The report from the Motion 11 Small Working Group as commissioned by the Anglican General Synod (AGS) 2018. Submitted and presented to AGS May 2020.

He waka eke noa – *A waka we are all in together*

Fruitful Stewardship through Mission Aligned Investment

The essence of this report was distilled into its first draft on the day and at the location from which this photo was taken, looking across the Bay of Islands towards Purerua Peninsular and Oihi where the gospel was first preached by Marsden in 1814 with the invitation and translation of Ngāpuhi leader Ruatara.

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Kia whakakorōriatia ki Te Atua i runga rawa
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Ki ngā mema o Te Hīnota Whānui o Te Hāhi Mihinare ki Aotearoa, ki Niu Tīreni, ki ngā Moutere o te Moana Nui a Kiwa, Tēnā koutou.
Ki ngā tikanga e toru, Tēnā koutou.
Ngā mihi mahana ki a koutou.
Ko tēnei he purongo ki Te Hīnota Whānui, mō te kaiwhakahaeretanga me ngā kaitiakitanga o ngā putea moni o Te Hāhi Mihinare whanui

In the first place, Glory to God in the highest
and peace to God's people on earth
To the members of the General Synod of the Anglican church in Aotearoa New Zealand and Polynesia, greetings
To the three Tikanga, warm greetings
This is a report to the General Synod concerning the stewardship and guardianship of money collected (held in trust) throughout the wider church

1. Mihi, Introduction and Context

INTRODUCTION

Where are we, and where are we headed?

Motion 11 is a call to those who own, manage and steward assets (trustees and those with fiduciary duties) within the Anglican Church to consider ways they can move toward more fruitful stewardship by way of a broader consideration of what those assets may 'return'. This draws on the now common understanding of investing for impact in addition to a financial return. It begins with this brief introduction, outlining the processes of the Small Working Group (SWG) and some key points to keep in mind when you read this document.

What follows is a theological rationale for mission aligned investment and fruitful stewardship. We then consider historical examples of resource sharing of "trust wealth" from the story of the Anglican church in Aotearoa New Zealand. This will place the current Motion in historical context and provide a further rationale for mission aligned investment.

Subsequently, we define the terms "Responsible Investment (RI)," "Socially Responsible Investment (SRI)," "Impact Investment (II)," "ethical investment (EI)," and "Mission Aligned Investment (MAI)," and the differences even nuances between them. The following section very briefly refers to trustee duties and obligations. Next, we provide a high-level overview of current legislative context and changes with regards to charitable trusts and investments.

We then seek to pull the themes together and explain what it means, especially for Trustees and fiduciaries. Section nine lists the current assets of the Three Tikanga of the Anglican church, and their approximate value, to the degree that this is known. This is offered to help focus on the scale of opportunity, at the same time this may cause other discussions to occur which we have not sought to pursue.

Finally, section ten closes with some concluding comments.

The first of two appendices provides an illustration of how mission aligned investment is working, as seen in the investment strategies of "Australian Christian Super." The second is a summary of the Church of England commissioner's developing position on Mission Aligned Investment.

The approach of the Small Working Group (SWG)

The approach of the SWG has been to take Motion 11 into a series of meetings, video calls and two broader Hui as well as seeking input from trusted experts. Since December 2018, the Motion has been defined and developed by the four members of the SWG, supported by a secretary and then with the involvement of others who have shown interest and wanted to be engaged it has been refined. Like any volunteer group this has ebbed and flowed, although the core SWG has been as fully engaged as possible. Drafting the Motion was a cooperative effort between several parties for which the SWG is grateful. [1]

As the conversations within the SWG developed it also became clear to the members that the Motion was not limited to financial assets but invited consideration of all assets held by the three Tikanga. As consideration evolved this also led to a reflection of today's context in the light of the history of the church from early times, both in Aotearoa and from the time of Acts.

Finally, the SWG has been blessed with the involvement of Archbishop Sir David Moxon, whose experience in Rome has been invaluable. He has been an enthusiastic participant bringing much to the discussion and contributing some of the written narrative. David shared how the Pope has led conversations on "business, work and the circular economy." The Economist recently called this growing ecumenical dialogue, "Popenomics."

[1] Had budgeted resources been pre-allocated to this resolution when it was passed a different approach could have been possible. Similarly, if there had been an executive champion within the Church, additional conversations and guidance could have provided greater clarity. Henceforth, consideration should be given to how any Motion by Synod will be resourced and guided when the Motion is passed. This is normal practice in other organisations.

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Points to consider when reading Motion 11 and this report

- First, this is the final SWG report which stands on its own. No one has any desire for a second or third round of work and report writing. It is left to readers to reflect on what this may mean to them in their specific circumstances acknowledging we are all beneficiaries of what has been passed to us and carry the responsibility to 'leave well' for the next generations.
- Second, the SWG has focused on the principles associated with Impact Investing (II), which are defined below; we have not tried to issue instructions on what a trustee or asset manager must do. We lacked the time and resources to even consider such an approach. Accordingly, readers are invited to consider their own responsibilities in the light of their roles and of the examples cited, the increasing global II momentum being demanded and demonstrated, and the urgency called for within the our Five Marks of Mission. Within that call, trustees and fiduciaries are invited to consider this report, discuss and seek any advice they may need, consider what changes in attitude and action this may prompt and then start to speak publicly so that the church becomes known for this active, Kingdom aligned approach to asset ownership. The following quotes from Archbishop Justin Welby, made in August 2019, are pertinent here:

"Money is not morally neutral – it can do harm and it can do good." Video message to the Global Ethical Finance Initiative 2019 The Ecologist Journal 29th August 2019

"Passive investment may be the right investment solution for many, but passive stewardship is the answer for no one."

The Guardian 27th Aug 2019

- Our interpretation of Motion 11 includes both the financial assets of the Three Tikanga and the non-financial assets, which is mainly land and buildings. An attempt has been made to quantify the gross asset base of the church by asset type. Collating this information has been somewhat difficult. The level of willingness to share has been less than encouraging at times. This report attempts to share this aggregate and partially disaggregated information. The SWG is aware that the assets listed are not all inclusive. Nor do they assume that the information from varying sources is on a like for like basis or collated at the same time. In arriving at conclusions this is less than helpful but not fatal.
- Whilst comprehensive information on "returns" is not available, it is clear that most financial assets are managed for risk adjusted financial returns relative to the structure in which they are held (although there is an element of parish fund management using bank deposits as the sole investment choice). There is generally no financial or economic return on the property assets where utilisation is usually low or even fallow. Some properties have higher utilisation based on broader usage during the week, others are not even a regular Sunday usage. Alternate use can be frustrated by history and the holding onto tradition, and the status quo is often a preferred and easier type of asset management. As there is no identified way to look at the "impact" from holding property assets, stories become one of the few ways to celebrate any Mission alignment and Gospel impact. Some of these have been woven into this report to provide examples, help prompt lateral thoughts and hopefully inspire. In all cases these are locally driven as there is no overarching management of assets; this is constrained by such aspects as structures, resources and relevant skills.

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- The SWG has concluded that information transparency is vital if the Church is to be informed about the size and split of the "inheritances" managed today. It is our view that transparency is an essential part of accountability and exposing the data to the light of day will catalyse broader conversation of possibilities for trustees and fiduciaries. As such we are the beneficiaries of the past and carry that responsibility now and into the future. A total picture has been sought to help focus the mind on just what is being spoken about. The SWG recognises this may lead to significant debate, anger, concern, guilt and worry about who has what. The SWG is not seeking to inflame these responses. Rather, it hopes that by shining a light on the situation it may promote greater historical awareness, recognition of where assets are held today, and invite healing conversations that help start a new chapter of working together on the Five Marks of Mission by sharing the assets for Kingdom purposes.

We are not alone

Globally, interest in impact investing (or whatever moniker one wishes to use) is reflected in many initiatives, actions and ideas. Some will fail. Some are self-serving. The majority, however, are gaining real momentum. Some of these inform this report and the testimony of others that are included.

Examples of a move toward Impact Investment around the world include:

- The American Business Roundtable: 181 CEOs rewrote their pledge that debunked the idea of maximising shareholder value as their main goal.
- Larry Fink, the CEO of the world's largest fund manager, Blackrock which manages US$ 6.8 trillion, wrote in January 2019,

  "Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society."

- This is directly connected to an implied or actual "social licence to operate" being under threat from key stakeholders, cause advocates, employee demands and nonaligned behaviours.
- At a week-long seminar in Assisi in September 2019, both the future of capitalism and the faith were being discussed, criticised and reconsidered. The Pope's encyclical on climate (Laudato Si) calls business a "noble vocation" with several virtues such as job creation and creative solution generation. However, business risks being offset by unbridled economic expansion that is draining the world of resources. The call is that "the rich may have to forsake some natural resources so that the poorer world can develop. It sounds radical. It is also common sense." At the same time there is a call for a more balanced life, "one of self-restraint" as we all seek to live on one planet. This is further developed by Kate Raworth in her book 'Doughnut Economics' which challenges decades of neo-liberal thinking by inviting us into 'seven ways to think like a 21st century economist'. A worthy read for those who take a holistic view of the earth and humanity.
- Socially Responsible Investing (SRI) is now mainstream and being supplemented by Sustainability and Integrated Reporting obligations; Environmental, Social and Governance (ESG) reporting; and alignment to the UN Sustainability Development Goals. Many central banks of the world are at the forefront of the systemic risks of climate change which is embodied in the work of the Task Force on Climate-related Financial Disclosure (TCFD). In addition, there are demographic shifts in employees demanding the employer be aligned to "a purpose" that is worthy. In the USA approximately US$12T/25% of all assets invested take SRI into consideration. In NZ ESG obligations are now being reported by NZ$188B/72% of all assets under management. In both cases these numbers exclude the property and land assets owned by those investors.
- Finally at a micro level the church in Ethiopia is leading the native reforestation of the rural landscapes, for conservation and restoration. This example is offered as an inspiration that all can, with intention, reassess the definition and purpose of how we use the assets we have.

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- In New Zealand Impact Investment examples are now emerging and underway such as Purpose Capital and the Impact Investment fund enabled by AKINA and supported by the St John's College Trust Board amongst other investors. More recently the Salvation Army Community Bond issued by Community Finance. Over $1 billion has already been invested in the New Zealand II market although this figure would be significantly less if based on the definition of Impact used within this report. (See pages 16 and 17).

Motion 11 is congruent and in line with what is occurring in NZ and the world regarding the management of financial assets and the desire to look beyond the financial returns. The SWG interpretation has expanded this to consider how all the assets are being used for impact. During our working sessions we came to realise that 'the horse has bolted' in many places and we are playing catchup. Our aspiration would be to move beyond catch up to responsible leadership.

The Church Historically and Today

This Motion is not new or radical. It is, in fact, a rediscovery of the past when the church was the leading impact investor and provider of resources for missional outcomes, however imperfect. This Motion provides an opportunity to rediscover and recover the prophetic aspects of asset usage for the Mission of the Church and lead by example. For example:

In the fourth century AD, Bishop Basil of Cappadocia established "the first formal soup kitchen, hospital, homeless shelter, hospice, poorhouse, orphanage, reform center for thieves, women's center for those leaving prostitution and many other ministries. All the while, Basil was personally involved and invested in the projects and process. He gave all of his personal wealth to fund the ministry to the poor and downtrodden of society. All of these ministries were given freely to all who sought help regardless of their religious affiliation." [2]

[2] https://holyspiritlavington.org.au/saint-of-the-week/

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- During the medieval period, the church was entrepreneurial, being the lead “investor” and propagator of such institutions as hospitals, universities, schools, libraries, museums, missionary societies etc. The role of monastic communities and their resources, whilst never perfect, involved many missional aspects of the church living its faith outside of the walls of the institution.

In talking of the past exemplar as an impactful user of resources the SWG reflected on the emerging impact of neo-liberal thinking which underpins the narrow focus of financial return. This may have been reinforced by constraining trust deeds and trustee skills.

The SWG also reflected on the historically recorded wealth of the New Zealand church and its origins. For example, the current wealth of Tikanga Pākehā reflects the generosity of the Māori who welcomed the Europeans to Aotearoa, and in a number of cases, gifted land to the church. It is not the role of the SWG to re-open historical grievances through this information. It is our hope that by disclosing information and thinking, conversations may be had that facilitate ways the Three Tikanga might work together toward a combined approach that places the priority on mission. Particular historical issues may be addressed through actions of confession, repentance and forgiveness.

We recall Paul’s words to Timothy:

“For the love of money is a root of all kinds of evil, and in their eagerness to be rich some have wandered away from the faith and pierced themselves with many pains.”

(1 Tim. 6:10)

In light of these reflections, the SWG offers some eclectic and incomplete thoughts on current possibilities for the church to consider. The examples on the appendices from Christian Super in Australia and the Church of England Commissioners provides a fulsome manifest of what is worth considering:

- Economic, social and affordable housing and intentional community development on surplus or underutilised land;
- Regenerative agriculture investment (flora, fauna, and biodiversity enhancement and management) and land usage (especially in rural areas);
- Climate change related investments;
- Renewable energy generation including solar PV generation on church roofs;
- Partnering between Tikanga Māori and Tikanga Pasifika and Tikanga Pākehā initiated at the grassroots level on win-win ideas with focus on “impact” over “ownership;”
- Could the sale of unused property be applied to Impact Investment?
- Could unproductive church property be used to leverage opportunities?
- Use of funds to invest and empower lay people, business and social enterprises of the Church
- What else?

1. Mihi, Introduction and Context

If we embrace this report for all assets of the Church, we will have a comprehensive starting point for a reinvigoration of our Kingdom purpose from the aspect of our embedded wealth. So often we demand such actions by inadequately backing our people with the resources needed; we do not advocate profligacy, rather good stewardship for impact knowing some will fail. We should gratefully acknowledge our inheritance as today's platform for tomorrow's growth and thus our legacy for the future. This is our call to action. This is an opportunity to recover the prophetic actions that the church was known for and be courageous with what we have. This is the fire of Kaitiakitanga. May it be rekindled and inspire us today to move beyond dreams and to join with the actions that some have already embraced. Some of their inspiring stories are to be found in this report.

Fiduciary interpretations and responsibilities appear to have become the dominant thematic for financial trustees. At the same time there is a general lethargy to challenge the status quo on property until attendance numbers drive the "fallow" then "surplus" conversation and sale decision and even then decisions can be hard and emotional.
The SWG believes that much more can be done with the legacies of today to further the mission of the church while also being good fiduciaries, honouring those inheritances, and providing a revitalised legacy for the future. We can incorporate the energy, creativity and potential of many who may see this as an opportunity to engage and re-engage their faith in the world and to respond to Jesus' call to 'follow me.' Jesus said:

Do not store up for yourselves treasures on earth, where moth and rust consume and where thieves break in and steal; but store up for yourselves treasures in heaven, where neither moth nor rust consumes and where thieves do not break in and steal. For where your treasure is, there your heart will be also.

(Matthew 6:19-21)

2. Executive Summary

This report is intended to enable, embolden, support and encourage those people within our community who sit at decision making tables acting as stewards of the collective resources of the Anglican Church in Aotearoa.

To a large degree this group of people are trustees on a broad range of trust boards. The vision, intent and Small Working Group interpretation of Motion 11 and this report is broader and reaches out far more widely. The core purpose of the report is to stimulate new conversations, engagements and actions in terms of mission aligned investment and initiatives with the assets of the church. This is a call, to all people, to reflect on just how we invest and manage all assets, and talents. It is an open invitation to move from a black and white (picture and view), to a richly coloured one, just like the Kingdom of God.

It is important to note when reading this report that some of the information held within it may highlight significant issues that are outside of the remit of this Small Working Group and Motion 11. For example, the distribution and control of assets amongst and between ngā Amorangi, Dioceses, and our three Tikanga partners is portrayed in good faith. It would be a very significant missed opportunity if readers dismiss or devalue the core purpose of this report because the numbers, as presented, tell a stark story that may need to be discussed elsewhere.

This report does not explore the details of unprecedented and unmet needs within our respective communities and our natural environments. Nor does this report discuss the decline in relevance and participation major denominations of the Christian churches, including the Anglican Church, are experiencing. It is safe to say these trends are well known, and as our City Missions and Christian social services continue to report, from a base of intense demand, circumstances are currently getting worse, not better.

Many of the expected social and environmental benefits and myths of neoliberal economics and the trickle down of wealth have failed to materialise. Thirty years of chronic underinvestment in environmental and social infrastructure is now evidenced in greater inequality than has ever been seen before on these shores. Many of the assets identified have been in the church for decades, even centuries. Their presence challenges us to glorify God in how we think about them and use them. The “rainy day” savings that some of these represent is here now. The declining use of properties and land challenges all in times of need. Now is the time to not just talk about the inheritances we have but use them wisely now, for current and for future generations.

He waka eke noa – A waka we are all in together, is the title of this report because no one person or entity has the resources or talents to turn the tide alone. We must all work together. For example, the credibility and impact of the demands made in our collective Church leader’s annual meetings with the Prime Minister have for years been undermined by our own lack of courage and action given the collective billions in assets we hold within the church.

There are some shining lights of hope and examples of faith in action mentioned in this report. Cited to inspire they are relatively few given the magnitude of our resources and talents. We encourage those with an interest to engage in conversation with the likes of the Wellington Diocese, to explore what help can be offered and how the momentum of mission aligned investment can be built and extended more broadly.

It has been a privilege to be invited into the challenge of Motion 11. This report is unlikely to be what readers might expect. Our vision is for some, even many, to reflect and reconsider our stewardship of the gifts of the past as we, here today, reflect on our legacies for the next generation.

3. Theological underpinning for Mission Aligned Investment and fruitful stewardship/kaitiakitanga hua

The following theological rationale for Mission Aligned Investment and Fruitful Stewardship/kaitiakitanga hua draws on Jesus' parable of the talents, God's mission expressed in the church's Five Marks, the story of God's world and the story of God's people in Aotearoa and the Pacific. This was written by Rev. Lyndon Drake and reviewed by several suitable and enthusiastic people.

Kaitiakitanga hua/Fruitful stewardship—a theology of mission-aligned investment

In the Parable of the Talents (Matt 25:14–30; Luke 19:12–27), Jesus urges his followers to be fruitful stewards, not merely faithful stewards. The church's ethical tradition on economic issues originates in biblical texts such as this parable, and many others which urge economic justice. Mission aligned investment and fruitful stewardship provide a way for the church to fulfil its calling.

Moreover, as Anglicans, our participation in God's mission is expressed in Five Marks: proclamation, discipleship, responding to human need, transforming unjust structures, and creation care. These Five Marks inform God's people as we make economic choices in God's world and call us toward mission aligned investment and fruitful stewardship.

The story of God's world

The goodness of the world. The church looks for ways in which the world reflects the goodness and order of the God who made it, and the growth of human flourishing. We are not defined by what we reject. Our investment activity will primarily support good.

The intrusion of evil. Some investment opportunities will be so marked by evil or its consequences that we will not invest. Many other investments are ethically mixed. Paraphrasing Solzhenitsyn, "the line dividing good and evil cuts through every investment."

The redemption of the world. God continues to be active in restoring the world towards the day when his worship is seen in all human activity. The church's defining mark of ethical commitment is that we support the signs of God's restoring work in the world.

The story of God's people in Aotearoa and the Pacific

Participation in the world. The church participates in God's activity by participating in human

activity, identifying and encouraging signs of God's restoring power, and opposing evil and disorder. In doing so, the church in this age of exile recognises the enduring force of God's command to the Babylonian exiles in Jeremiah 29 to "build," "produce," and "multiply," even though this involves complicity in secular social order.

Kaitiakitanga/stewardship.

Ultimate ownership of all things is God's, notably whenua/land (Lev 25:23, "the land is mine") and finances (Hag 2:8, "the silver and the gold are mine"). People are only stewards. Stewardship acts as a thematic link across diverse biblical texts, and it is a productive concept in modern theological ethics on economic issues. The church has been entrusted with control of economic assets to support the whole mission of God, and so we must actively invest towards spiritual fruitfulness (the first two marks of mission) as well as material fruitfulness (the last three marks).

Tikanga partnership — whenua and moana.

In Aotearoa, we recognise the desperate need for housing, particularly for Māori and Pasifika. We also recognize the disproportionate effects of climate change on the Pacific Islands. The church collectively is a significant landowner, and must, therefore, feel the urgency of the divine criticisms found in scripture for those who own land and do not adequately provide housing for the poor (e.g. Isa 5:8). The Old Testament also sees land as the inalienable possession of hapu (e.g. Lev 25:23), and this means that the church must consider its own historic actions in alienating land from Māori (the origin of much of the church's present-day wealth) and take a lead in providing structures for housing that encourage inalienability in modern forms. Finally, the church must hear in a new way the challenge of Acts 6:1-7, where not only the benefit of assets but their control was handed over to a disadvantaged ethnic group within the early church, which led to the flourishing of the gospel

4. Examples of resource sharing with "trust wealth" from the story of the Anglican Church in Aotearoa New Zealand and the Pacific

These examples are selective and indicative, not exhaustive. Much more information can and should be shared.

At the outset of the arrival of the gospel in these islands, from facilitation of Samuel Marsden's mission by the Ngapuhi chief Ruatara at Rangihoua in 1814 onwards, Māori hosts provided welcome, hospitality and shelter for seeding Christian mission on their own land, with their own "trust" resources and from their own capacity. This afforded early missionary families and their mission both sustenance and survival. Land, labour and materials needed for the construction of buildings and provision of food were supplied over a long period of time. There is no part of Aotearoa New Zealand or Polynesia where this wasn't the case in the early nineteenth century. The cradle of mission in our part of the world depended on resource sharing from local wealth, given or shared in trust.

The principles of protection, participation and partnership evident between both partners in the missions, were later enshrined in the Treaty of Waitangi in 1840 and formed the basis of the mutual sovereignty of the New Zealand state.

As the CMS missions developed, the need for permanent institutions on Māori land emerged. Requests were made by tangata whenua throughout the North Island for the provision of schools for their people, as well as sites where both partners could develop agriculture, horticulture and other resources that would offer a win-win exchange. Examples of such sites include:

- Puriri (Thames, 1833)
- Kaitaia (1834)
- Mangapouri (1835)
- Matamata (1835)
- Tauranga (1835)
- Rotorua (1835)
- Maraetai (Waikato Heads, 1839)
- Otaki (1839)
- Turanga (Poverty Bay, 1840)
- Otawhao and Rangiaowhia (Te Awamutu, 1841)
- Wanganui (1840)
- and Taupiri (1843).

Apart from Kaitaia, the thrust was southward, and the Bay of Plenty/East Coast, Waikato, and the Manawatu were all developed as areas of CMS strength as a 'partners in mission' form of trusteeship.

Dr Cathy Ross has also documented the role of four of the CMS missionary women of this period in her book Women with a Mission. Elizabeth Colenso, Kate Hadfield, Anne Wilson and Charlotte Brown are representative of the first two waves of pioneer Pakeha missionary women who provided much of the catechesis and education, supported by CMS trust resources as well as Māori provision. This involved resource sharing with materials, land and labour, with literacy and evangelism. Each party shared equally from its social wealth and resource capacity.

Māori evangelists working within their own tribes, or from tribe to tribe, were noted for their effectiveness, because they brought indigenous credibility and trust, based on their own Māori corporate knowledge and experience. This was an exchange involving intellectual property, cultural knowledge and much support in kind, including goods and services. Archdeacon Kingi Ihaka has named some of these trust bearers: Rota Waitoa in Raukawa, Wiremu Te Tauri at Whanganui, Manihera and Kereopa within Ngati Ruanui, Piripi Taumata a Kura in Ngati Porou, Ngakuku and Tarore in Maaatua, Ihaia Te Ahu in Te Arawa, and Te Wera in Mahia.

Christian mission was initially seeded by the chief Tamihana Te Rauparaha in Te Waipounamu, utilising his chiefly resource base to provide canoes, food and labour. The mission at Otaki, care of Octavius Hadfield, provided Tamihana with some of the resources he needed: He kaupapa tikanga rua.

The CMS/Anglican backed and translated Treaty of Waitangi was itself the product of and the basis for continued partnership, protection and participation in terms of indigenous trust resources and crown and missionary capacity. The treaty was intended to guide and govern shared resource transactions, land purchase and trustee ownership everywhere.

4. Examples of resource sharing with "trust wealth" from the story of the Anglican Church in Aotearoa New Zealand and the Pacific

An English translation by Professor Hugh Kawharu, of the Māori version of the Treaty of Waitangi written by Henry Williams CMS

"The first

The Chiefs of the Confederation and all the Chiefs who have not joined that Confederation give absolutely to the Queen of England for ever the complete government over their land.

The second

The Queen of England agrees to protect the Chiefs, the Sub-tribes and all the people of New Zealand in the unqualified exercise of their chieftainship over their lands, villages and all their treasures. But on the other hand the Chiefs of the Confederation and all the Chiefs will sell land to the Queen at a price agreed to by the person owning it and by the person buying it (the latter being) appointed by the Queen as her purchase agent.

The third

For this agreed arrangement therefore concerning the Government of the Queen, the Queen of England will protect all the ordinary people of New Zealand (i.e. the Māori) and will give them the same rights and duties of citizenship as the people of England."

It should be noted that Sir Hugh, an Anglican, recorded that the "same rights and duties of citizenship" phrase from article three in Māori, can be understood to include "the customary rights of Māori." This means that Māori notions of land ownership and trusteeship need to be honoured by the Treaty, including Māori understandings of trusteeship and sale, which always meant that the land seller or donor gave "Ka tuku, ka hoko," implying an ongoing relationship of good faith relating to the reason for which the land was sold or given. Any variation of the use by the purchaser or receiver necessitates consultation with the Māori donor or seller.

There is a sense in which Pakeha purchase of Māori land from tangata whenua means that this land "is" held "in trust" for the purpose for which is was sold or given. This principle was formally accepted, as outlined in text from Sir Eddie Durie, an Anglican, during the General Synod in 1990, in the "Te Kaupapa Tikanga Rua" report that introduced our new constitution.

The Anglican Church in Aotearoa New Zealand and Polynesia has undergirded its entire constitution in terms of decision making, deployment and resource sharing with the principles that are enshrined in the Treaty. Resource sharing in terms of trust wealth and capacity is informed by these basic principles, by virtue of the church's constitution. It was then and is now a form of sacred covenant with fiduciary and moral implications.
The original bicultural partnership intended by the Treaty has been developed to include a full third partner: Tikanga Pasefika.

During the early period of church development, the establishment of a theological College at Meadowbank Auckland, meant that land was transacted with Ngati Whatua for this purpose. The St John's Trust has become a flagship of much educational resource sharing to this day and drives so much of this church's educational initiatives in this Three Tikanga church. The St John's Trust Advisory board has been shaped by Three Tikanga sharing over many decades.

This trust funds the educational aspect of a bishop's ministry throughout this church, including work in Samoa, Tonga, and Fiji. The trust also supports the Three Tikanga Anglican Schools' board throughout these islands.

Although much of the resource sharing, partnership hopes and ethics of the Treaty were later lost when the political power base shifted as the nineteenth century unfolded, in more recent decades a spirit of partnership in terms of trust resource sharing has returned.

4. Examples of resource sharing with "trust wealth" from the story of the Anglican Church in Aotearoa New Zealand and the Pacific

Examples include:

- The Vaughan Park Retreat Centre, North shore, where two tikanga co-govern the trust.
- The decision to hand over 17% of Trust cash resources from the Waikato and Taranaki Diocesan Trust Board, for full oversight deployment by Te Hui Amorangi o Te Manawa o Te Wheke.
- The devolution from one Tikanga to another of the resources of the Ormerod Trust, care of the diocese of Auckland.
- The agreement to hand back the Whakarewa Trust asset to tangata whenua in the diocese of Nelson.
- The giving of trust owned church buildings between all three Tikanga.
- The co-development of educational and other facilities in Fiji.
- Two Tikanga partnership on the St Stephen's and Queen Victoria Trust board
- Decisions to hand over of certain church trust assets originally held by a Tikanga Pakeha diocese for Māori related ministry to the local hui amorangi.
- The long term and generous hospitality shown by Tikanga Pasefika and Tikanga Māori to numerous Tikanga Pakeha visiting groups, from their own trust resources.

Each diocese and hui amorangi has given serious thought to ethical investments and their implications over the years. There have been a number of decisions in some places, to re-deploy regional church assets and to serve the least the lost and the last.

The Bishops Action Foundation in Taranaki is one example of ecclesial energy being completely redeployed into regional community development in the name of the gospel. Diocesan support of city missions and subsidies towards local and overseas mission of all kinds demonstrate this principle.

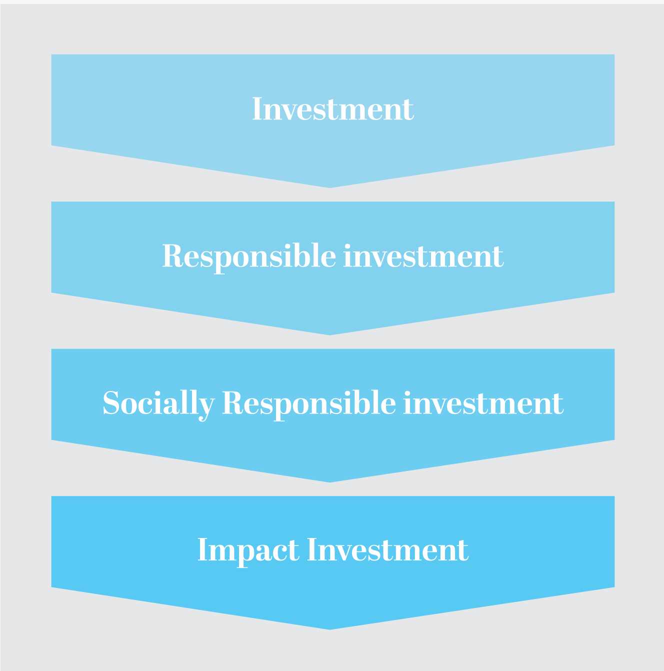
Above all, trusteeship is informed by the partnership in mission imperatives of the gospel itself, as it did in the beginning from 1814 onwards.

What does the Kingdom of God require of us now?

We can be inspired and challenged from the heritage we have received, as well as the times where we have not lived out the potential that the gospel has placed in trust within us.

5. Investment world developments – the growth of Responsible Investment and Impact Investment

The investment world has developed significantly with respect to the categories of responsible investment and impact investment. McKinsey estimate "ESG-orientated" investing (a form of responsible investment) is US$30 trillion. The Global Impact Investing Network estimates that there is US$502 billion allocated to the more targeted and narrowly defined Impact Investment. An increasingly connected world, which increases the voice of the ultimate stakeholder and the growing concern with global crises like climate change further heighten the emphasis and focus on responsible investment. Responsible Investment and (increasingly) Impact Investment are now very much mainstream.



The United Nations initiated Principles for Responsible Investment initiative ("PRI") is the world's leading proponent of responsible investment with a membership of over 2,000 organisations. PRI defines Responsible Investment as "an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns." Responsible Investment is more than ruling out or 'excluding' investments in sectors or companies. It simply involves including ESG information in investment decisions, to ensure that all relevant factors are considered when assessing investment risk and return and acted on appropriately. This could include exclusions, engagement, activism and / or create investment opportunities.

Socially responsible investment ('SRI') is any investment strategy that seeks to consider both financial return and social/environmental good to bring about positive change. Socially Responsible Investments focus on environment, social or corporate governance issues ('ESG') and typically involve either screened products (sometimes called negative screens), or focused investment (sometimes called positive screens, e.g. themed Exchange Traded Funds (ETFs), that could be material to investment performance.

Impact Investing is one step further still and involves the active investment in businesses and opportunities that potentially provide social or environmental impact in addition to some risk adjusted economic return. In a sense, it is a positive act of targeted responsible investment. Such investments may be in a range of forms including private equity, debt, working capital lines of credit, and loan guarantees. Examples in recent decades include many investments in microfinance, community development finance, and clean technology. Impact investing has its roots in the venture capital community, and a material investor will often take an active role mentoring or leading the growth of the company or start-up.

5. Investment world developments – the growth of Responsible Investment and Impact Investment

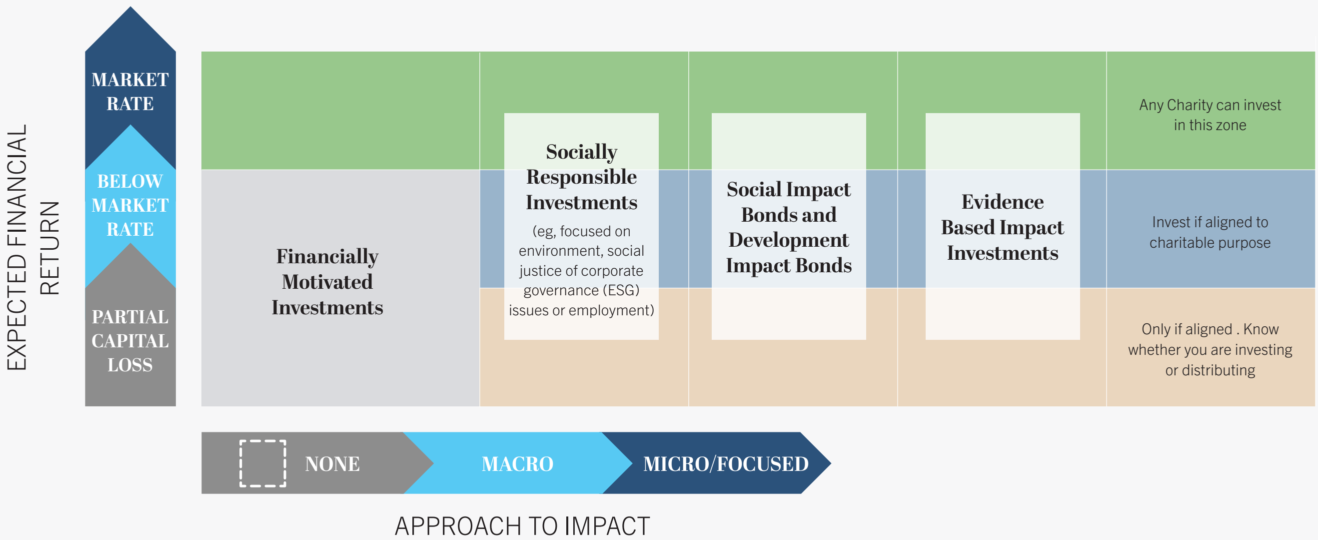
Trust Investments, an entity that manages some of the Church's trusts together with other investor monies, considers that Responsible Investment, Socially Responsible Investment, and Impact Investment may be thought about as follows:

1. Responsible Investment is the conscious decision that it makes sense to consider ESG issues when evaluating your investment options. We advocate that all investors should be responsible investors for to ignore the ESG issues is akin to investing in a Blockbuster video and ignoring the impact of the Internet and emergence of Netflix or think Kodak verses digital cameras verses phone cameras.
2. Socially Responsible Investment (SRI) deals with ESG at the macro level. When excluding and divesting of companies with low ESG scores, the cost of capital increases and signals are sent through the investment market. For many of the issues being considered in SRI investing, the impact will be at the macro level vs the micro level. For example, gender balance on governance boards can be effectively promoted through SRI placing the spotlight on the issue across all sectors.
3. Impact Investing tends to have a stronger focus on social and environmental outcomes and by nature is more micro than macro focussed. Where Impact Investment objectives align with the purpose of an investor, provided risks and returns are appropriate, Impact Investments can 'double the bang for your buck'.

This paper invites readers to think about one further step, which is what does Mission Aligned Investing (MAI) mean to each of us and how best can trustees and fiduciaries execute on this positive form of investment and the rest of us encourage trustees and fiduciaries and hold them to account to being Fruitful Stewards.

This work and this paper asks readers, members of the Church and trustees to give full weight to, and consideration of, the five fold mission of the church when making future investment decisions. This paper asks those empowered with making investment decisions on behalf of the Church to prioritise the mission and purpose of the Church and to drive for outcomes that are consistent with those.

In saying this, we acknowledge Trustee Duties and Obligations and the Legislative Context.



6. Trustee Duties and Obligations

Trustees are required to act prudently and in accordance with their fiduciary duties. Trustees duty to a trust's charitable purpose is a requirement under the law of the land.

This concept of guardianship sits consistently with the values of the church. Trustees are shepherds keeping a watchful eye and doing what is best for the beneficiaries of today and tomorrow. The burden of these legal obligations should not however be used as an excuse for inactivity and / or a lack of courage by trustees to do what is right. This will be Trust specific, however the elements of discretion and interpretation that are able to be considered allows for broad discussion. In an increasingly challenging world, are we doing all we can to continue to facilitate the growth of mission with the assets of the church? Are we fully alert to our context? Are we being brave enough with how (and where) we are prepared to sail our voyaging canoes? Although each set of Trustees have their own individual course to chart, we are not alone. Sharing stories is powerful as it may provide a source of courage and / or useful navigational markers. Sharing our stories of mission aligned impact investment, and the outcomes this delivers, provides nourishment to enable strong judgement by individual Trustees. For example, see below the Diocese of Wellington has rewritten its third-party investment mandate to facilitate consideration of MAI with housing being the initial focus. In some cases, Trustees may decide that they need to change their SIPOs in order to better achieve alignment of investments and organisational core purpose.

7. Legislative Context and Changes

One of the uncertainties facing those interested in advancing an MAI agenda is the legislative context within which they operate. Further complicating the situation has been that two very relevant areas of legislation—those governing trusts and those regulating charities—have been subject to review.

Trustees of course are bound to act in ways that are consistent with the law, and also must follow the requirements of the Deed under which they operate. Fortunately, and after a long gestation period, the changes to the law governing trusts have now become clear. With the exception of certain financial services law changes (which came into immediate effect when the Trusts Act received Royal assent on 30 July 2019), the new provisions come into effect on 30 January 2021.

The changes by and large helpfully clarify and to some extent simplify the rights and obligations of trustees.
In summary:

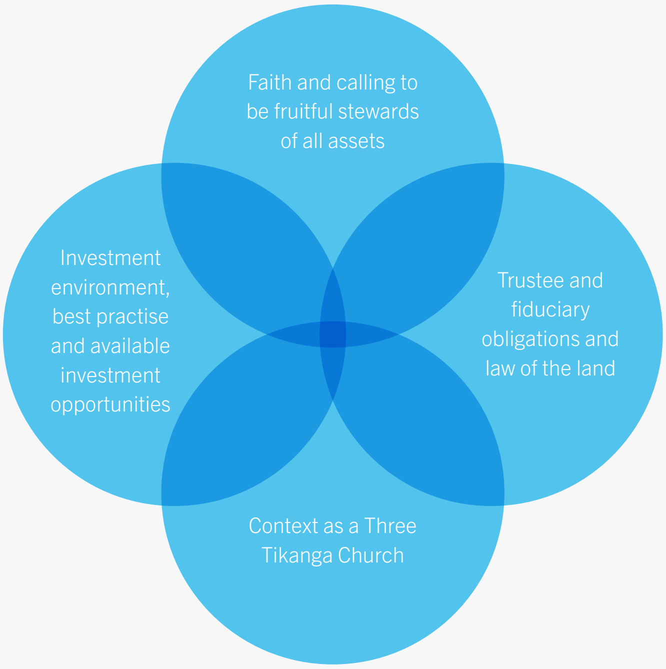
- The new Act establishes five mandatory and ten default duties;
- The mandatory duties include a duty to:
  - know the terms of the trust
  - act in keeping with them
  - act honestly and in good faith
  - act for the benefit of beneficiaries
  - exercise trustee powers for proper purposes.
- Being mandatory, these duties cannot be avoided or altered;
- However, the ten default duties can be excluded by the trust deed, although otherwise they do apply;
- One default duty in particular may have a relevance for impact investment, as trustees would have a duty to invest prudently. If trustees contemplating impact investment are concerned that they could find themselves in breach of this duty, they would be wise to seek an amendment to their trust deed;
- The Act also requires trustees to notify all those who are qualifying beneficiaries and includes a presumption of regular disclosure of information. It outlines the basic information that each beneficiary should be provided with.

Unfortunately, at the time of writing, the likely direction of the review of the Charities Act 2005 is not clear. Indeed, the original timetable for the review process is clearly not going to be met, and a new timetable is being considered and should be advised shortly. While the shape of the review's outcomes are far from clear, there are two concerns that we will need to continue to monitor. A summary of submissions was released in December 2019.

First, there is a perception that some bodies are using charitable status to shelter what is essentially a commercial activity. A key test of this is likely to include whether or not proceeds from these activities are used with reasonable expediency for the charitable purposes intended. Trustees would be wise to ensure there is an ability to demonstrate that this is the case.

Second, there is an interest in some (presumably secular) circles to have the charitable status of religious bodies removed either in part or as a whole. The pursuit of religious purposes has been considered charitable since at least Elizabethan times, so such a move would represent a major departure. However, the practice of IRD to collect separate information on religious donations has probably fueled this concern, and church authorities are continuing to monitor this issue carefully. Some outspoken church leaders, from other faith traditions, have fueled the calls for this to be looked at. However, such a review is not within the scope of the existing Charity Act review. It seems unlikely there will be changes in the near future. A further complication in this space is that any change might result in a review of Maori charitable business entities which will be a big political issue.

8. Bringing it together–Trustee considerations for Mission Aligned Investment and Fruitful Stewardship



As we see it, Trustees (and the rest of us tasked with supporting and encouraging Trustees) are called to be fruitful stewards and bring together all parts of our story as we look to maximise the mission impact of the church's assets. This requires prayer, faith, a strong understanding of our context, acknowledgement of the past (and present) as well as full consideration for the law of the land and current investment practises.

The road isn't easy and often comes with challenge and disagreement. Prayer, careful judgement and courage are required. Sharing stories along the way is a good way to provide sustenance and courage for each of us entrusted with these tasks. To this end, some examples include:

- **Trustees of the Campbell Trust (Diocese of Polynesia)** divested Natoavatu, a large tract of under-utilised land in Vanua Levu. Property rights for the existing Solomoni community that resided on part of the property were secured and its sale provided the Kiribati government with a valuable asset, a safe haven in the event of further climate change. Proceeds have provided valuable capital, a source of future income and part of the proceeds were then used to fund the construction of the Moana Anglican Services and Teaching Centre (MAST).

  This multi-purpose building has allowed for improved teaching facilities, the consolidation of office space and opened up revenue streams through the use of its conference facilities and accommodation. An asset that sat largely fallow is now serving a rich purpose and the release of capital is enabling mission in a way that could not have been delivered before.

- **Incorporating Impact Investment in a Statement of Investment Policy and Objectives**
  The Wellington Diocesan Board of Trustees (WDBoT) contracts out both the front and back office parts of its investment management. In keeping with standard practice, it has a Statement of Investment Policy and Objectives (SIPO) governing the investment process.

  The SIPO has a number of elements, but in broad terms covers the purpose of the statement; the general duties of the trustees; the investment policy and primary objectives; the responsibilities of the various parties (trustees, the investment management provider and the trust manager); the investment and exposure constraints; the determination of portfolio asset allocations and ranges; and the policies concerning responsible investment (including environmental, social and governance and ethical investment policy).

  In readiness for engaging more actively and consciously in impact investment, the WDBoT, has incorporated a section on impact investment in the part of the SIPO dealing with responsible investments. The policy differentiates between impact-first investments and financial–first investments. The latter establish a social and environmental floor, but without compromising risk adjusted financial returns and are therefore not subject to limitation within the assets available. On the other hand, impact-first investments seek to optimise social and/or environmental returns but with a risk adjusted financial floor. A limit on such investments is included (currently 5% of the portfolio). This limitation recognises the potential for some compromise on financial return, risk allocation, and term structure.

  As experience grows, it may be possible to increase the limit beyond 5%. However, in the meantime, financial-first investments still allow for social and environmental impacts to be obtained although the priority on financial return remains in these cases.

8. Bringing it together–Trustee considerations for Mission Aligned Investment and Fruitful Stewardship

A copy of the relevant section of the Wellington diocesan SIPO follows below.

EXTRACT FROM WELLINGTON DIOCESAN BOARD OF TRUSTEES STATEMENT OF INVESTMENT POLICY AND OBJECTIVES Impact Investment Policy

The Trustees use Impact Investments to mean investments that have a stated social and/ or environmental return objective in conjunction with a financial return objective (i.e. a blended return). While the Trustees strongly endorse the holistic notion of a blended return, they recognise the benefits of segregating Impact Investments into Impact First Investments and Financial First Investments.

Impact First Investments seek to optimise social and/ or environmental returns as their primary objective with a financial floor. The Trustees believe that some social enterprises and other desired impact themes require access to patient flexible capital, where traditional purely commercial motivated capital markets may not operate or deliver effective outcomes. The Trustees are therefore willing to make these types of investments at a discounted risk-adjusted financial return compared to similar commercially oriented markets that lack mission or programme impact.

The Trustees have limited exposure to Impact First Investments to a maximum of 5% of total assets.
This limit recognises:

i. The likelihood of a compromise in financial return that would lower financial return across the entire portfolio.

ii. That these investments could range in risk profile from conservative fixed interest to high risk venture capital, which could materially skew the risk profile for the entire portfolio.

   The 5% limit of total assets for Impact First Investments allows Impact First Investments to be excluded from the asset allocation restrictions in Section 8. However, if possible, it would be preferable to have the risk profile across Impact First Investments aligned with that of the remaining assets in the Fund.

iii. That these investments will often represent longer term commitments and lack an efficient market to facilitate an exit, which would reduce the liquidity of the entire portfolio.

Financial First Investments seek to optimise financial returns with a social and/ or environmental impact floor. All Financial First Investments seek financial returns approximating the average risk adjusted returns of similar investments made without regard for sustainability, mission or social considerations. As there is no compromise made on expected risk-adjusted financial return, there is no limit to the proportion of total assets that could be Financial First Investments.

The Investment Manager will likely source opportunities for Financial First Investments, while the Board is more likely to source Impact First Investment opportunities. All Impact First Investments will require Board approval after following a robust due diligence process to evaluate suitability and identify measures to report subsequent performance.

Are we doing all that we can across the church?

9. The asset base–estimating the size of the opportunity for fruitful stewardship across the assets of the Anglican Church

In the first instance the SWG considered that data was an essential input to the developing work program. The SWG would encourage the refinement of this information gathering with transparency to inspire 'what if' questions to be asked and pursued.

It has proved difficult, in practice, to get a reliable picture of the total assets of the Anglican Church in the Province of Aotearoa New Zealand and Polynesia. Therefore, the data in the following table, which was obtained directly from dioceses, hui amorangi, and published sources, should be treated with caution and regarded as representing an order of magnitude only. It comes from many sources, where it has been made available. In some cases, information was not forthcoming and in other cases the information does not appear to be on a consistent bases (so we have apples and pears). It seems unusual for Auckland to hold less property assets than either Wellington or Christchurch, however explanations of variances have not been sought.

9. The asset base–estimating the size of the opportunity for fruitful stewardship across the assets of the Anglican Church

	Total All Assets	Including Property
Tikanga Māori	**Million ($)**	**Million ($)**
Te Pihopatanga o Aotearoa	$ 0.12	$ 0.04
Te Hui Amorangi o Te Tai Tokerau	$ 27.26	$ 22.51
Te Hui Amorangi o Te Waipounamu TB	$ 7.21	$ 3.01
Te Hui Amorangi Ki Te Upoko o Te Ika	$ 7.09	$ 3.95
Te Hui Amorangi Ki Te Tairawhiti TB	$ 2.86	$ 0.18
Te Hui Amorangi Ki Te Manawa o Te Wheke TB	$ 3.19	$ 2.40
Tikanga Pakeha		
Auckland	$ 211.90	$ 143.60
Wellington	$ 289.54	$ 215.12
Christchurch	$ 305.73	$ 160.87
Nelson	$ 107.36	$ 84.50
Waikato-Taranaki	$ 132.00	$ 102.40
Dunedin	$ 147.00	$ 54.00
Waiapu	$ 162.83	$ 50.25
Tikanga Polynesia	OS	OS
Provincial		
Anglican Church (GS Office)	$ 3.50	
Anglican Pension Board	$ 216.00	
St John's	$ 461.60	$ 245.67
General Church Trust	$ 42.50	$ 16.80
General Trust Board	$ 60.90	$ 33.90
St Stephen's/Queen Victoria Trust Board	$ 80.70	$ 14.10
Te Aute Trust Board	$ 27.60	$ 25.20
Anglican Trust for Women and Children	$ 19.50	$ 3.00
Purewa Cemetry Trust Board	$ 13.30	$ 1.90
Selwyn Foundation	$ 542.70	
Total Assets	**$ 2,872.39**	**$ 1,183.40**

9. The asset base–estimating the size of the opportunity for fruitful stewardship across the assets of the Anglican Church

Among the many qualifications to be borne in mind we note the following:

- The data does not all relate to the same point in time. This is perhaps particularly true of the property figures, many of which are undoubtedly out-of-date in terms of valuation etc;
- There is also a significant "other" category, much of which might relate to real property although it is difficult to be certain of this;
- There are grounds for believing there are other assets that have not been included, including, but not limited to, Parish and other Trusts not under the direct control of the Diocese or Diocesan Trust. In particular, Tikanga Pakeha school assets are not included in the figures, and these are likely to be substantial.
- The Te Aute and Queen Victoria/St Stephen's Trust Boards assets are included within the Provincial Figures.

It is certainly correct to assume that many of the assets concerned will fall under a range of Trust Deeds, some of which are likely to impose constraints on their usage for impact investment purposes. However, there is scope to utilise financial assets held within Trusts on a case by case basis, especially if trustees are prepared to look for that "sweet spot" that yields a return at or above the threshold while also offering significant missional or other impact benefits.

We note that real property (even on the basis of the above figures) accounts for over 42% of assets in value, and the actual proportion, when all property is included and at up-to date valuations, is likely to be considerably higher.

Initial experience, for example within the Wellington Diocese, has shown that buildings and land falling within this category are often underutilised, and yield well below market returns if not negative returns when costs are considered. Perhaps this is to be expected of churches, whose primary purpose is not concerned with generating financial returns. But often these and ancillary buildings are only utilised at best a few times a week. Furthermore, there are in many cases parcels of land associated with the buildings which are either underutilised or surplus to requirements. These candidates offer some real scope for impact investing – for example, involving the creation of affordable housing and communities, or considering their use by social enterprises who have no facilities.

Beyond the question of Trust Deed constraints, members of the Small Working Group wish to draw attention to two further matters. While these might appear to constrain the scope for impact investing, they can alternatively be viewed as addressing impacts we would wish to consider as matters of Christian conscience. Both matters involve questions of restorative justice, one external in orientation, the other internal.

9. The asset base–estimating the size of the opportunity for fruitful stewardship across the assets of the Anglican Church

First, some of the real property held by our Church may include land that was gifted by Māori but never used for the purpose for which it was intended. Under the Māori custom of tuku, when an asset will not be used for the purpose for which it was gifted, it should either be returned or at the very least discussions should be held with the donors (or their descendants) to obtain their agreement to the alternative use. Similarly, even if the donors' original intentions have been honoured, the proposed impact investment may not be consistent with the intention behind the gift. Again discussions should be entered into. Similarly, local Pakeha donors may have a similar expectation. Further, issues of justice may arise, perhaps even more starkly, in cases where land was taken by the Crown, either under legislative provisions or through confiscation of the land from its original holders. A biblical parallel is the story of the Naboth's vineyard (1 Kings 21:1-16).

There are also matters of internal restorative justice, as well as those external to the Church. A striking feature of the above table of assets, however incomplete, is the disparity between the assets of Tikanga Pakeha dioceses and trusts and those of Tikanga Māori hui amorangi and associated trusts. For every $1 of asset held by the latter, Tikanga Pakeha dioceses and trusts hold over $28. It is hard to believe that this represents justice, since a significant proportion of the land would have originally come from Māori sources.

We are conscious that in raising this matter at this time it is likely to be a painful one, as much for Māori as for Pakeha. Our hope is that we can find it in our collective hearts to begin a prayerful process of confronting our past and looking forward to a more just partnership in the future. It may be that as Lord Jonathan Sacks, ex Chief Rabbi of the United Kingdom, writes

“by action in the future, we can redeem the past;”

see The Future of the Past (Vayigash 5780).

10. Concluding Comments

"Simply by sailing in a new direction, you could enlarge the world"

Allen Curnow, 1942

Our hope and intention with the work we have undertaken here is that we have provided inspiration and support to those who sit at the tables where decisions are made.

Our hope is that our Trusts and Trustees, Fiduciaries and those who work to support and advise them, can use this resource as a tool that enables them to rediscover the ways of our past when the church was the leading impact investor and provider of resources for missional outcomes.

To a large extent many of us have been operating within false constraints and initiatives. We already have the resources and the opportunities before us to be fully alive acting as fruitful stewards of our plentiful resources. We encourage open and honest dialogue and above all renewed energy and action as each of you sets forth in service of those most in need, seeking to fulfil the fivefold mission of the Church so that we may live into the words of Christ "I came that they may have life, and have it abundantly" John 10:10.

Appendix A:
Australian Christian Super case study

As Chief Investment Officer of a Christian pension fund, it occurs to me frequently that over 27,000 Australians have entrusted $1.6bn in retirement savings to us. This is a substantial responsibility. Our beneficiaries trust that we will work to the utmost of our abilities to ensure they are well-provided for so they can live a fruitful and purposeful retirement. In addition, they trust that how we invest their retirement savings will reflect our shared Christian faith and values.

So, we have deeply explored what it looks like to invest, as a fiduciary, in accordance with our faith. We offer our thoughts not to be prescriptive, but to describe our approach in the hope that others might find it useful in their own context.

The Context of Investing – Christian Stewardship

We believe two things are foundational in understanding the context of investing as believers.

First, we strive to apply a Christian worldview. If we believe that God created the world, that humanity sinned, and that God will one day completely redeem His creation, then this must influence the way we look at the world in every sense.

Second, we also need an understanding of Christian stewardship. As a pension fund, we are a steward of our beneficiaries' retirement savings. But our beneficiaries are themselves stewards of assets God has entrusted to them, with the expectation that they will use these assets on His behalf.

The Goal of Investing – Creation Care, Human Flourishing, and Redemptive Investing

Investing involves setting aside assets today so we can have more in the future. I believe there is a delayed gratification aspect of saving that is good for our souls. We learn to be patient and to look to the long term rather than being simply focussed on our immediate desires.

But in a much broader sense, investing is an opportunity to work out the mandate given to humanity in Genesis 1. Investing takes assets that would otherwise be unproductive, and allocates them to parts of society that enable us to be productive. We can provide capital to factories that produce goods, to enterprises that deliver valuable services like health and education, and to infrastructure such as roads and networks that enable the efficient transfer of goods and services. These enterprises form the backbone of the economy, creating jobs and playing an important role in exercising creation rule.

In this context, the mandate given to humanity to care for and cultivate creation becomes important. "Fill the earth and subdue it" (Gen. 1:28) is an instruction to create and cultivate, but not a mandate to destroy. Creation is not just a source of beauty and a reflection of God's character. It also represents God's provision of the natural means to meet our present and future needs and desires, along with the needs and desires of generations to come. We use what God has provided to grow food, to make clothing and shelter, to develop medicine, and to create all sorts of goods for our enjoyment. The appropriate stewarding of creation will ensure our ongoing ability to meet these and other needs.

But there is a more important component of stewardship that reflects the importance of Human Flourishing. God's desire is for His creation to enjoy peace—shalom in Hebrew and eirene in Greek—which reflects wellbeing, health, prosperity, strong relationships, and a deep sense of contentment. This is a holistic sense of wellbeing that encompasses not only personal security and economic sufficiency, but also values human relationships and spiritual reconciliation. Investing is not just an opportunity to grow our personal economic prosperity, but to contribute towards genuine human flourishing.

Appendix A:
Australian Christian Super case study

Finally, there is an opportunity to invest in ways that contribute to the deeper, spiritual needs of humanity.

This idea of Redemptive Investing sees investing (and indeed business as well) as more than just as an opportunity to acquire more assets and to work out our Christian faith through creation care and human flourishing. In addition, it becomes an opportunity to reconcile relationships with each other and with God. This might happen through investments that specifically target positive social and environmental outcomes or through investment in faith-lead businesses that live out their Christian values in the marketplace.

Practicalities

So what does this look like practically? In applying the theological to the practical we recognize the messiness of our world. No enterprise is perfect; we are always working in a world that needs to be redeemed and seeking to play a part in shaping the world through the investments we make. And practicalities dictate application. Do we have enough assets to command influence or even to be able to invest in those things we think are important? Do we have the professional capacity to evaluate redemptive investments in ways that are consistent with our fiduciary responsibilities?

For us, this application works itself out in four key ways.

Negative Screening is how we ensure we do not invest our beneficiaries' assets in ways that are inconsistent with their faith. It means identifying and avoiding those companies that are damaging creation and disrespecting life in ways that are fundamentally inconsistent with creation care and human flourishing. Our whole portfolio is screened for these damaging effects.

ESG Integration is looking at our investment portfolio not only in terms of financial factors, but also for the environmental, social, and governance factors that play into an investment's long-term ability to deliver sustainable and responsible investment returns. Factors such as a company's long-term track record in employee safety or their ability to reduce waste show not only social responsibility but also financial prudence.

Active Engagement is our approach to the responsibility we have to engage with those companies and enterprises in which we invest. We encourage them further in the direction of creation care and human flourishing, and challenge them to cease practices that are damaging these areas. This includes exercising our voting rights, as well as supporting engagement being undertaken by other investors. We also enter into dialogue ourselves – using a constructive and private approach to engagement on selected issues, rather than seeking to publicly shame companies or force changes.

Impact Investing is the intentional allocation of assets to companies that are making the world a better place while still generating a financial return. This includes investments in health, education, microfinance, renewable energy, and social enterprise. For us, this includes a specific allocation to faith-led businesses, where Christian entrepreneurs are living out their faith in the marketplace as a witness to Christ. To date we have deployed almost 10% of our portfolio for tangible, demonstrable positive social, environmental and spiritual impact.

Appendix A:
Australian Christian Super case study

In practice, this has been deployed using a mix of direct investments, fund investments and fund of funds. Our portfolio today consists of over 600 underlying exposures split roughly equally between:

- Financial Inclusion (Microfinance and Microinsurance)
- Renewable Energy and Clean Technology
- Real Assets (Affordable and Disability Housing, Social Infrastructure, Agriculture and Forestry)
- Other areas including social enterprise, private equity and social impact bonds.

Roughly two-thirds of this portfolio is invested in Emerging and Frontier Markets, with the remainder largely in Australia and New Zealand.

Conclusion

Over a decade into this faith-lead investment approach, we have been blessed with a growing membership and asset base, along with investment performance that compares favourably with our peers in the market. As a fiduciary we can't compromise our risk adjusted return expectations in pursuit of our values. We believe it is entirely possible to apply a faith-based approach to investing and deliver the investment outcomes our beneficiaries expect. We are still very much on the journey of applying God's Word to the way we, as Christian professionals, invest our beneficiaries' assets. This includes learning to be better stewards of creation, looking for ways to promote human flourishing, and seeking to be redemptive in all we do.

Tim Macready, Chief Investment Officer, Christian Super & Brightlight Impact Advisory.

Christian Super is a defined contribution superannuation fund that serves employees of Christian churches and organisations as well as lay Christians across Australia. It is a profit-for-members fund notionally owned by three Christian denominations (Baptist Church of Australia, Church of Christ in Australia and Australian Christian Churches) and two Christian School Associations (Christian Schools Australia and Christian Education National). Christian Super's members are all individuals (Christian Super does not manage assets on behalf of churches or church organisations themselves). Brightlight is an Impact Investment Advisor and Fund Manager providing advice and solutions for impact and responsible investors.

Appendix B:
Church of England Commissioner's stance on Mission Aligned Investment

THE CHURCH OF ENGLAND

CHURCH COMMISSIONERS

CHURCH COMMISSIONERS FOR ENGLAND – IMPACT INVESTMENT

Background

The Church Commissioners for England are the c.£8.3bn endowment fund of the Church of England. Our aim is to generate a total return of CPIH (the annual rate of UK consumer price inflation that includes owner occupiers' housing costs) +4% per annum over the long term. These returns are used primarily to support the mission and ministry of the Church of England, including grants for mission activities, bishops and cathedrals. In addition, a portion of the fund also meets the cost of clergy pensions earned in service until the end of 1997. From this point, the Church of England Pensions Board meets clergy pensions costs.

The Commissioners' endowment is a multi- asset portfolio, with the largest weighting towards public equities, as well as meaningful exposure to directly managed property and land, timberland, private equity, private credit and alternative strategies. Other than for most of our property, land and timberland assets, we almost exclusively invest into managers who in turn invest into the market.

For the avoidance of doubt, the property and land in our investment portfolio is only that which is marketable and can be bought and sold; there are no Churches or similar properties in the investment portfolio. Our responsible and impact investment efforts are in the context of this financial portfolio.

Impact Investment

The Commissioners made the decision to hire an impact investment resource a little over a year ago, to help identify and increase impact investments made within the portfolio. This can be done by making new commitments to impactful investments, or by encouraging our investment managers to invest or manage their companies in a more impactful way.

The Head of Responsible Investment reviewed approaches taken by other asset owners, and suggested our own approach, which was agreed by our trustees:

- Given our fiduciary responsibilities (and following a legal review), all impact investments made in the portfolio must meet the same financial criteria that any of our investments are subject to. There is no place for concessionary impact investments within the portfolio.
- There is no impact investment 'carve out' or separate pool of capital. All impact investments will sit in the main portfolio and be the responsibility of the applicable asset class team. There is therefore no target asset allocation to make towards impact investments, but rather a desire to allocate as much as is possible as long as such investments meet standard risk/ return criteria.
- The impact investment resource is to work across all asset classes, helping the different asset class teams identify new strategies, and communicate existing impact investments.
- There is no target amount for impact investments within the portfolio; this is to reduce pressure to make investments which could damage performance.
- Given the nature of impact investment, investment focus is likely to be on private markets, in particularly private equity, credit and infrastructure.

Appendix B: *Church of England Commissioner's stance on Mission Aligned Investment*

Following the hire of this resource, we then took the step of defining what impact investment means to us, and created our own framework outlining our impact investment definitions, goals and approach. The takeaways from this are:

- We have adopted the PRI's definition of impact investment: investing in 'companies and organisations that generate revenues (based on market rate returns) from products, services, technology and infrastructure that deliver solutions (or positive impacts) to society and the environment.'
- Taking the Five Marks of Mission as our guiding principles, we noted that three of the marks are directly relevant to investment:
  - — To respond to human need by loving service
  - — To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation
  - — To strive to safeguard the integrity of creation and sustain and renew the life of the earth
- We mapped these three marks of mission against 13 sustainable impact themes (the impact themes being how we can deliver on the Marks of Mission). Given the importance of the UN's Sustainable Development Goals (SDGs), we also identified directly applicable SDGs to each of these sustainable impact themes. Appendix 1 details the impact investment themes that align with the third mark of mission.
- We based many of these themes on the PRI's Impact Investment Market Map, and added three more which we believe are important but not covered by the PRI (Nutrition, Gender and Inequalities, and Responsible Production).
- We will identify whether an investment can be classified as impactful or not based on the proportion of revenues derived from one or more impact themes. When reviewing fund investments, this will be the fund's aggregated proportion of sustainable impact revenues.
- There are several limitations to this approach which we recognise, such as the non-identification of negative impacts by companies, and the fact that revenues can be seen as an output, rather than an impactful outcome. We want to maximise positive outcomes, rather than outputs which may not lead to scalable outcomes.
- This said, we believe the revenues approach is the best available at present, because:
  - — Our underlying exposure is to thousands of companies across many different asset classes and structures. We needed to adopt one common approach to make impact identification workable, and revenues is a well understood and available data point.
  - — Very few companies and investment managers report on ESG or impact data- it simply doesn't exist for the majority of our investments. Financial data such as revenues does, however.
  - — Regarding negative impact from companies, all of our investment managers are subject to minimum standards of RI and ESG integration, and our engagement team works with companies and managers to encourage best practice. Given these efforts, we expect to avoid the worst offenders from a negative impact approach.

Future Plans

This is where we are, at present. We are using this approach to review the impact of the Commissioners' entire portfolio, across all asset classes. This is an intensive process but we plan to have an initial analysis completed by December 2019, in time for our 2019 annual report.

This will enable us to:

- Engage with our investment managers regarding impactful practices and encourage them to develop these.
- Shape our investment strategy for future impact investments, by understanding where (e.g. asset class, impact theme) and in what situations we, as investors, have performed best at. This will enable us to have a more targeted approach in identifying new impact investments for the portfolio, as the vast majority of marketed impact/ sustainable solutions we have surveyed to date do not meet our requirements.

Appendix B: *Church of England Commissioner's stance on Mission Aligned Investment*

Our sole focus is on market rate impact investments. However, concessionary impact investment (what we term impact- first or social impact investment) is an important area of finance which we are keen to promote and help develop. This is especially true in the UK, as Big Society Capital acts as a social impact market maker.

Given our inability to invest ourselves into concessionary impact investments, our trustees agreed to distribute £20 million (a reasonable size in the UK social impact investment market) to another group within the Church (the Archbishops' Council), for the purposes of establishing a social impact portfolio. The goal of this is to target truly impactful investments across three themes: housing and communities, financial inclusion and the environment. The financial goal of this portfolio will be to meet inflation over the long term.

This portfolio is fully owned by the Council, but naturally we will keep up to date with each other's work and share perspectives. This portfolio will be established in H1 2020

Appendix 1 – Example of Impact Investment Theme

Mark of Mission (Desired Impact)	Investable Theme (How to Achieve)	Directly applicable Sustainable Development Goals (SDGs)
Respond to human need through loving service	Nutrition*	SDG 1: No Poverty SDG 2: Zero Hunger
	Health	SDG 1: No Poverty SDG 2: Good Health & Wellbeing SDG 6: Clean Water & Sanitation
	Affordable Housing	SDG 1: No Poverty SDG 1 1: Sustainable Cities & Communities

Appendix C: *Motion 11 wording*

[The Anglican General Synod…]

i. Agrees that it is highly desirable that funds invested on behalf of the Anglican Church in Aotearoa, New Zealand and Polynesia should be achieving social and environmental returns in addition to financial returns

ii. Requests that consideration be given to proactively investing directly into enterprises that actively align with the 5-fold mission of the Church where this can be prudently achieved.

iii. That this Synod/Hinota commission a small working group to provide advice on mission aligned investments to deliver spiritual, financial, social or environmental returns in the regions of the three Tikanga that are most in need, and to;

a. advise on how prudential requirements for trustees might be met in giving effect to this motion;

b. support and advise trustees on any perceived or real conflicts that may arise as a result of this motions,

c. if considered desirable or necessary make representations to the Government for legislative change to ensure that this wider understanding of returns has statutory recognition.

d. take such advice legal and otherwise to give effect to this motion.

e. And to report back to General Synod/te Hinota Whanui 2020

The Five Marks of Mission:

The mission of the Church is the mission of Christ

1. To proclaim the Good News of the Kingdom

2. To teach, baptise and nurture new believers

3. To respond to human need by loving service

4. To transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation

5. To strive to safeguard the integrity of creation, and sustain and renew the life of the earth

Appendix D:
The Small Working Group

Motion 11 Small Working Group and associates

There are five members in the small working group:

Rev. Jon Hartley (Chair)

Rt Rev. Sir David Moxon (by invitation of the Chair)

John Whitehead

Ven. Rev. Mere Wallace

Joe Halapua

Paul Gilberd (secretary and member of the Anglican Social Justice Commission)

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Thanks also to John Morrow and his team.

Thank you to any and all of you who have encouraged, questioned and engaged in this work apologies for any omission of thanks where that was due. The Small Working Group is very grateful to have had this opportunity.

Appendix E: *References and resources*

On Impact Investment and Social Enterprise:

There are more than 3700 social enterprises in New Zealand, contributing $1 billion to the economy. Legally, they sit between charities and private enterprises, using business structures to solve social, environmental and economic problems.

From here: https://www.lawfoundation.org.nz/?p=10295

https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans

Centre for Social Impact report on Impact Investing in NZ (there are two parts): https://www.centreforsocialimpact.org.nz/korero/2018/august/impact-investment-to-deliver-social-or-environmental-benefits

The Aotearoa Sustainable Finance Forum report just released end of last year, is a good read and reputable established contributors wrote it so it shows change in mindset (though it is more focussed on finance that improves climate issues): https://www.theaotearoacircle.nz/the-articles/2019/10/31/media-release-sff

The Financial Guide to Responsible Investing (RIAA, 2019) https://responsibleinvestment.org/financial-adviser-guide/

A short guide to Impact Investing (Case Foundation, 2015) https://casefoundation.org/resource/short-guide-impact-investing/

Another example of growing importance of II in NZ: https://www.impactinvestingnetwork.nz/

Akina led Impact Initiative with relevant reports: https://www.theimpactinitiative.org.nz/publications-summary

https://www.theimpactinitiative.org.nz/publications/structuring-for-impact

May be of interest re global impact investing stage and NZ role with it: https://www.akina.org.nz/news/2018/10aotearoa-to-champion-the-power-of-impact-investment-on-world-stage

It may be of interest to readers to look more widely at the purpose of entities – World Economic Forum statement on purpose for Companies, showing evidence of wider trend to think about what the purpose actually is as a key driver of decisions: https://www.weforum.org/agenda/2019/12/davos-manifesto-2020-the-universal-purpose-of-a-company-in-the-fourth-industrial-revolution/

Other references:

Also, other denominations are also asking similar questions about how to use their assets – so this paper is not in isolation to other movement within the wider Kingdom of God i.e. across denominational boundaries. Access to this ecumenical workstream can be gained through the Anglican Social Justice network Housing team or through Archbishop Philip Richardson and the National Church Leaders Group.

A very significant body of longitudinal qualitative and quantitative research is available to help those with an interest in understanding the need for change and more collaborative action across Aotearoa New Zealand and Polynesia. This work has been published in a broad range of papers and reports including but not limited to the recent Social Welfare Expert Advisory Group report.

http://www.weag.govt.nz/

Charles Waldegrave from Pt Peter's Church Wellington is a core node within this research network and has been consulted throughout the preparation of Motion 11 and this report.

The Five Marks of Mission:

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1. *To proclaim the Good News of the Kingdom*
2. *To teach, baptise and nurture new believers*
3. *To respond to human need by loving service*
4. *To transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation*
5. *To strive to safeguard the integrity of creation, and sustain and renew the life of the earth*

Fruitful Stewardship through Mission Aligned Investment *Why Not?*
