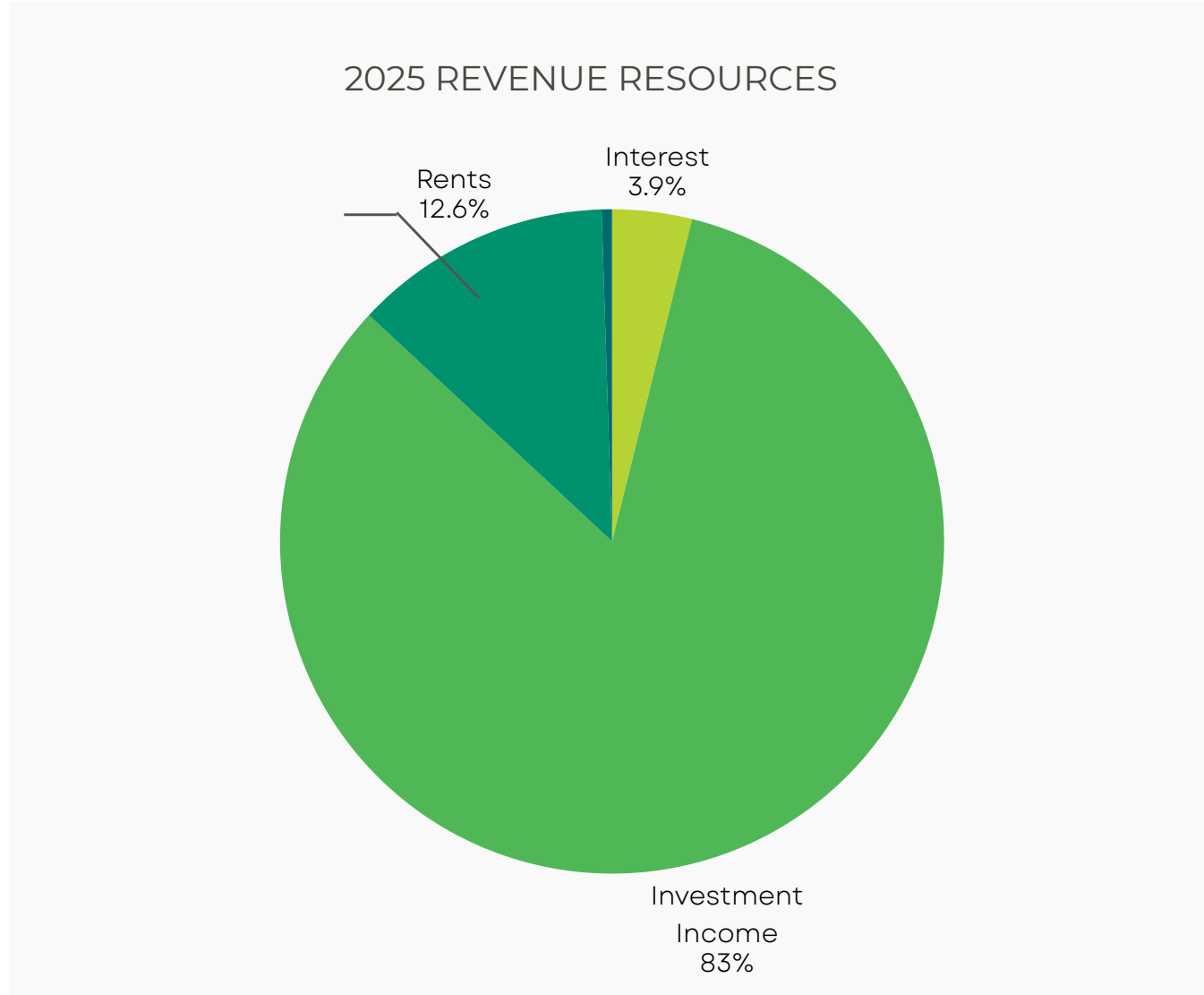
	2025 (\$000)	2024 (\$000)	2023 (\$000)	2022 (\$000)	2021 (\$000)
Investor Funds	10,388	11,616	12,938	15,086	13,692
Income Return	4%	3.7%	3.1%	2.4%	3%
Capital Return	3.4%	5%	4.5%	-9.6%	5%
Total Return	7.4%	8.7%	7.7%	-7.2%	8%

Revenue

Waikato Diocesan Trust Board

SUMMARY

Total Distributable Revenue \$557,000 (2024 \$544,000).



2025 REVENUE RESOURCES

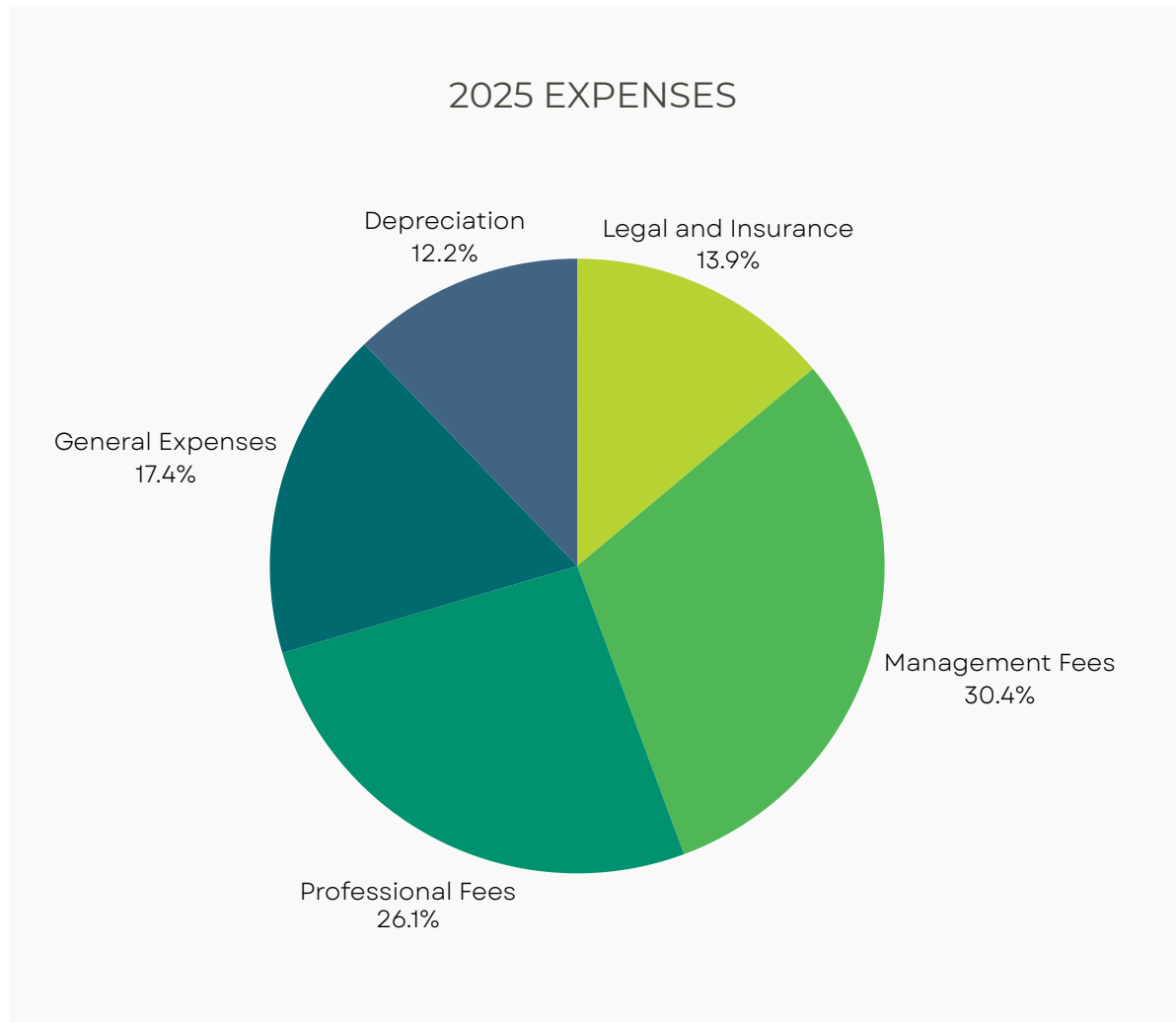
ITEM	2025 (\$NZD)	2024 (\$NZD)	VARIANCE	% VARIANCE
Interest	22,000	63,000	-41,000	-65%
Investment Income	462,000	408,000	53,000	13%
Rents	70,000	70,000	-	0%
Other Income	3,000	3,000	-	0%
Total Revenue	557,000	544,000	13,000	2%

Expenses

Waikato Diocesan Trust Board

SUMMARY

Total Expenses attributable to the Unitholders \$115,000 (2024: \$87,000). Depreciation relates to Trust Board properties included Charlotte Brown House and Tikituterangi House.



2025 EXPENSES

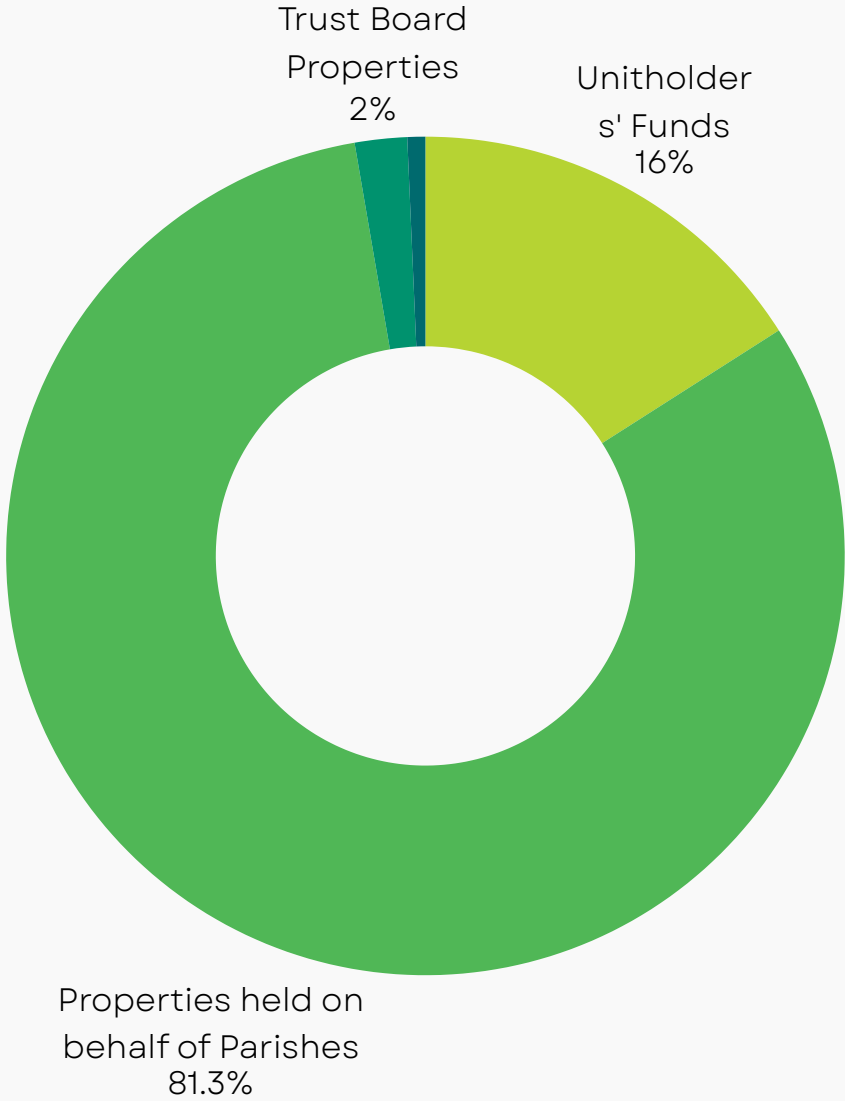
ITEM	2025 (\$NZD)	2024 (\$NZD)	VARIANCE	% VARIANCE
Legal and Insurance	16,000	6,000	10,000	167%
Management Fees	35,000	32,000	3,000	9%
Professional Fees	30,000	27,000	3,000	11%
General Expenses	20,000	8,000	12,000	150%
Depreciation	14,000	14,000	-	0%
Total Expenses	115,000	87,000	28,000	32%

Equity

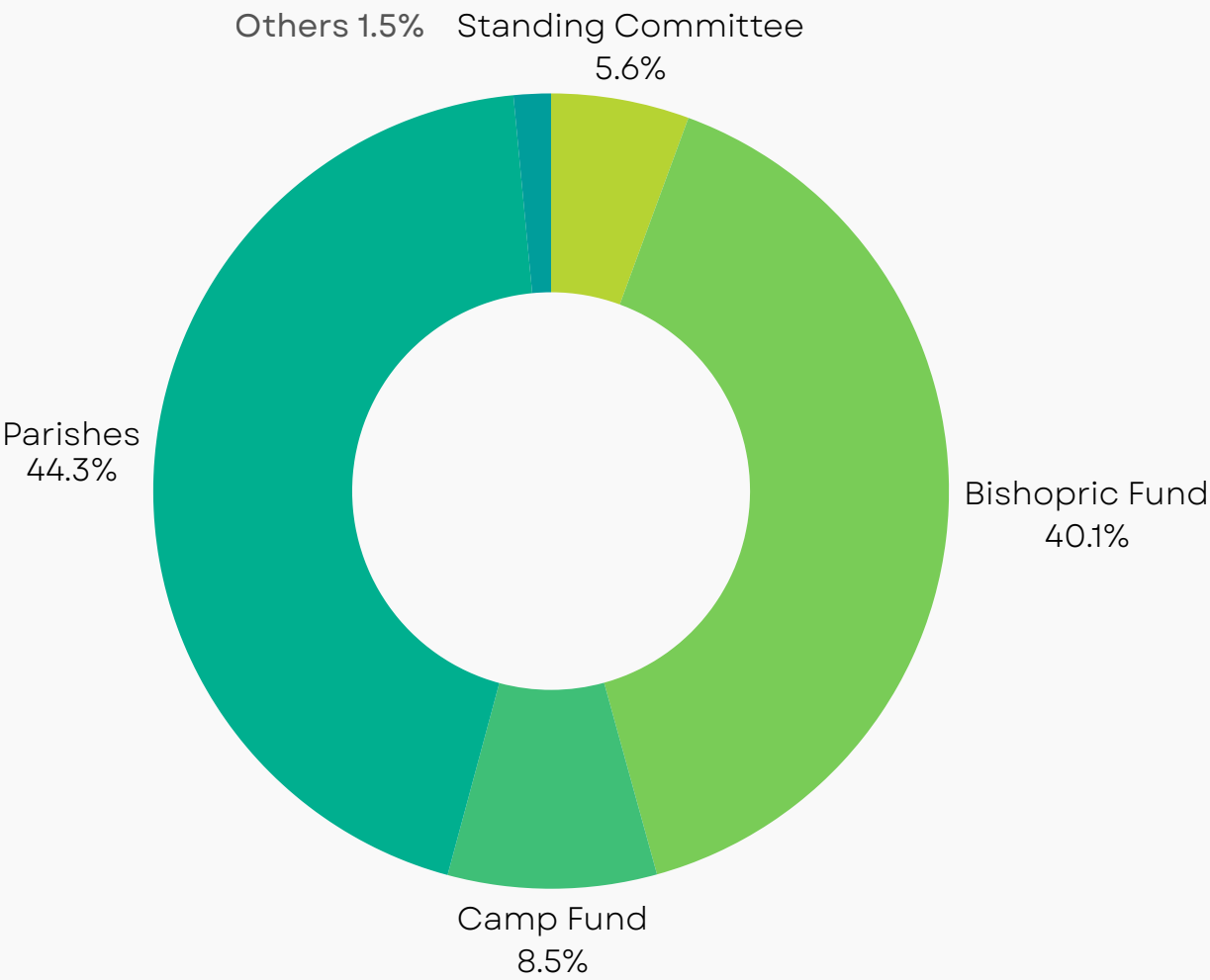
Waikato Diocesan Trust Board

ALLOCATION OF EQUITY

BREAKDOWN OF EQUITY



BREAKDOWN OF UNITHOLDERS' FUNDS



03

Taranaki Anglican Trust Board

Highlights

Taranaki Anglican Trust Board

NET EQUITY

\$48.5m at Dec 2025 (2024: \$50.5m), down \$2.0m, mainly due to:

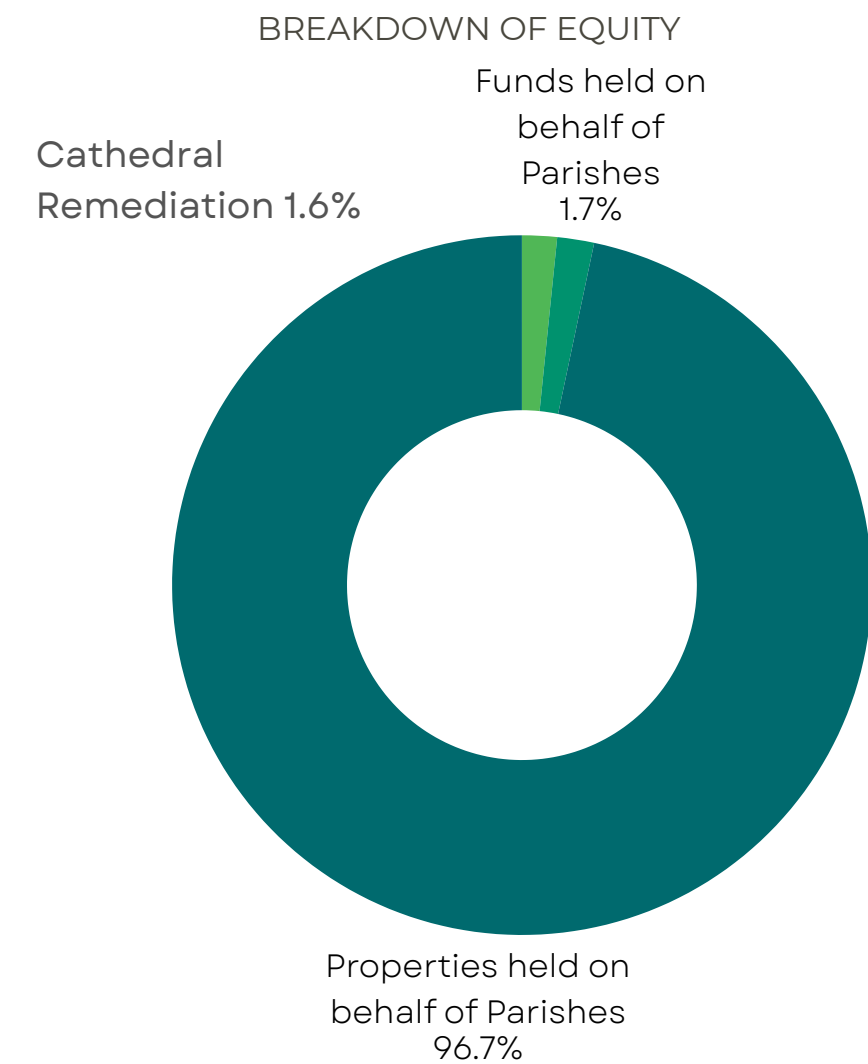
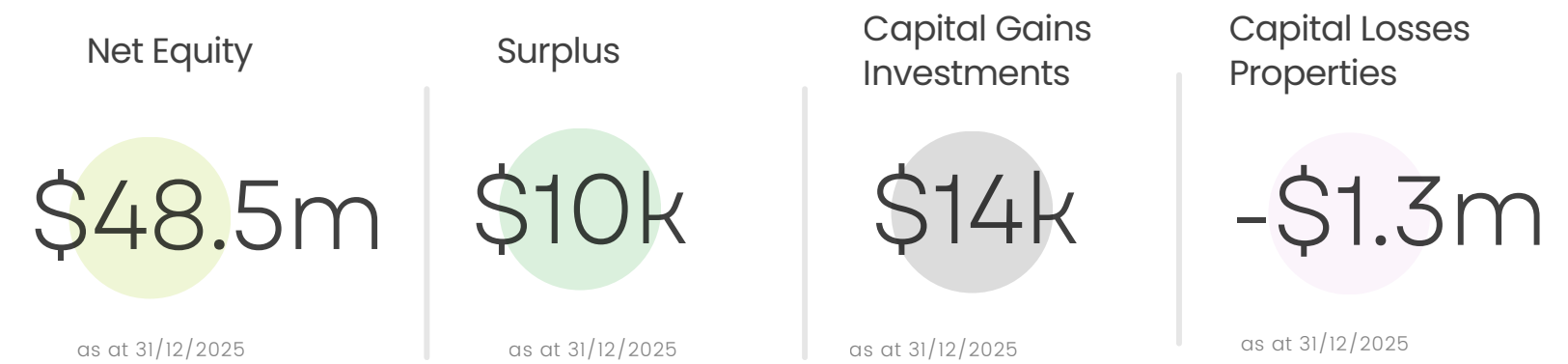
- Property revaluation loss: \$1.3m
- Giving to parishes: \$0.7m, relating to land and building transactions

SURPLUS

- \$10,000, excluding capital gains and land & building transactions (2024: \$15,000 deficit).
- Includes the Cathedral Remediation donations, grants and expenses.

CAPITAL GAINS/(LOSSES)

- Investments: \$14,000 gain (2024: \$36,000 gain)
- Properties: \$1.3m loss (2024: \$747,000 gain)



04

Standing Committee

2025 Results

Standing Committee

SURPLUS

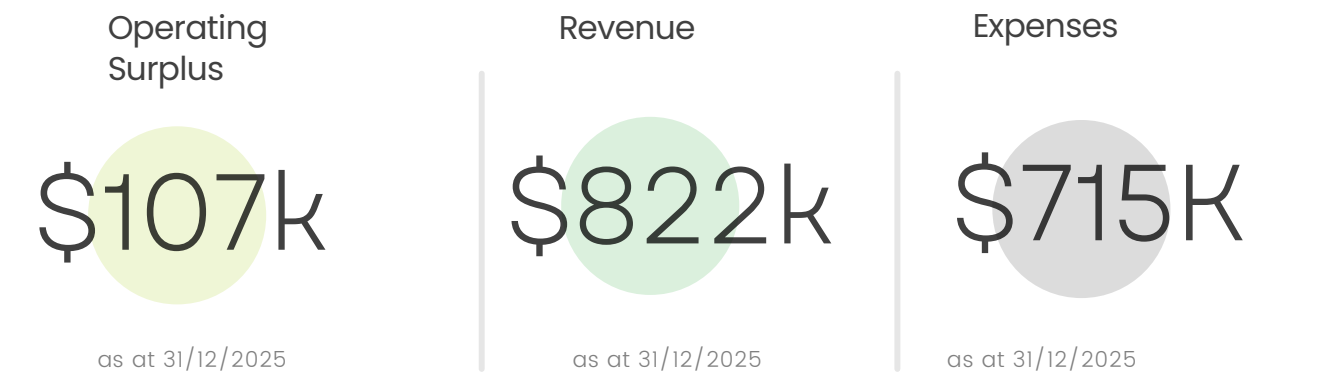
- Operating surplus of \$107,000 before depreciation compared to a break-even budget.

REVENUE

- \$116,000 above budget, primarily due to rental income being \$108,000 above budget, reflecting the backdated rent increase effective from December 2019.
- Main income contributors: Assessments 610,000 and Rental Income \$199,000.

EXPENSES

- \$9,000 above budget overall
- Three largest Savings:
 - Repairs & Maintenance: \$28,000 below budget
 - Financial Support to Parishes: \$15,000 below budget
 - Insurance: \$10,000 below budget.
- Offsetting higher expenses:
 - Legal & Other Professional Fees: \$33,000 above budget
 - Staff Training, Development and Supervision: \$6,000 above budget

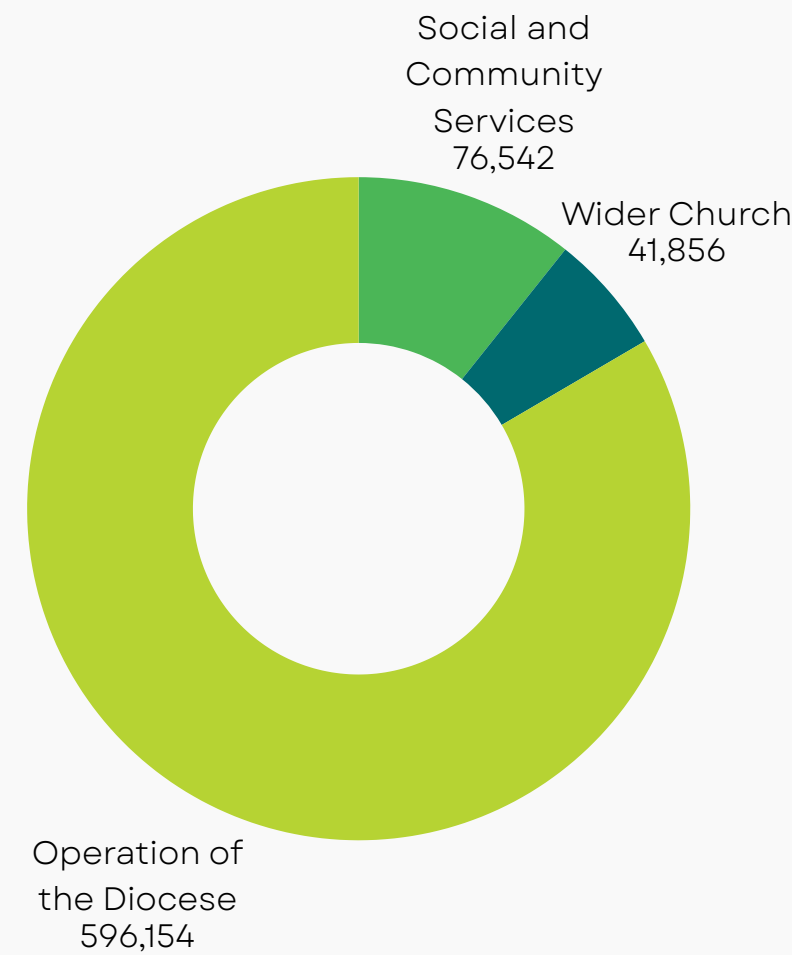


2025 Results

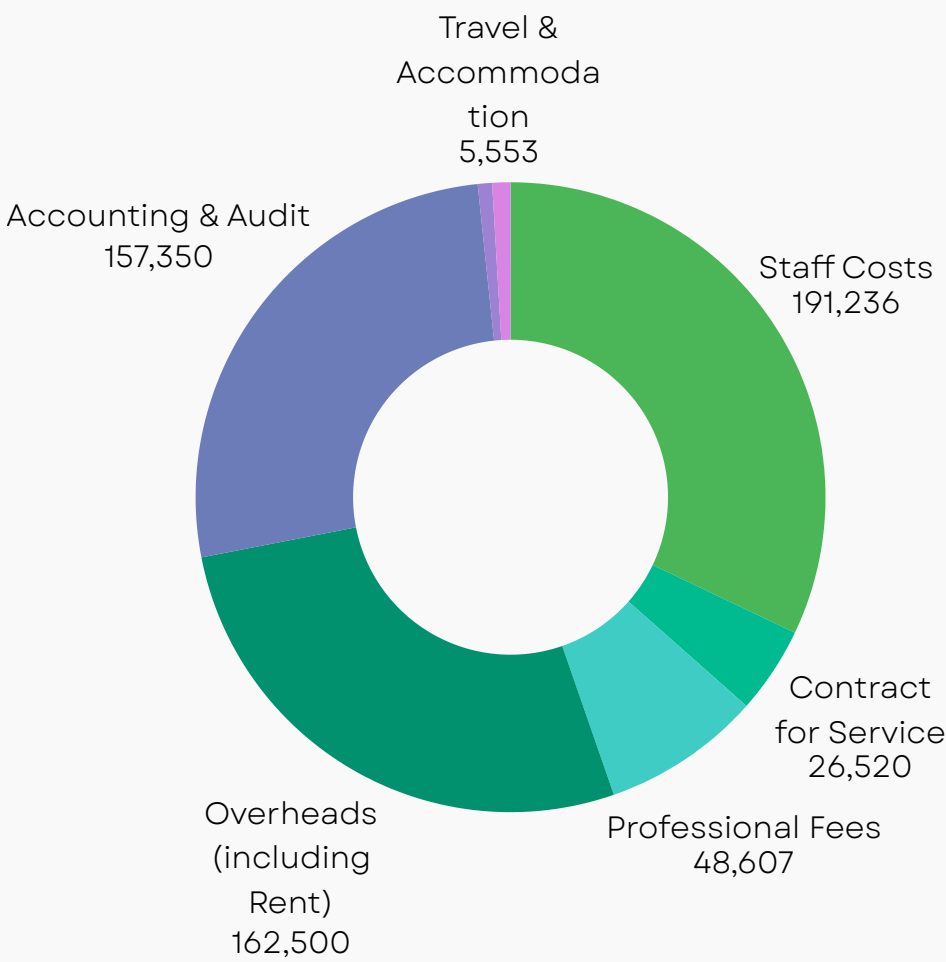
Standing Committee

ALLOCATION OF ASSESSMENTS

DISTRIBUTION OF ASSESSMENTS ACROSS ALLOCATIONS



BREAKDOWN OF ALLOCATION TO OPERATION OF THE DIOCESE

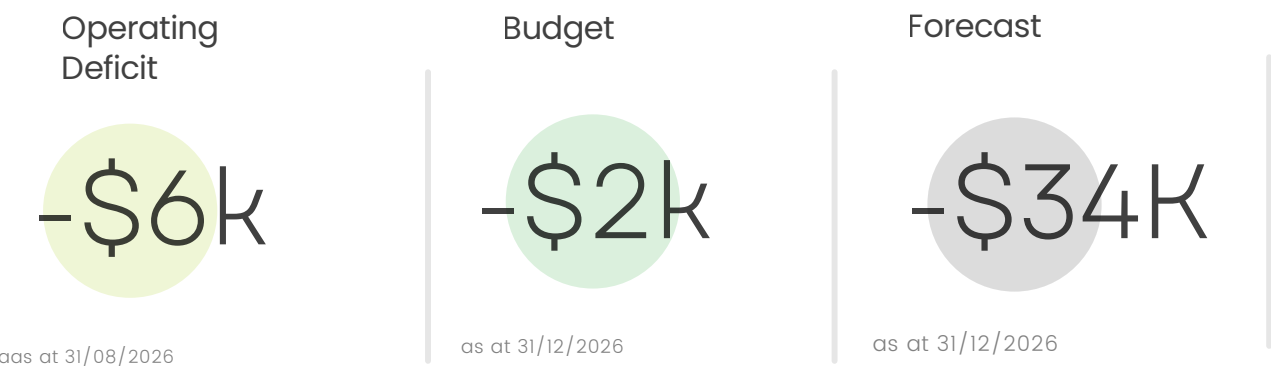


2026 Results

Standing Committee

SUMMARY

- 31 August: \$6k deficit, compared to a budgeted \$2k deficit.
- Income: \$58k above budget, offset by expenditure \$62k above budget.
- 2026 forecast: \$34k deficit at 31 December.



2026 RESULTS

ITEM	2026 ACTUAL (YTD)	2026 BUDGET (YTD)	VARIANCE	2026 BUDGET (FULL YEAR)	2026 FORECAST
Revenue	542,000	484,000	58,000	729,000	814,000
Allocation to Social & Community Services	-52,000	-52,000	-	-78,000	-78,000
Allocation to Support to Parishes	-	-10,000	10,000	-15,000	-
Allocation to Wider Church	-25,000	-25,000	-	-37,000	-37,000
Allocation to the Operation of the Diocese	-472,000	-400,000	-72,000	-598,000	-733,000
Total Allocations	-548,000	-486,000	-62,000	-728,000	-848,000
Operating Surplus / (Deficit)	-6,000	-2,000	-4,000	1,000	-34,000

2027 Budget

Standing Committee

SUMMARY

- Assumptions made for the budget
- Budget has been striped down to essentials

REVENUE

- Rental for Church House, Hillcrest House and office rental at Charlotte Brown House \$117,000.
- TPCCG service contract will renew February 2027.
- Other Income includes the Waikato Diocesan Trust Board investment distribution \$18,000.

EXPENSES

- A modest 4.1% inflation increase for most costs.
- Allocations to Social and Community Services and Staff Costs have increased by 3% (2025 1.7%).
- TML accounting fees: Budgeted with a 2% CPI increase; fees are currently under review as part of the new MSAs and will be finalised and agreed.

2027 Budget

Standing Committee

SUMMARY

- Budget surplus \$11,000.

Operating
Surplus

\$11k

as at 31/12/2027

Revenue

\$820k

as at 31/12/2027

Expenses

\$809K

as at 31/12/2027

REVENUE

- Gross budgeted income \$820,000, this compares to 2025 \$822,000 and 2026 forecast of \$814,000.
- Assessment Income \$627,000 represents 15% of the total annual income of all parishes averaged for the past three years.
- Rental for Church House, Hillcrest House and office rental at Charlotte Brown House \$117,000.
- Other Income includes the Waikato Diocesan Trust Board investment distribution \$18,000.

EXPENSES

- Total budgeted expenses \$809,000 (2025: \$715,000, forecast 2026: \$848,000)
- A modest 4.1% inflation increase for most costs.
- Allocations to Social and Community Services and Staff Costs have increased by 3% (2025 1.7%).
- Trust Management fee has been budgeted at a CPI increase of 2%.

2027 Assessments

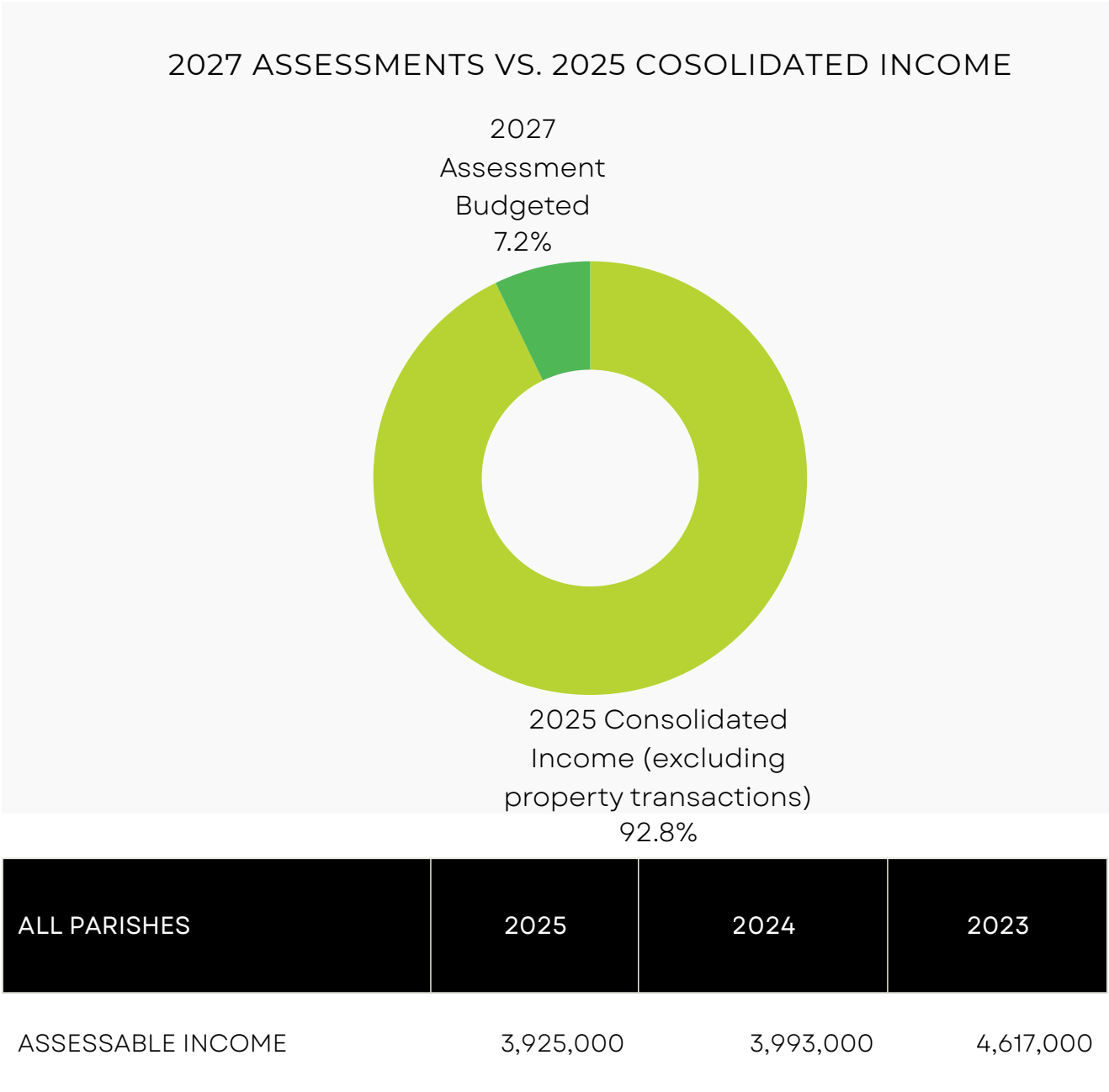
Standing Committee

HIGHLIGHTS

- The budgeted 2027 assessment represents 7.2% of the total 2025 consolidated income of the Diocese of Waikato and Taranaki (2024: 8%).

METHODOLOGY

- The assessment is based on the assessable income received by that Parish in the preceding financial year expressed as a percentage of the total income of all the Parishes in the Diocese.
- Assessable income include all money received by a Parish or money the payment of which benefits that Parish either directly or indirectly, and shall include bequests to be used for general Parish operations and the net income from trading ventures.
- Exemptions.
- Cooperating parishes under Anglican partner – assessment restricted to 8.25% of gross income.



05

Parish Accounting

Summary

Parish Accounting

KEY ACHIEVEMENTS

- Xero transition completed across all parishes
- Standardised chart of accounts implemented, with additional branches and departments introduced where greater reporting detail is required
- Standardised reporting pack implemented across parishes
- Accounting backlog cleared, with accounts brought up to date

WHAT HAPPENS NEXT?

- Xero access: Provide view access to parishes to improve visibility of financial information
- Training & support: Provide guidance and training to help parishes make the most of Xero and understand their financial information

WHO TO CONTACT

- Parish accounting matters: Ngaire Potter & April Guo – first point of contact; supported by Sawanya Khuprasertsin & Lucy Lu
- Accounts payable enquiries & support: Ruth Almeida
- Investment-related matters – WDTB: Iana Iunkerova
- Diocesan accounting matters: Sawanya Khuprasertsin
- General finance & management: Grace Sun

06

Investment Review

Summary

Investment Review

PERIOD TO JUNE 2026

The 12 months to June 2026 delivered positive returns across the major asset classes, despite periods of volatility. Global equities were the standout performer, supported by strong corporate earnings, resilient economic growth and continued investment in artificial intelligence (AI). New Zealand equities also finished higher, while bond markets generated positive returns as inflation pressures moderated and interest rate expectations became more supportive.

A key theme throughout the year was the changing outlook for inflation and interest rates. Expectations at the start of the period that lower inflation would support economic recovery were challenged in early 2026 when geopolitical tensions in the Middle East drove energy prices higher and created volatility across listed markets. Conditions improved in the June quarter as tensions eased, oil prices retraced much of their earlier increase and investor confidence returned.

Direct commercial property continued to provide resilient, income-driven returns throughout the year. High occupancy levels, strong tenant demand and exposure to quality industrial and large-format retail assets supported portfolio performance, while improving transaction activity contributed to a more constructive outlook for the sector. Importantly, stable income from property and fixed interest investments continued to provide cash flow for investors.

We remain focused on delivering diversified, responsible investment solutions that support our clients' long-term objectives. During the year we continued to enhance our investment offering, including the appointment of Nuveen to manage our global bond allocation and Devon Funds Management as manager of Australasian equities, while maintaining our commitment to integrating environmental, social and governance considerations across our investment portfolios.

Matt
Matthew Goldsack
GM – Investments

Halie
Halie Hartigan
Investment Manager



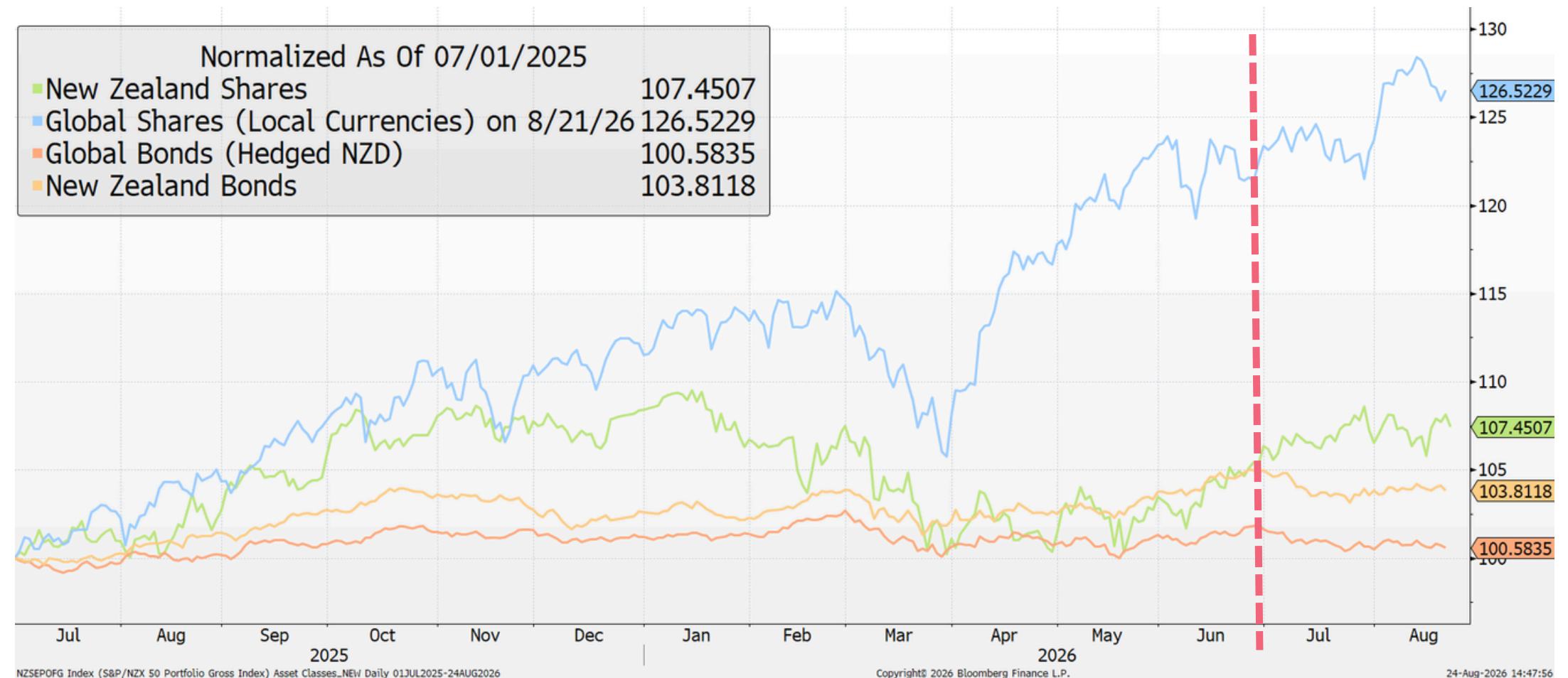
Financial Market Performance

Investment Review

SHARES

- Global share markets continued their strong upward trend, despite some volatility in March driven by geopolitical events.
- NZ shares underperformed global markets over the year to June 2026, given the lesser exposure to technology stocks and the AI thematic, and lower earnings growth. Geopolitical events further weighted on New Zealand's economic recovery with renewed inflation concerns.

Asset class returns – 12 months to June 2026



Source: Bloomberg.

BONDS

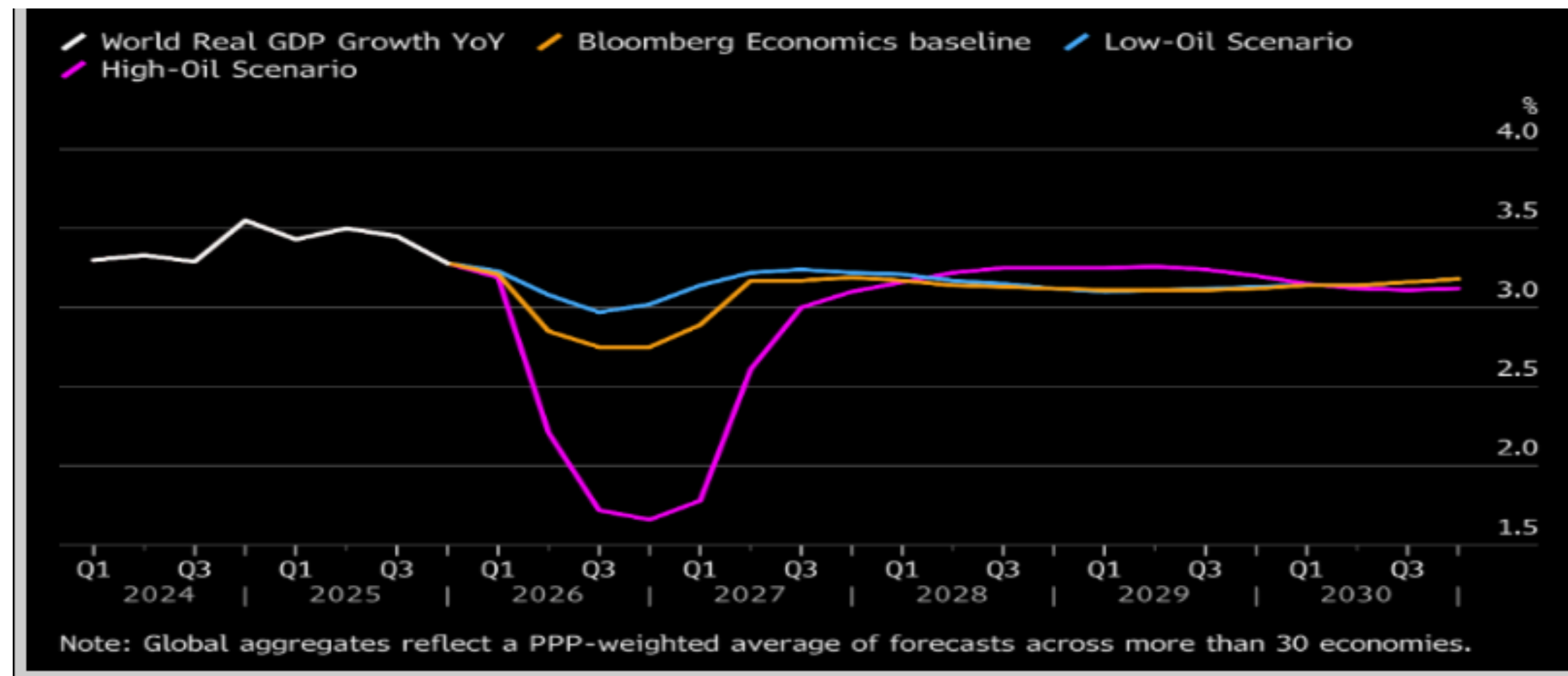
- Global bonds delivered modest positive returns over the year, supported by easing inflation and lower interest rate expectations, despite a period of volatility linked to geopolitical tensions and higher oil prices in early 2026
- New Zealand bonds outperformed global bonds over the period, benefiting from the RBNZ's rate-cutting cycle in 2025 and a subsequent decline in long-term bond yields as inflation pressures moderated.
- Bond yields have been volatile in July and August 2026 as higher oil prices, renewed inflation concerns, resilient economic growth and expectations of further central bank tightening have led investors to reprice the outlook for interest rates.

Global growth expected to remain below trend

Investment Review

- Global growth is expected to remain below trend over the next 12–24 months, although the most likely outcome remains a slowdown rather than a recession. Inflation has eased from recent highs, but geopolitical tensions, trade disruptions and energy markets continue to pose risks to growth and investor confidence.
- Economic conditions remain uneven, reinforcing the importance of diversification, quality assets and a disciplined long-term investment approach.

Global Economic Growth Forecast

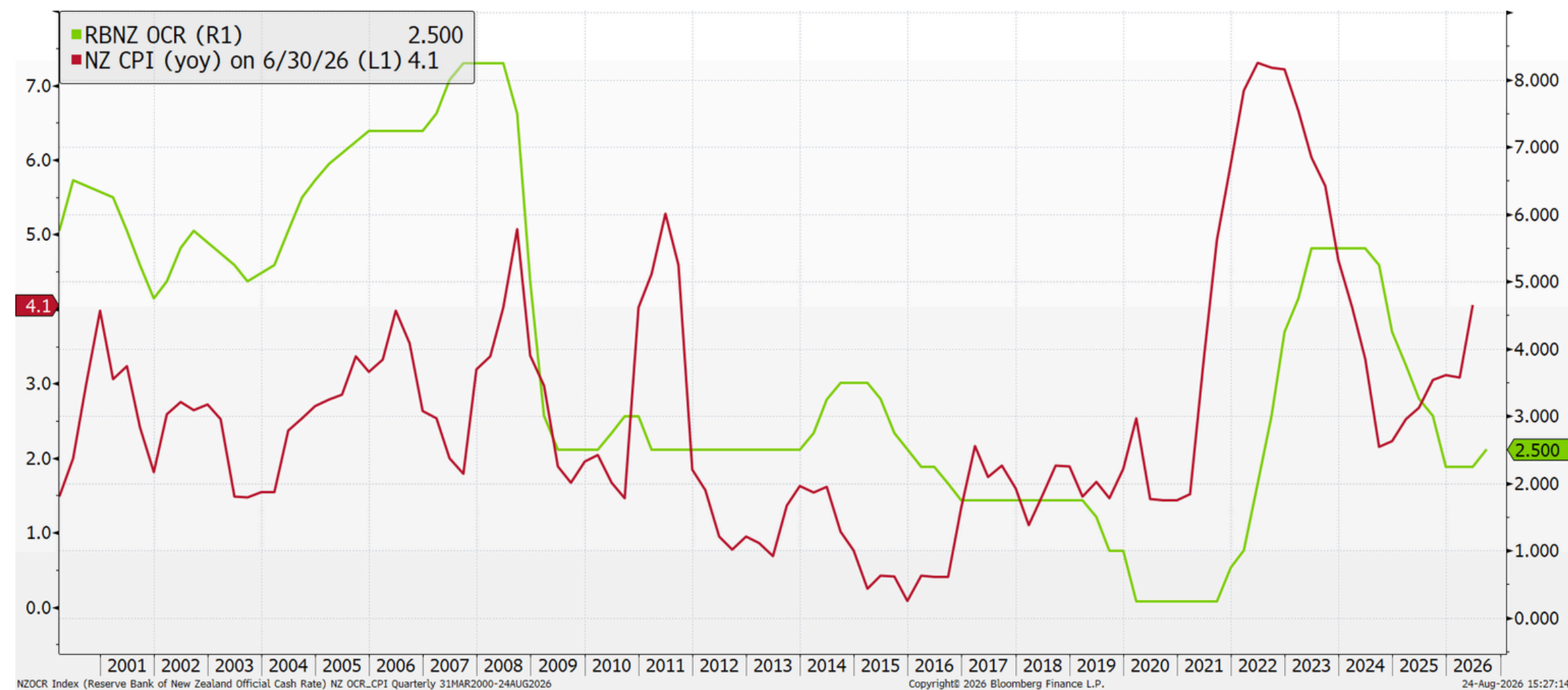


Source: Bloomberg.

Interest Rate Cycle

Investment Review

- Reducing inflation pressures paved the way for the RBNZ to cut the OCR to a low point of 2.25% in November 2025. Renewed inflation pressures prompted the Reserve Bank of New Zealand to declare the bottom of the cycle and hike the OCR by 25bp in July 2026.
- The market expects another two hikes in late 2026.



Source: Bloomberg.

Your Portfolio Summary

Investment Review

INCOME FORECAST

- Income returns year-to-date have been consistent with forecast expectations.
- Looking forward, we expect income returns for the Balanced Fund to be above 3.5% per annum.

RANGE OF RETURNS

- 1 year performance of 8.5% to June 2026, has underperformed the composite benchmark return of 9.4%. The underperformance was due to the Australasian share allocation (c.15%) of the fund. While this is disappointing, short term underperformance is not unexpected for a diversified multi asset class portfolio.

FORWARD-LOOKING EXPECTATIONS

- Revised capital assumptions, giving an expected Balanced Fund return of 7.2% pa over a 5-7 year timeframe
- Forecasting both enhanced yield (3.5%) and capital returns (3.7%)

Balanced Fund Fact Sheet

Investment Review

Objective

To generate a return that exceeds the composite return of the benchmarks of the underlying Trust Management PIE Funds into which the Fund invests (for all funds except the Property Fund) and (in the case of the Property Fund) the return of the Bloomberg NZBond Bank Bill Index + 2.5%, weighted in proportion to the strategic asset allocation of the Fund, before taking into account fees and expenses

Fund Value NZD \$92,221,150	Average Annual Return 7.2% Since inception June 2006 Before fees and expenses
Annual Fund Charges 0.76%	Minimum Suggested Timeframe 4 years

ESG and Stewardship highlights

Investment Review

Over the year we continued to strengthen ESG integration and stewardship across our portfolios through

- Enhanced ESG investment offering, including the transition of the ESG International Bond Fund to the actively managed Nuveen Global Sustainable Bond Fund, increasing exposure to impact-focused investments.
- Toitū Net Carbon Zero certification retained for the Property Fund and continued implementation of ESG initiatives across directly managed property assets.
- Industry leadership and collaboration, including participation in the Aotearoa New Zealand Stewardship Code Working Group, RIAA initiatives, FMA consultation and modern slavery advocacy.
- Engaged with Amova Asset Management over a two-year period to support dialogue on strengthening cultural capability. These discussions formed part of Trust Investments' broader efforts to promote industry dialogue on aligning investment practice with Te Ao Māori and the principles of Te Tiriti o Waitangi.
- 100% of investment managers reviewed on ESG performance, supported by quarterly and semi-annual stewardship monitoring.



Finalist

Mindful Money Award for
Best Ethical Fund Provider 2026



Proxy Votes

7,400+

Number of votes cast across the
equity funds for the 12 months to
December 2025



Finalist

Mindful Money Award for Best New
Ethical or Impact Fund 2026



Responsible
Investment Leader

Responsible Investment Association
Australasia ('RIAA') – Responsible
Investment Leader 2026

Outlook

Investment Review

- Global growth is expected to remain below trend over the next 12–24 months. While volatility is likely to remain elevated and geopolitical risks persist, our central expectation remains a slowdown rather than a global recession.
- The New Zealand economy appears to be on a firmer footing than many anticipated six months ago. Growth remains uneven, but improving business activity indicators suggest the recovery is gradually rebuilding momentum.
- Corporate earnings have remained remarkably resilient, supported by ongoing investment in AI, digital infrastructure and technology. This continues to underpin our constructive long-term view on global equities.
- Fixed interest yields remain attractive by historical standards and provide a compelling source of income. Bonds are also increasingly re-establishing their defensive role within diversified portfolios.
- We remain constructive on New Zealand commercial property, particularly quality industrial and large-format retail assets, supported by resilient tenant demand, steady income and improving market sentiment.
- In this environment, we continue to favour diversified portfolios anchored in quality assets, sustainable income streams and disciplined long-term investment governance rather than attempting to predict short-term market movements.

Summary

Investment Review

As a charity ourselves, we're deeply committed to helping others deliver on their purpose.

- ✓ We are a **purpose-led** organisation
- ✓ We have a **strong alignment** with our clients
- ✓ We are a **stable organisation** with a 20-year history
- ✓ We are a small team with **strong capabilities**
- ✓ Our **fees are low**, so our clients can deliver more good
- ✓ We **invest responsibly** and **ethically**
- ✓ We have delivered **strong risk adjusted investment outcomes** to our investors over the long term

07

About Us

OUR STORY

For over 20 years, we've built genuine relationships with 180+ for-purpose organisations, helping them to do the most good by providing specialised services in property strategy, property management and financial accounting.

As a registered charity ourselves, we will closely align with you, understanding that strong commercial foundations help charities achieve their purpose and build stronger communities.

As a charity ourselves, we're committed to helping others deliver on their purpose.

Our Finance team



Sawanya Khuprasertsin



Iana Iunkerova



April Guo



Ngaire Potter



Ruth Almeida



Priya Singh



Sally Yang



Sharon Xu



Lucy Lu



Grace Sun



Matthew Goldsack

General Manager - Investments

027 591 4643

mgoldsack@trustmanagement.co.nz

Grace Sun

Head of Finance

021 925 282

gsun@trustmanagement.co.nz

Halie Hartigan

Investment Manager

021 648 797

hhartigan@trustmanagement.co.nz

Level 1, 105 Carlton Gore Road, Newmarket, Auckland

PO Box 37448, Auckland 1151

09 550 4040

www.trustmanagement.co.nz