



Presbyterian Church of Aotearoa New Zealand

Beneficiary Fund

Annual Report to Members

For the 12 months ended 30 June 2020

A message from the Chairperson

It's my pleasure to write this annual message from the Chair of the Presbyterian Beneficiary Fund.

What a year it's been. Covid-19 has affected each and every one of us, one way or other. And it continues to dominate our lives, even here in Aotearoa New Zealand, where we enjoy 'life as normal' more so than almost anywhere else.

That's not to say that we have not been focused on ensuring the Beneficiary Fund continues to run smoothly. We were pleased with the way all our service providers responded to the challenges of working from home to ensure the Fund did not skip a beat. We were also pleased in the way the investment options navigated the investment market turmoil in the early part of the year. And we were delighted in the resolve shown by members in sticking with your chosen investment strategies in the face of uncertainty.

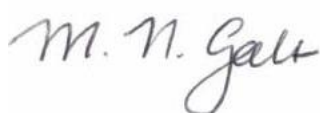
Despite the market turbulence, the Cash Fund returned 1.1% for the year (after all fees and costs), the Conservative Fund 4.2%, the Balanced Fund 4.2%, and the Growth Fund 4.0%. These returns are the result of reasonable investment returns, particularly given where interest rates now sit, and low Fund costs. The fee subsidy enjoyed by members helps to keep the cost of administering the Fund below 0.2% 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 508 members in the Fund, with total assets of nearly \$52 million.
- We received over \$1 million in contributions in the year from members, the Church (and kindred employers) and the government.
- The Fund earned nearly \$2 million from its investments.
- Nine new members joined the Fund.
- We paid out over \$4.5 million in benefits to members during the year, through a mix of regular payments and one-off lump sum withdrawals.
- One member used the First Home withdrawal provisions to help buy their first house – 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 professional advisers and service providers, and the Fund's Secretariat for the continued, very considerable work that has allowed us to complete another year in the face of some very trying circumstances.

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



Margaret Galt
October 2020



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 (**FMCA**) as a restricted workplace savings scheme.

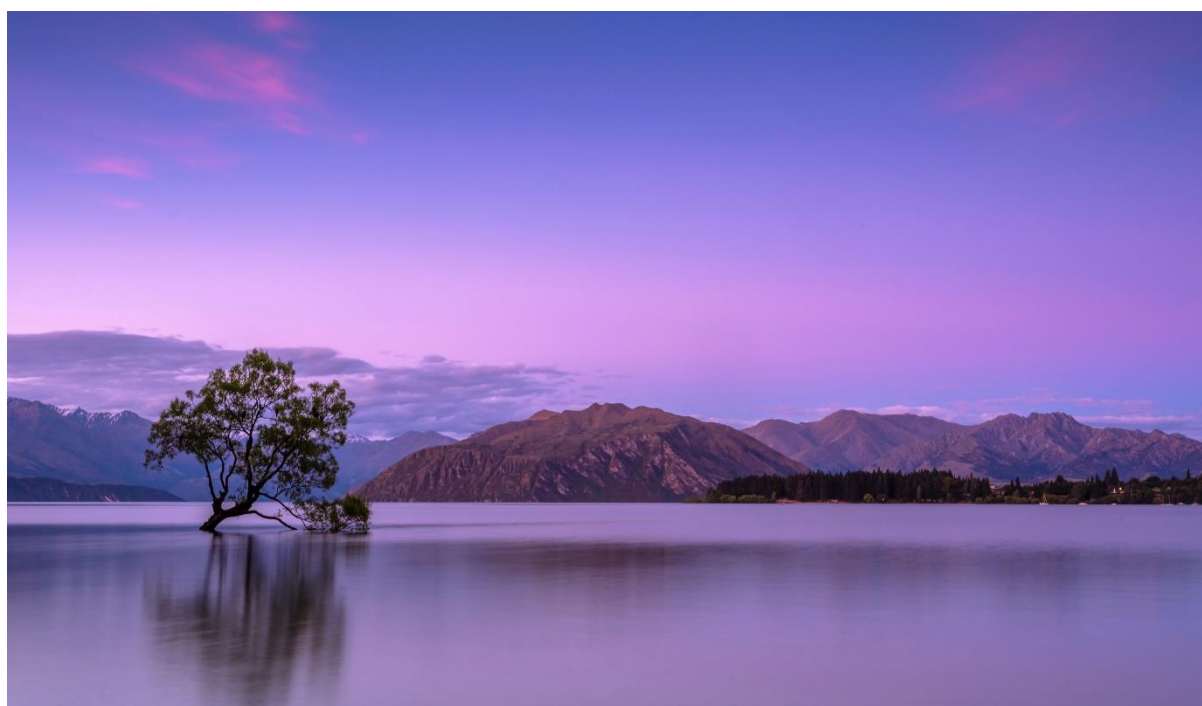
Trustee and Manger: Presbyterian Beneficiary Fund Trustee Limited (**PBFTL or Trustee**) is the trustee and manager of the Fund. The Fund does not have its own independent supervisor, as the Financial Markets Authority (**FMA**) supervises all restricted workplace savings schemes.

Fund status: As at 30 June 2020 (**Balance Date**) the Fund had a product disclosure statement (**PDS**) dated 18 December 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 2020 was made available on 1 October 2020.

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 30 October 2020 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, 22 October 2020, 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 2020 are shown below.

	Contributing members	Non-Contributing members	Total
Membership at 1 July 2019*	207	308	515
Plus			
New members	9		9
Switches			
Contributing	(3)	3	0
Retired (>65)	(7)	7	0
Other	(3)	3	0
Less			
Withdrawals	(1)	(7)	(8)
Deaths	(1)	(7)	(8)
Membership at 1 July 2020	201	307	508

* The opening positions have been adjusted as one member was incorrectly classified as a Contributing member as at 30 June 2019, but should have been a Non-Contributing member.

Members' Accumulations

Members' accumulations at the start and end of the year ending 30 June 2020 were as follows:

Members' accumulations	1 July 2019	30 June 2020
Total account balances	\$52,833,600	\$51,426,294
New Benefits Section	\$49,642,379	\$47,746,372
Number of members with accounts	491*	481
Complying Section	\$3,191,221	\$3,679,923
Number of members with accounts	150	151

* The opening number has been adjusted to correct the position as at 30 June 2019.

Contributions

During the year ended 30 June 2020, contributions were received from and on behalf of 201 members as show below:

Contributions	
Members	\$584,278
Parishes and Kindred Employers	\$393,618
Government	\$38,415
Total	\$1,016,311

No voluntary additional contributions were received by the Fund during the year ended 30 June 2020 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 2020.

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 2020, there were 18 withdrawals and 93 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 2020, the market value of the assets of the Fund subject to the Complying Fund rules was \$3,679,923 for 151 members. There were three withdrawals made in the year to 30 June 2020, one each under First Home, Hardship and Transfer provisions. These payments were subject to the Complying Fund rules.

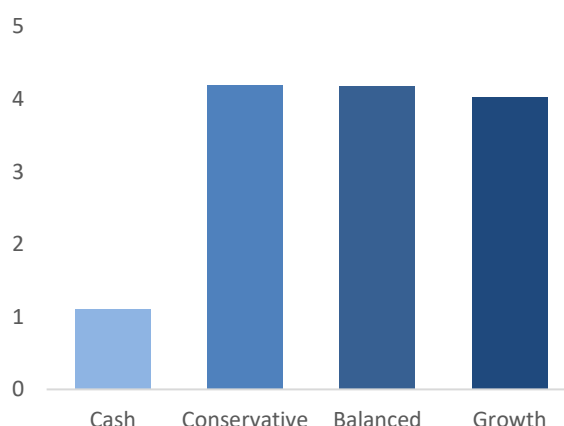
Investment Returns

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

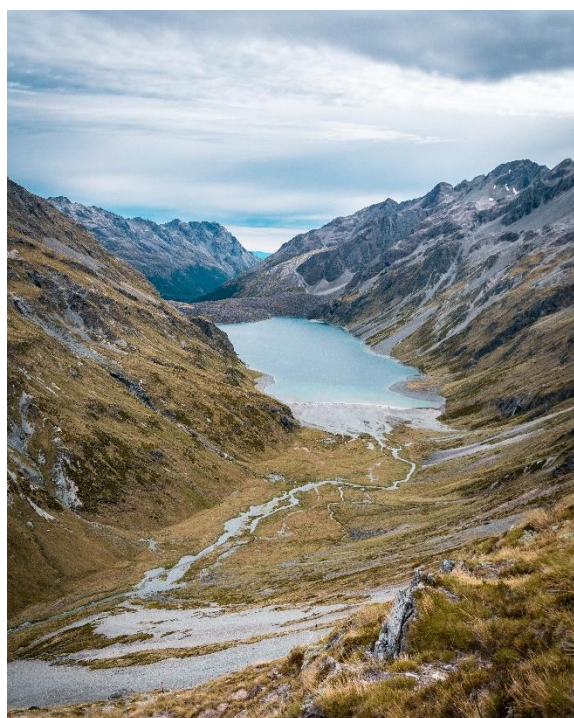
Contributions to the Fund used to purchase what are known as 'units' in your chosen investment option(s). The number of units that your money purchases depends on the unit price at the time of purchase. For example, if \$200 is contributed and the unit price is \$1.00 at that time, then 200 units would 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 2020



Unit Prices	Cash	Conservative	Balanced	Growth
1 July 2019	1.5480	1.0651	1.1377	1.0840
30 June 2020	1.5668	1.1095	1.1849	1.1273



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 2020 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 2020.

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 2020 (and any changes) were:

- Margaret Galt Chair from 22 November 2019
- Ian Russon (Licensed Independent Trustee) Chair from 1 July 2019 to 22 November 2019
- Roger Gyles
- Warren Potter
- Alan Jamieson
- Rose Luxford Appointed 28 May 2020
- Russell Garrett Russell resigned as a director (and Chair) on 30 June 2019. Following his appointment as Executive Officer for The Presbyterian Church Property Trustees on 1 July 2019, Russell was subsequently re-appointed as a director on 25 July 2019.

Service Providers

There were no changes to the service providers to the Fund in the year to 30 June 2020. 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
- **Superannuation Consultant** – Dell Consulting



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@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] 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 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 Limited
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.