



Annual Report to Members  
For the 12 months ended 30 June 2021

Presbyterian Church of Aotearoa New Zealand Beneficiary Fund

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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.

We continue to live in interesting times! This is my second report 'in the time of Covid', and I wonder how many more will be dominated by the pandemic? Despite this, the directors are pleased to report very healthy returns for the Fund. The Cash Fund returned 0.7% for the year (after all fees and costs) (1.1% last year), the Conservative Fund 5.0% (4.2%), the Balanced Fund 14.9% (4.2%), and the Growth Fund 20.7% (4.0%).

These returns reflect the strong growth in share prices as companies benefited from the re-opening of economies around the globe post Covid-lockdowns. However, we know that significant uncertainties remain, including the ongoing impact of Covid, inflationary pressures, rising interest rates, and the challenge presented by climate change. The directors continue to work closely with our fund manager, Mercer, to ensure your investment assets are invested responsibly and in a manner that seeks to mitigate, rather than contribute, to climate change.

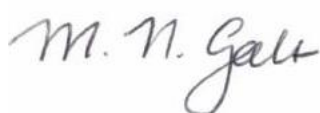
The good returns are also helped by the fee subsidy, which keeps the cost of administering the Fund below 0.18% p.a. and, of course, the Fund also enjoys special tax status due to the charitable nature of your ministry.

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

- There are 500 members in the Fund, with total assets of nearly \$55 million (compared with 508 members and assets of \$52 million this time last year).
- We received just over \$1 million in contributions in the year from members, the Church (and kindred employers) and the government (the same as last year).
- The Fund earned over \$6 million from its investments (much more than the nearly \$2 million earned last year).
- Eight new members joined the Fund (the same as last year), although this is not sufficient to maintain our membership numbers.
- 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 (just over \$4.5 million last year).
- Four members used the First Home withdrawal provisions to help buy their first house (compared with one last year) – congratulations!

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 advisers and service providers, and the Fund's Secretariat for the continued, very considerable work that has allowed us to successfully complete another year. A special thank you to Ian Russon, who remains a director, but handed over responsibility as our Licensed Independent Trustee to Warren Potter, and to Brian Dangerfield, who resigned to take up other responsibilities with the Church Property Trustees.

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



Margaret Galt  
October 2021



# 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 Manager:** 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 2021 (**Balance Date**) the Fund had a product disclosure statement (**PDS**) dated 29 September 2020 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 2021 was made available on 30 September 2021.

**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 18 October 2021 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 7 October 2021, 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 2021 are shown below.

	Contributing members	Non-Contributing members	Total
<b>Membership at 1 July 2020</b>	<b>201</b>	<b>307</b>	<b>508</b>
<b>Plus</b>			
New members*	8	0	8
<b>Switch</b>			
Ceased Contributing	(10)	10	0
Retired (>65)	(5)	5	0
Recommenced Contributing	4	(4)	0
Death / Spouse	(2)	2	0
<b>Less</b>			
Withdrawals	(2)	(6)	(8)
Deaths	0	(8)	(8)
<b>Membership at 1 July 2021</b>	<b>194</b>	<b>306</b>	<b>500</b>

\* There were no transfers from other schemes.

#### Members' Accumulations

Members' accumulations at the start and end of the year ending 30 June 2021 were as follows:

Members' accumulations	1 July 2020	30 June 2021
Total account balances	\$51,426,294	\$54,615,460
New Benefits section	\$47,746,372	\$50,260,570
Number of members with accounts	481	455
Complying Fund section	\$3,679,923	\$4,354,890
Number of members with accounts	151	144

#### Contributions

During the year ended 30 June 2021, contributions were received from and on behalf of 213 members as show below:

Contributions	
Members	\$566,961
Parishes and Kindred Employers	\$401,011
Government	\$34,959
<b>Total</b>	<b>\$1,002,932</b>

No voluntary additional contributions were received by the Fund during the year ended 30 June 2021 because such contributions are not permitted.

## SECTION THREE:

### Changes relating to the Fund

#### Trust Deed

An amendment to the Trust Deed was executed on 28 September 2020. The main purpose for the amendment was to remove references to the Defined Benefit Section of the Fund as it has been wound up, and to update provisions governing the Complying Section to reflect changes to Governing Legislation.

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

The SIPO was updated on 1 September 2020. The main updates were to:

- Include a specific investment belief that fiduciaries have a responsibility to invest in a way that makes the world more sustainable and, therefore, in a way that lowers the impact of climate change.
- Amend the section addressing the investment transition process (following the wind up of the old Defined Benefit section) to one addressing the use of the wind up surplus.
- Increase the allocation to growth assets by 5% within the Balanced and Growth investment options, and reflect other minor asset allocation (and benchmark index) changes made by Mercer to the underlying investment funds.

#### 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.

The Trustee has recently become aware that a non-contributing (and previously deferred member) has returned to active Ministry, but has not been contributing to the Fund as required. This is due to the Trustee not being notified of the member's return to active Ministry. The situation is currently being remedied and the Trustee and the Church are working together to ensure that the Trustee is promptly notified when a non-contributing member returns to active Ministry.

#### Permitted withdrawals

During the year ended 30 June 2021, 238 members made withdrawals permitted under the FMCA and Trust Deed. There were 13 withdrawals, eight deaths and 217 partial withdrawals. Each was paid as a lump sum.



## Complying Section

As at 30 June 2021, the market value of the assets of the Fund subject to the Complying Fund rules was \$4,354,890 for 144 members. There were 16 withdrawals made in the year to 30 June 2021 for Normal Retirement, First Home and Transfer provisions. These payments totalled \$270,201 and were subject to the Complying Fund rules.

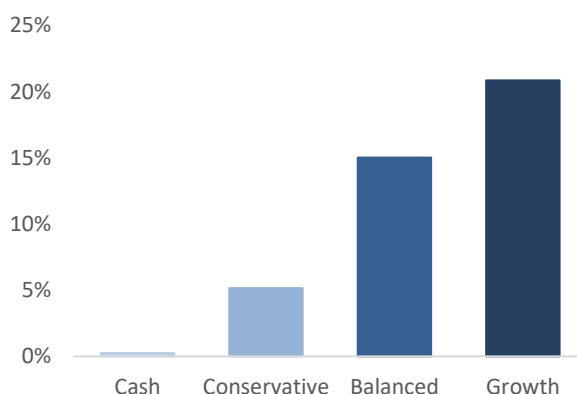
## Investment Returns

The investment returns for each investment option provided by the Fund are shown after all investment fees 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 2021



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

Unit Prices	Cash	Conservative	Balanced	Growth
<b>1 July 2020</b>	1.5668	1.1095	1.1849	1.1273
<b>30 June 2021</b>	1.5697	1.1637	1.3597	1.3595



## 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 2021 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 2021.

## 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 2021 (and any changes) were:

- Margaret Galt (Chair)
- Warren Potter (Licensed Independent Trustee from 18 February 2021)
- Ian Russon (Licensed Independent Trustee up to 18 February 2021)
- Russell Garrett
- Roger Gyles
- Alan Jamieson
- Rose Luxford
- Brian Dangerfield (resigned 26 November 2020)

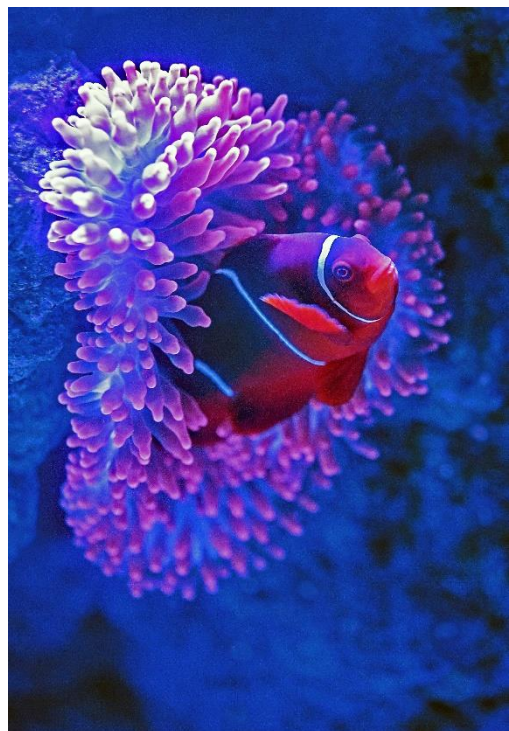


#### Service Providers

There were no changes to the service providers to the Fund in the year to 30 June 2021, other than to note that, as a result of the wind up of the old Defined Benefit section, the Fund no longer requires the services of an actuary (formerly Melville Jessup Weaver).

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

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

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@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 Ltd  
P O Box 9049, Wellington 6141  
  
Phone [04] 389 8296  
  
Email [trustees@presbyterian.org.nz](mailto:trustees@presbyterian.org.nz)

#### Complaints

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.