



Presbyterian Church of Aotearoa New Zealand

# Beneficiary Fund

## Annual Report to Members

For the 12 months ended 30 June 2019

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# A message from the Chairperson

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It's my pleasure to write this annual message from the Chair of the Presbyterian Beneficiary Fund. I am back in the Chair again after Russell Garrett decided to take up the role of the Trustees' Executive Officer. Russell continues as an executive director.

While this is our second year as a 'modern style' retirement savings scheme, it's our first year of 'business as usual' following a transition period in 2017-18. I'm delighted to report that all entitlements under the old Defined Benefit section have now been paid to members or re-invested in the Fund. As a result, it's now full-steam ahead for the new Fund.

We were pleased to welcome eight new members to the Fund over the year. The more members, the more we can share the cost of running the Fund.

We were also pleased with the investment returns. Despite turbulence in global politics and markets, the Conservative Fund returned 5.4% for the year (after investment fees), the Balanced Fund 6.0%, and the Growth Fund 6.0%. We have not only charged our investment manager, Mercer, with generating good returns for members, we have also asked them to invest in a socially responsible fashion. We were pleased to note Mercer and the Fund excluded certain firearms and participated in efforts to encourage social media companies to take greater responsibility for their platforms following the events in Christchurch earlier in 2019.

The members not only benefit from these good returns, they also benefit from a fee subsidy provided by the Church, which currently contributes \$150,000 each year towards Fund costs. This keeps the cost of running the Fund at an acceptable level. Finally, the members also benefit from the tax-free status of the Fund.

Of course, running a Fund like ours takes a lot of work from many people. I would like to take this opportunity to thank my fellow directors, all our professional advisers and service providers, and the Fund's Secretariat for the continued, very considerable work that has allowed us successfully complete our second year in the new format. A special note of thanks to Kos van Lier and Pat Griffin who are retiring from the Trustees' office after several years of wonderful service to the Fund and its members. I know they will have assisted, spoken to or written to a great many of you. They have been a key part of our success and we wish them well.

Finally, thank you to you, our members, for your support of the Fund.



Ian H Russon  
Wellington  
October 2019



# Statutory information

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## SECTION ONE:

### Details of Fund

**Name of the Fund:** The Fund is called the Presbyterian Church of Aotearoa New Zealand Beneficiary Fund (**Fund**).

**Type of Fund:** The Fund is registered under the Financial Markets Conduct Act 2013 (**FMCA**) as a restricted workplace savings scheme.

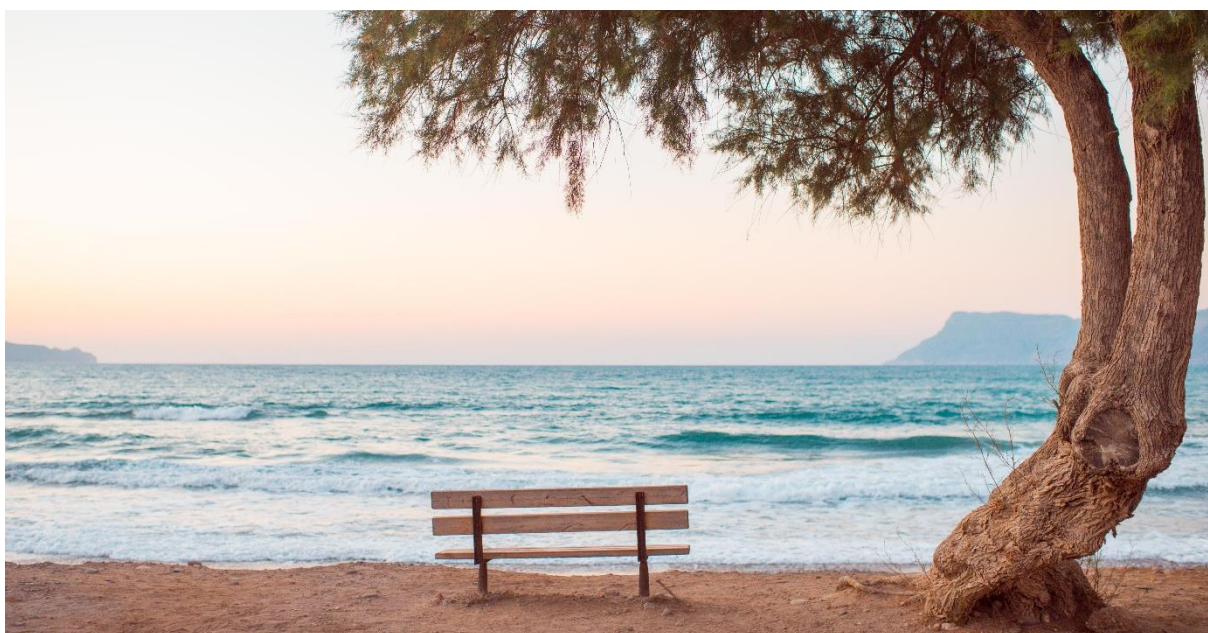
**Trustee and Manger:** Presbyterian Beneficiary Fund Trustee Limited (**PBFTL or Trustee**) is the trustee and manager of the Fund. The Fund does not have its own independent supervisor, as the Financial Markets Authority (**FMA**) supervises all restricted workplace savings schemes.

**Fund status:** As at 30 June 2019 (**Balance Date**) the Fund had a product disclosure statement (**PDS**) dated 2 April 2019 and continues to be open for applications.

**Fund Updates:** A fund update for each of the four investment options for the year ended 30 June 2019 was made available on 4 October 2019

**Financial Statements and auditor's report:** The latest financial statements for the Fund and the auditor's report on those financial statements, were lodged with the Registrar of Financial Service Providers on the 7<sup>th</sup> October 2019 and are available electronically by visiting <https://disclose-register.companiesoffice.govt.nz>, selecting 'Search schemes' and entering the Fund name.

The auditor's report on those financial statements, dated 2 October 2019, did not refer to any fundamental uncertainty, nor was it qualified or modified in any respect.



## SECTION TWO:

### Information on Contributions and Members

#### Membership

Changes to membership for the year to 30 June 2019 are shown below.

	Contributing members	Non- Contributing members	Total
<b>Membership at 1 July 2018*</b>	<b>204</b>	<b>325</b>	<b>529</b>
New members	8		8
Less			
Withdrawals	(4)	(12)	(16)
Deaths	(0)	(6)	(6)
<b>Membership at 30 June 2019</b>	<b>208</b>	<b>307</b>	<b>515</b>

\* The Opening positions have been adjusted to reclassify 10 members from Contributing to Non-Contributing membership and increase the number of Non-Contributing members by a further 10 members.

#### Members' Accumulations

Members' accumulations at the start and end of the year ending 30 June 2019 were as follows:

Members' accumulations	1 July 2018	30 June 2019
Total account balances	\$53,408,737	\$52,833,600
New Benefits section	\$51,126,256	\$49,642,379
Number of members with accounts*	525	507
Complying Fund section	\$2,282,481	\$3,191,221
Number of members with accounts	140	150

\* The number of members with New Benefit Section accounts as at 1 July 2018 has been adjusted to included Non-Contributing members (who were omitted in last year's report).

#### Contributions

During the year ended 30 June 2019, contributions were received from and on behalf of 206 members as show below:

<u>Contributions</u>	
Members	\$557,939
Parishes and Kindred Employers	\$398,464
Government	\$32,256
<b>Total</b>	<b>\$988,659</b>

No voluntary additional contributions were received by the Fund during the year ended 30 June 2019 because such contributions are not permitted.

## SECTION THREE:

### **Changes relating to the Fund**

#### **Trust Deed**

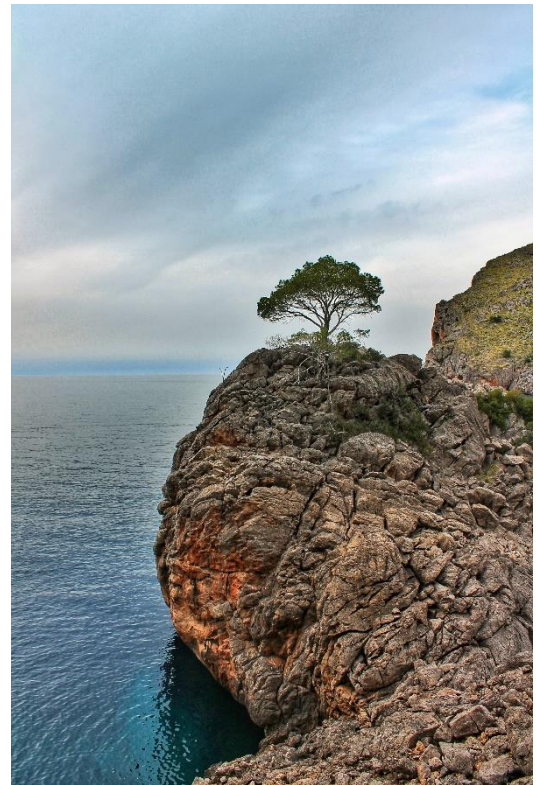
There have been no changes to the Trust Deed during the year ended 30 June 2019.

#### **Statement of Investment Policies and Objectives (SIPO)**

The current SIPO which took effect from 30 June 2017 remains in place, with no changes.

#### **Related party transactions**

No related party transactions were entered into during the year that were not on arm's-length terms.



## SECTION FOUR:

### **Other information for particular types of managed funds**

#### **Contributions**

All the contributions required to be made to the Fund in accordance with the terms of the Trust Deed have been made.

#### **Permitted withdrawals**

During the year ended 30 June 2019, there were 22 withdrawals and 123 partial withdrawals permitted under the FMCA and Trust Deed. Each (full withdrawal or death benefit) was paid as a lump sum.

#### **Complying Section**

As at 30 June 2019, the market value of the assets of the Fund subject to the Complying Fund rules was \$3,191,221 for 150 members. One withdrawal of \$4,803.36 made in the year to 30 June 2019 was subject to the complying fund rules.

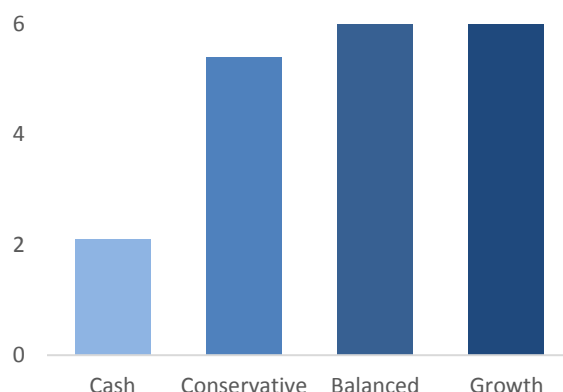
## Investment Returns

The investment returns for each investment option provided by the Fund are shown after all investment fees have been deducted (but before administration costs).

Contributions to the Fund used to purchase what are known as 'units' in your chosen investment option(s). The number of units that your money purchases depends on the unit price at the time of purchase. For example, if \$200 is contributed and the unit price is \$1.00 at that time, then 200 units would be purchased on your behalf. Unit prices are calculated daily and fluctuate according to the investment performance of each investment option. The value of your investment at any time is simply the number of units you own multiplied by their price at that time.

Your latest member annual statement shows how many units you have, their price and your savings balance.

**Fund Returns (%)**  
for the year to 30 June 2019



Unit Prices	Cash	Conservative	Balanced	Growth
1 July 2018	1.5166	1.0125	1.0752	1.0245
30 June 2019	1.5480	1.0651	1.1377	1.0840



## Trustee's statements

The Trustee confirms that:

- all the benefits required to be paid from the Fund in accordance with the terms of the Trust Deed have been paid; and
- the market value of the property of the Fund as at 30 June 2019 exceeded the total value of the benefits that would have been payable had all members of the Fund ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 30 June 2019.



## SECTION FIVE:

### Changes to persons involved in the Fund

#### Trustee and Manager

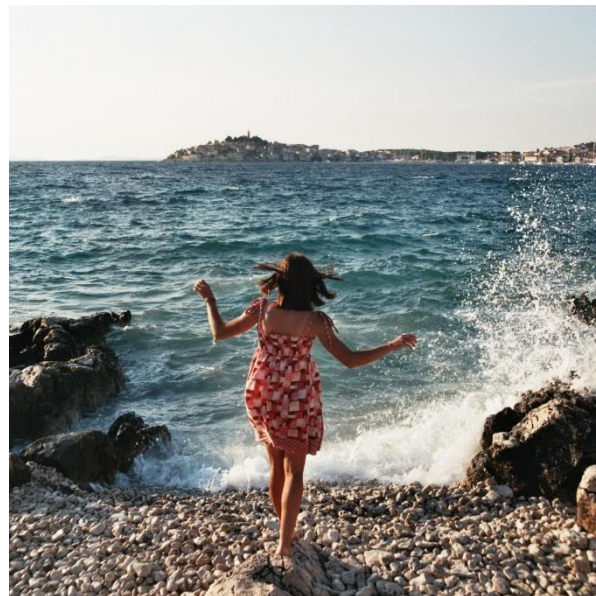
Presbyterian Beneficiary Fund Trustee Limited (PBFTL) is the Trustee and Manager of the Fund. The directors of PBFTL for the year to 30 June 2019 (and any changes) were:

- Russell Garrett                      Chair from 22 August 2018 to 30 June 2019  
Following his appointment as Executive Officer for the Presbyterian Church Property Trustees on 1 July 2019, Russell resigned as a director and was subsequently re-appointed 25 July 2019.
- Ian Russon (Licensed Independent Trustee)                      Chair until 22 August 2018  
(and from 1 July 2019)
- Roger Gyles
- Margaret Galt
- Warren Potter
- Alan Jamieson                      Appointed 16 May 2019

#### Service Providers

There were no changes to the service providers to the Fund in the year to 30 June 2019. The service providers are:

- **Actuary** – Melville Jessup Weaver Limited
- **Administration Manager** – Melville Jessup Weaver Limited
- **Auditor** – Ernst & Young
- **Implemented Consultant** – Mercer (N.Z.) Limited. The Fund invests in Mercer Socially Responsible Investment Funds, which are managed by Mercer.
- **Solicitor** – DLA Piper



## SECTION SIX:

### How to find further information

The following information is available electronically (and free of charge) on the Disclose Register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose):

- copies of the trust deed, the Fund's latest audited financial statements, the SIPO and the annual report (select *search schemes* and enter the Fund name); and
- copies of the PDS, the annual fund updates and other material information relating to the Fund (select *search offers* and enter the Fund name).

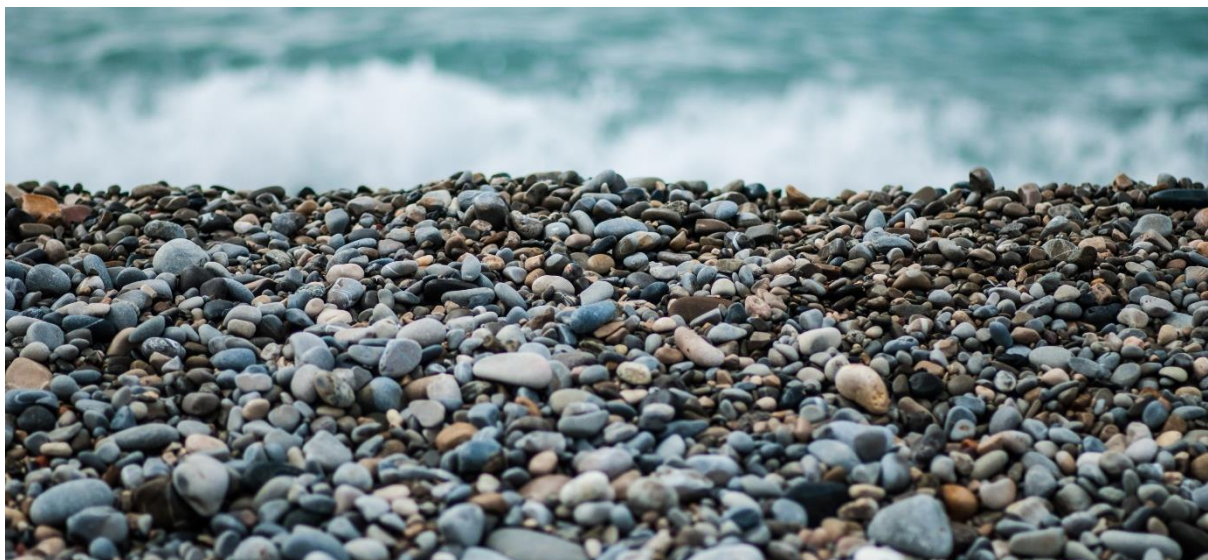
You can obtain a copy of any of those documents (or an estimate of your benefits) from the Trustee free of charge by writing to the Administration Manager at the following address:

Presbyterian Church Beneficiary Fund  
Melville Jessup Weaver  
Level 5, 40 Mercer Street  
PO Box 11330  
Wellington 6142

Or by emailing [presbyterian@mjlw.co.nz](mailto:presbyterian@mjlw.co.nz)

Information about the Fund is also available on the Fund's website:

[www.presbyterian.org.nz/for-parishes/church-property-trustees/the-beneficiary-fund](http://www.presbyterian.org.nz/for-parishes/church-property-trustees/the-beneficiary-fund)





## SECTION SEVEN:

### Contact details and complaints

Enquiries about the Fund should be directed in the first instance to the Administration Manager:

Administration Manager  
Melville Jessup Weaver  
Level 5, 40 Mercer Street  
P O Box 11330, Wellington 6142  
  
Phone 0800 266 787  
  
Email [presbyterian@mjlw.co.nz](mailto:presbyterian@mjlw.co.nz)

The Administration Manager also acts as the Securities Registrar for the Fund and can be contacted (in that capacity) at the above address.

Enquiries to the Trustee (and all other correspondence from members direct to the Trustee) should be addressed to:

The Executive Officer  
Presbyterian Beneficiary Fund Trustee Limited  
P O Box 9049, Wellington 6141  
  
Phone [04] 381 8296  
  
Email [trustees@presbyterian.org.nz](mailto:trustees@presbyterian.org.nz)

Any complaints about your investment can be made to the Trustee using the above contact details. If the Trustee is not able to resolve the matter, you can appeal to the General Assembly.

The Trustee is a member of Financial Services Complaints Limited (**FSCL**), a dispute resolution scheme approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

You can also refer your complaint to:

Financial Services Complaints Ltd  
Level 4  
101 Lambton Quay  
Wellington 6011  
P O Box 5967, Wellington 6140.  
  
Phone 0800 347 257  
  
Email [info@fscl.org.nz](mailto:info@fscl.org.nz)

Neither the Trustee nor FSCL will charge a fee to any complainant to investigate or resolve a complaint.