



Presbyterian
Beneficiary Fund

Annual Report to Members

For the 12 months ended 30 June 2023

A message from the Chairperson

Welcome to the Beneficiary Fund Annual Report to members for the year to 30 June 2023.

I am pleased to report that returns were much better than last year, but that is not to say that everything has been smooth sailing. Investment markets, and consumers around the world are still struggling with inflation, generated by the monetary and fiscal stimulus pumped into economies here and offshore to counter the impact of Covid. Returns are improving, but they remain quite volatile. Positive returns one month are followed by losses the next. We expect these see-saw returns will continue until inflation is well and truly in the rear-view mirror.

The Cash Fund returned +4.0% for the year (after all fees and costs) (last year +0.6%), the Conservative Fund +3.2% (last year -6.4%), the Balanced Fund +6.7% (last year -8.6%), and the Growth Fund +9.1% (last year -9.4%).

The Directors were delighted to hear that the Presbyterian Benevolent Fund approved a substantial grant of \$150,000 a year for five years to the Beneficiary Fund to assist meet member costs. Lower costs mean higher returns for members. This new grant effectively replaces the now expired fee subsidy in place since the wind up of the Defined Benefit section in 2017.

The Directors were also pleased to note that Fund fees are now substantially lower than they were five years ago. For instance, fees for the most popular investment option, the Balanced Fund, were 25% lower in the year to 30 June 2023 than for the same period to 30 June 2018.

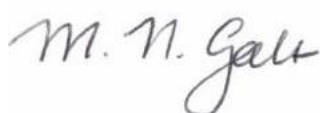
Speaking of investment options, the Directors are also pleased to introduce the Moderate Fund as a new investment option (sitting between the Balanced and Conservative Funds on the risk-return spectrum). The new option is available to members from October 2023.

Here are some facts and figures you might not know about the Beneficiary Fund this last year:

- There are 478 members in the Fund, with total assets of \$47.6 million (compared with 489 members and assets of \$48 million this time last year).
- We received \$970,000 in contributions in the year from members, the Church (and kindred employers) and the government (a little less than the \$1 million received last year).
- The Fund earned \$2.7 million after expenses (after losing over \$4.4 million last year).
- 15 new members joined the Fund (12 new members last year), although this is not sufficient to maintain our membership numbers, with 26 members leaving the Fund (24 last year), all but three of whom were non-contributing/retired ministers or spouses).
- We paid out over \$4 million in benefits to members during the year, through a mix of regular payments and one-off lump sum withdrawals (\$3.5 million last year).

Of course, running a Fund like ours takes a lot of work from many people. Thank you to my fellow directors, all our advisers and service providers, and the Fund's Secretariat for the continued, very considerable work that has allowed us to successfully complete another year. We were delighted to welcome Sharon Ross Ensor as a new director during the year. We also wish Rose Luxford, who resigned as director at the end of July 2023, all the best as she embarks on her term as Moderator. We hope she rejoins us once her term is over.

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



Margaret Galt
October 2023



Statutory information

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 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 2023 (**Balance Date**) the Fund had a product disclosure statement (**PDS**) dated 29 September 2020 and continues to be open for applications (now under a PDS dated 27 September 2023).

Fund Updates: A fund update for each of the four investment options for the year ended 30 June 2023 was made available on 29 September 2023.

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 27 October 2023 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 12 October 2023, 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 2023 are shown below.

	Contributing members	Non-Contributing members	Total
Membership at 1 July 2022	187	302*	489
Plus			
New members **	15	0	15
Switch			
Ceased Contributing	(11)	11	0
Retired (>65)	(11)	11	0
Recommenced Contributing	3	(3)	0
Less			
Withdrawals	(3)	(19)	(22)
Deaths	0	(4)	(4)
Membership at 1 July 2023	180	298	478

* One member was incorrectly excluded from last year's closing balance.

** There were no transfers from other schemes.

Members' Accumulations

Members' accumulations at the start and end of the year ending 30 June 2023 were as follows:

Members' accumulations	1 July 2022	30 June 2023
Total account balances	\$47,859,169	\$47,591,849
New Benefits section	\$43,507,218	\$42,699,865
Number of members with accounts	459	453
Complying Fund section	\$4,387,951	\$4,891,984
Number of members with accounts	162	167

Contributions

During the year ended 30 June 2023, contributions were received from and on behalf of 201 members as shown below:

Contributions	
Members	\$550,971
Parishes and Kindred Employers	\$386,226
Government	\$32,533
Total	\$969,730

No voluntary additional contributions were received by the Fund during the year ended 30 June 2023 because such contributions are not permitted.

SECTION THREE:

Changes relating to the Fund

Trust Deed

There have been no changes to the Trust Deed in the year ended 30 June 2023.

Statement of Investment Policies and Objectives (SIPO)

The SIPO was updated with effect from 10 December 2022. The main updates were to:

- Signal the intention to add a Moderate investment option
- Recognise the risk and opportunities arising from climate change
- Align the market indices with those used by Mercer.

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

Subject to the exception outlined below, all the contributions required to be made to the Fund in accordance with the terms of the Trust Deed have been made.

As noted in the previous year's Annual Report, the Trustee continues to work with the Church to identify any ministers who commence or return to active ministry so that we can ensure those ministers are contributing to the Fund as required. As at 30 June 2023, we have identified two ministers who have not started contributing to the Fund.

Permitted withdrawals

During the year ended 30 June 2023, there were 26 full withdrawals and 55 partial withdrawals permitted under the Financial Markets Conduct Act 2013 and Trust Deed. Each withdrawal was paid as a lump sum.

Complying Section

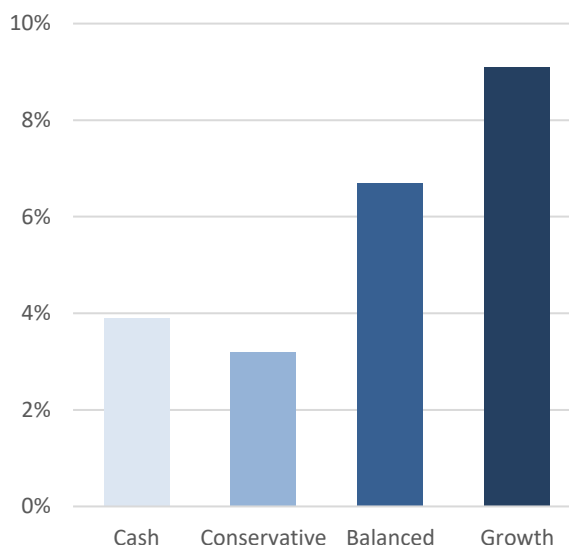
As at 30 June 2023, the market value of the assets of the Fund subject to the Complying Fund rules was \$4,891,984 for 167 members. There were four withdrawals made in the year to 30 June 2023 for normal retirement, partial withdrawal, and transfer to a KiwiSaver scheme. These payments totalled \$233,298 and were 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 and administration costs have been deducted.

Contributions to the Fund are 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. 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 the current price.

Fund Returns (%)
for the year ended 30 June 2023



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

Unit Prices	Cash	Conservative	Balanced	Growth
1 July 2022	1.5806	1.0878	1.2404	1.2298
30 June 2023	1.6441	1.1212	1.3215	1.3386



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 2023 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 2023.

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 2023 (and any changes) were:

- Margaret Galt (Chair)
- Warren Potter (Licensed Independent Trustee)
- Russell Garrett
- Roger Gyles
- Alan Jamieson
- Rose Luxford
- Sharon Ross-Ensor (appointed 10 November 2022)
- Ian Russon (resigned 31 August 2022)

Service Providers

There were no changes to the service providers to the Fund in the year to 30 June 2023.

The service providers are:

- **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:

- 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 7, 20 Balance Street
P O Box 1096, Wellington 6140

Or by emailing 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



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 7, 20 Balance Street
P O Box 1096, Wellington 6140

Phone 0800 266 787

Email presbyterian@mjw.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] 389 8296

Email 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 Financial Ombudsman Service – which provides 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

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