



Eastern & Central  
**COMMUNITY  
TRUST**

Helping fund a better community

## **AUDIT & RISK COMMITTEE MEETING**

**2.00pm Thursday, 29<sup>th</sup> October 2015**  
**Eastern & Central Community Trust Board Room**

**THE AGENDA FOR A MEETING OF THE A & R COMMITTEE OF THE EASTERN AND CENTRAL  
COMMUNITY TRUST INC., TO BE HELD AT THE TRUST'S OFFICE, ON THURSDAY 29<sup>TH</sup> OCTOBER  
COMMENCING AT 2:00 P.M.**

**Ring 08 30 33, then on voice prompt enter the PIN 333352 followed by the hash key.**

**SECRETARIAL AND COMMITTEE ADMINISTRATION ITEMS**

1. Welcome and Apologies
2. Draft Minutes of the A & R Committee Meeting held : [pages 3-7](#)
3. Matters arising and action items: [pages 8-9](#)

**OPERATIONAL REPORTS TO THE COMMITTEE**

4. General Managers Report to the Committee: [pages 10-15](#)

**FINANCIAL INFORMATION PAPERS**

5. Dashboard Report to 30<sup>th</sup> September 2015 : [pages 16-17](#)
6. Summarised Financial Position & Financial Performance YTD: [pages 18-27](#)
7. Hedging Report: [pages 28-32](#)
8. Risk Register Summary : [page 33](#)
9. Summarised Fund Manager Reports: [pages 34-54](#)

**COMMITTEE DECISION PAPERS**

10. Brokerage Fees: [pages 55](#)

**COMMITTEE INFORMATION PAPERS**

11. General Business

**Close of Meeting**

Next meeting: Friday 18<sup>th</sup> December 2:00pm. TBC.

<b>Report type:</b>	Secretarial and Committee Administration Items
<b>Recommendation:</b>	The Committee considers the Minutes of the Audit & Risk Committee Meeting held on 31 <sup>st</sup> August 2015 and approves as a true and accurate record of the meeting.
<b>Agenda item no:</b>	<b>2</b>
<b>Subject:</b>	Minutes of the Audit & Risk Committee Meeting held on from 31 <sup>st</sup> August 2015
<b>Responsible for the report:</b>	Trust Secretary

<b>Purpose of report:</b>	To record the recommendations of the Committee from the Audit & Risk Meeting, including decisions taken, and to approve the minutes from 31 <sup>st</sup> August 2015 as a true an accurate record of the meeting.
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**MINUTES FOR THE JOINT MEETING OF THE EXECUTIVE AND THE AUDIT & RISK COMMITTEES  
OF THE EASTERN AND CENTRAL COMMUNITY TRUST INC.,  
HELD AT THE TRUST'S OFFICE, 102-104 RUSSELL STREET SOUTH, HASTINGS,  
ON MONDAY 31ST AUGUST 2015, COMMENCING AT 2.00 PM.**

**PRESENT:**

Via Teleconference: Geoff Milner (Interim Chair), Anna Hansen (*joined the meeting at 2.12pm and left at 3.05pm*), Bruce Mills, Kaye McAulay, Shelley Mitchell-Jenkins and Stephen Kerr (*joined the meeting at 2.10pm*)

In Person: Jonathan Bell (General Manager) and Kelie Jensen (Trust Secretary)

**ABSENT:**

Caren Rangi

**SECRETARIAL AND ADMINISTRATION ITEMS**

**1. Apologies**

None

**2. Draft Minutes of the Executive Committee Meeting held on 24<sup>th</sup> June 2015**

**2.1 RESOLUTION**

The Committee resolved to approve the minutes of the Executive meeting held on 24<sup>th</sup> June 2015 as a true and accurate record of the meeting.

**B Mills/K McAulay**

**CARRIED**

*S Kerr joined the meeting at 2.10pm.*

**3. Matters Arising and Action Items**

No matters arising.

Action Items:

- Te Mata Peak Trust – withdrawn application, but waiting for report re why they decided to pull the pin and what their plans are for the future. Likely future application.

*A Hansen joined the meeting at 2.12pm.*

- The GM to meet with M Chamberlain in Auckland next week – on agenda will be review process for M Chamberlain and fund managers, NZ Bonds, Hedging etc.

**OPERATIONAL REPORTS TO THE COMMITTEE**

**4. General Manager's Report to the Committee**

Noted.

**FINANCIAL INFORMATION PAPERS**

**5. Financial Report to 31<sup>st</sup> July 2015**

Noted the Trust's Financial Position and Financial Performance to July 31<sup>st</sup>:

- We should begin to see the positive impact of lower NZ\$ on overseas dividend streams in Sep/Oct as these are historically higher dividend months.



- Recent instability in the markets will make for an interesting August report.

## 6. Summarised Financial Position & Financial Performance YTD

Noted:

- Improved clarity with unrealised investment income now reported below bottom line.
- Commitment Schedule:
  - Ricochet Trampoline Club – extension granted and they have now fulfilled all requirements.
  - Feilding & District Steam Rail Society – unable to raise other funds; may request extension but likely to pull application and reapply later.
  - Te Ara Tika Trust – have been unable to contact. G Milner to contact and ask them to call the GM. **ACTION ITEM**

## 7. Asset Allocation & Summarised Fund Managers Reports

Noted:

- Term Deposit quotes have dropped considerably from the previous month – rollover TD's more likely to be 3.4-3.5%.
- The GM to include the following in his discussions next week and Trustees expect a qualitative response / advice from M Chamberlain on these issues:
  - Elevation Capital still holding \$5M in cash – why and how do they justify the opportunity cost to ECCT?
  - Brokerage Fees – what is driving them; also how they should be reported – Trustee preference is to report against the cost of the sale to allow comparison of true returns by fund manager.
  - % Cap / rebalancing – is this policy still relevant given increasing performance / value of equities; need to know pros and cons of revisiting policy so that we are not selling quality stocks just to meet the cap.
  - What is the rationale behind M Chamberlain's recommendation to invest in overseas bonds over NZ bonds – is the benefit from the lower NZ\$; Trustees don't understand how returns can be better when overseas interest rates are lower, unless the risk is higher.
- Noted that Contact Energy bond issue is within mandate and P Williams will bid but expects issue to be oversubscribed so likely to get max \$300K at approx. 4.5%. Also, M Chamberlain currently working on recommendation for mix of equities, NZ Bonds, overseas bonds in response to issue with maturity gaps on page 47.

### 7.1 RESOLUTION

The Committee resolved to receive the GM's Report and the Financial Reports to July 31<sup>st</sup>, 2015.

**B Mitchell-Jenkins/K McAulay**

**CARRIED**

## EXECUTIVE / BOARD DECISION PAPERS

## 8. Committee Functions and Terms of Reference

- Begin with the existing TOR for the A&R Committee and identify items from the Executive Committee to add. S Mitchell-Jenkins took the lead on this:
  - 3.1 – A&R, but amend to refer to every second month.
  - 3.2, 3.3 & 3.4 – GM (with support of MCA) reporting to the full Board.
  - 3.5 – To full Board.
  - 3.6 – A&R.

- 3.7 – Other committee for appraising GM.
- 3.8 – A&R, but to full Board on review cycle.
- 3.9 – just a catch all.
- Other changes / clarifications:
  - Increase number of Trustees from three to either four or five.
  - Board Chair should not be Chair of the A&R Committee.
  - Eliminate Discretionary Donations.
  - Amend the Duties section of the current A&R TOR to include reference to the committee reviewing the financials as part of its duties.
  - May be a duty added in the future re internal assurance around Donations Policy compliance.
- Also noted A&R will essentially now be the only active committee, so consider balance between experience vs. opportunity for Board members to move through the committee – perhaps a maximum 2 year tenure.
- Trustees also discussed the process of electing the Committee Chair – currently in the Governance Charter the Board Chair nominates the Committee members but the Board votes in the Committee Chair. Suggestion that this be changed to something along the lines of “the Board Chair, in consultation with the Trustees, shall make a recommendation to the Board on the appointment of the Committee Chair”.
- The GM will circulate a revised draft TOR for the A&R Committee for further feedback before presentation to the Board at the September Trust meeting.

**ACTION ITEM**

**9. Agenda Items for Future Meetings**

- The Chair suggested that detailed discussion of this item be deferred until the October A&R Committee meeting.
- C Rangī has already done some work on this and the GM will work with her on a draft proposal for the October meeting. **ACTION ITEM**

***A Hansen left the meeting at 3.05pm***

**10. Confirmation of Reporting Requirements**

- Key feedback from Strategic Retreat was quality rather than quantity, focus on exception reporting and confidence around assurance / internal audit processes.
- Trustees provided feedback on specific reports not required, but noted that historically the Executive Committee has fulfilled an internal review function and Trustees will expect to know what internal audit processes have been put in place as reporting is reduced.
- The GM will begin refining the reporting package (seeking feedback from specific Trustees as needed) for recommendation to the Board at the September Trust meeting. This to include documentation of new internal audit processes. **ACTION ITEM**

**11. Confirmation of Meeting Dates**

- Confirmed meeting dates for the A&R Committee to be final Thursday's at 3pm on alternate months to the Trust meeting (with the exception of June and August which will be pushed to the following Monday); plus additional meetings as identified with auditors in attendance.

**EXECUTIVE / BOARD INFORMATION PAPERS**

**12. Hedging Reports**

- Current losses significant.
- The GM will be discussing in detail with M Chamberlain next week, particularly re feedback from the Board around stop losses / a “floor”.
- Next rollover is November.

**13. MCA May 2015 Monthly Report**

- Reporting content and format currently being revised with M Chamberlain; call for less monthly detail but higher quality analysis on quarterly or semi-annual schedule; also to eliminate repetition with the GM’s report.

**14. General Business**

Nothing noted.

**15. Next Audit & Risk Committee Meeting will be held on Thursday 29<sup>th</sup> October at 3.00pm.**

**16. Close of the joint meeting of the Executive and Audit & Risk Committees**

There being no further business, G Milner closed the meeting at 3.27pm.

<b>Report type:</b>	Secretarial and Committee Administration Items
<b>Recommendation:</b>	The Committee receives the Action Plan from the previous Audit & Risk Committee Meeting dated 31 <sup>st</sup> August 2015
<b>Agenda item no:</b>	<b>3</b>
<b>Subject:</b>	Audit & Risk action items and matters arising progress report
<b>Responsible for the report:</b>	General Manager

<b>Purpose of report:</b>	To ensure that assigned tasks are monitored and completed.
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## **A & R COMMITTEE ACTION PLAN**

**Meeting Date; 31<sup>st</sup> August2015**

#	ACTION	WHO	WHEN	STATUS
1	Add amended Trustee exit interview strategy to plan and charter	Jonathan	At Governance Charter Review	Pending
2	Amend Budget and add depreciation and amortisation	Jonathan	May	Completed
3	Te Mata Peak Trust – Request for report from consultant	Jonathan	June	See GM Report
4	Review Fund Managers Contracts	Jonathan	Sept	November Board Paper
5	Gisborne Funding Feedback to full Board	Jonathan	July	To be included in November meeting
6	Change to Financial reporting – Hedging income to be removed from investment income	Jonathan	ASAP	Agenda Item 10
7	Breakdown of Brokerage Fees to be provided to Trustees	Jonathan	Sept	November Board meeting
8	Te Ara Tika Trust – To be contacted by G Milner about their application	Geoff	Sept	Completed
9	Completion of revised draft Terms of Reference for the A & R Committee to be completed and circulated to A & R Committee members before the next Board meeting	Jonathan & Geoff		Draft Completed
10	Proposed Board reporting to be presented by Jonathan at the September board Meeting	Jonathan	Sept	Completed

<b>Report type:</b>	Operational Reports to the A & R Committee
<b>Recommendation:</b>	The A & R receives and accepts <ol style="list-style-type: none"><li>1. The Financial Report for the period to 30<sup>th</sup> September 2015</li><li>2. The General Manager's report for the period to 22<sup>nd</sup> October 2015.</li></ol>
<b>Agenda item no:</b>	<b>4</b>
<b>Subject:</b>	General Manager's Report to the A & R Committee
<b>Responsible for the report:</b>	Jonathan Bell

<b>Purpose of report:</b>	To inform the A & R Committee of progress and/or exceptions to the achievement of the 2015/16 Business Plan (inclusive of key Financial performance measures to 30 <sup>th</sup> September 2015), and other KPI's to 22 <sup>nd</sup> October 2015. To flag any items of risk for the Board and to flag any other items of significance to the Board.
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## **GENERAL MANAGERS REPORT OCTOBER 2015**

### **1.0 Executive Summary**

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This report is in a similar format to the monthly reports provided to the Trustees for full Board meetings. Since the last Trust meeting the following points are noted;

1. Global markets have continued to soften impacting on our investment assets and unrealised income.
2. We are currently conducting user testing on the changes to TKP.
3. Applicant numbers for November are at similar levels to past years.

### **2.0 Financial Performance**

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#### **2.1 Dashboard**

Red lights dominate the dashboard which requires explanation. Key comments to note are;

#### **2.2 Balance Sheet**

- All investments fell in value for the month; total fall was approximately \$2.5 million.
- Global Bonds remained steady.
- Drop in our own cash of \$500k. This was used to part pay the hedging contract with BNZ.
- YTD our portfolio has increased by approximately \$1.5 million. This is an indication of the decline and uncertainty in Global markets.

#### **2.3 Income**

- Realised income for the month was behind budget by \$141k. The budgeted figure was calculated from the dividends received in the previous year, however, during the course of this year there has been a sell down of those equities and a purchase of others with dividend payments in other months. This is a timing issue and the income will eventually be realised.
- NZ Bonds and TD income continues to slide as noted in my September report.
- Income YTD is behind budget mainly because of the hedging payment of \$1.6 mill.
- Unrealised income is \$1.3 million, compared to this time last year it was \$5.2 million.

#### **2.4 Expenses**

- Expenses for the month were slightly lower than budgeted, the first time for a long time, key points to note;
  - Advertising Statutory – I have a meeting planned with Tracta to discuss the work done in producing the Annual Report, this is planned for early November and I will report back to the full Board in November.
  - Insurance – We have changed underwriters for the key man insurance the Trust holds for me. This has led to a reduction in our annual premium of approx \$2.2k.
  - Brokerage Fees – Following discussions with Michael Chamberlain and Shelly Mitchell-Jenkins this item is up for discussion. **Agenda Item 10.**
- YTD expenses are over budget by \$122k. The bulk of this is the brokerage fees which are over budget by \$170k.
- **Overall income is tracking ahead of budget (after removing the hedging payment) and expenses are slightly over budget.**

#### **2.5 Distributions**

- Total donations approved are slightly behind budget by \$222k or 6.7%.

- We have had \$323k of write backs making our net distributions for the year \$546k behind budget.
- We are expecting a big month for the November meeting with approximately 150 applications of which 35 are specials. I am unable to provide the requested amount at the time of writing.

#### 2.6 Hedging

- The end of September report is attached.
- The situation as at the 8<sup>th</sup> of October is also attached.
- We closed out the hedging contract early and are due to pay BNZ \$460k on the 6<sup>th</sup> of November. If we had not done this we would be in a positive situation, however, at the time all indicators in the model provided by MCA indicated that we should close. Michael Chamberlain will be providing a hedging paper for the November meeting.

#### 2.7 Capital Base

- The capital base graphs are attached.
- There has been a slight dip over the past two months which confirms the state of play for current global markets. We are still well above the current capital base of \$145 mill.

#### 2.8 Risk Register

- I have reviewed this register and note the highlighted areas as the current cause for concern. Global markets and currency are in a state of change and volatility. **Agenda Item 8.**

### 3.0 Action Plan

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The action plan is attached and the following comments are made;

Item 1; Governance Charter – This is to be reviewed over the coming six months.

All other items have either been completed or are noted as Agenda Items.

### 4.0 Financial Reporting 2016 and Beyond

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I have spoken with Craig Fisher, RSM Hayes Audit, based in Auckland. He is putting a proposal together for the collective of Community Trusts looking to provide;

- An overview explanation of the changes in accounting framework and high level implications.
- Highlight the main areas of change from the Trusts' existing NZ IFRS compliance and provide general guidance regarding the required treatment and implications.
- Conduct a high level review of the Trust's most recent financial statements to identify any other specific issues particular to each Trust.

RSM Hayes would also be available to work with individual Trust's as required. It is my intention to engage them to provide a report which will clarify what we need to provide for our 2016 year-end Financial Statements.

### 5.0 HR

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- There is nothing that needs to be brought to the attention of the A & R Committee.

### 6.0 Other

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- The report from Te Mata Peak Trust is unavailable at present, however I note they are conducting a survey with the community asking them for their input into the future requirements of the park. I have included the flyer for your information.



- Elevation Capital Cash – I have requested \$2 million to be returned from Elevation Capital. We will place this on a 30 day Term Deposit to gain more interest than Chris Swasbrook is currently earning. Chris is comfortable with this and they will request the funds back when needed to purchase shares. This will leave them with \$2 million of cash in their portfolio.
- Auckland Meeting – I met with Chris Swasbrook, Richard Burton and Michael Chamberlain in Auckland. This was a good meeting and I will report to the full Board on this. Basically we covered off;
  - Level and timeliness of reporting
  - Identification of key KPI's for reporting against
  - Development of an Annual Review
- Community Trusts CE's and Chairs Meeting – This is planned for Friday November 6<sup>th</sup>. A report from this meeting will be provided to Trustees in November. One item which will be discussed is the independent review of TKP which is scheduled to be completed by the end of this month.
- MCA Report – This month sees a reduced version of the report Michael Chamberlain normally provides. This report focuses on income, performance and the overall level of assets and any trends which are occurring within the portfolio. The previous detailed reports will be discontinued, however the information which sits behind these is available if a Trustee requests it. Our investment strategy is long term, the provision of detailed monthly reports seems at odds with that strategy. I am happy to discuss this further.

Jonathan Bell  
General Manager  
22<sup>nd</sup> October 2015



# Te Mata<sup>the</sup> Giant among Us

TE MATA TĀTARA HAEMATA

## Te Mata Park MANAGEMENT PLAN

### Issues Paper

#### Background

Te Mata Park was created in 1927 by the Chambers family as a public park and public recreation ground, for use by the Hawke's Bay community in perpetuity. The Te Mata Park Trust was established to own the Park.

#### Reserve Management Plan

Te Mata Park is under pressure due to significant increases in users, lack of facilities within the Park, the increasing needs of recreational users (particularly walkers and mountain bikers) and congestion in the car parks and on the upper sections of Te Mata Peak Road.

Given these issues, the Te Mata Park Trust Board, in consultation with the community, and with assistance from local authorities, is now compiling a Management Plan to set out the operational and development priorities for Te Mata Park over the next 10 years.

The Trust is seeking your input on how best to manage, protect and improve this wonderful community asset for future generations.

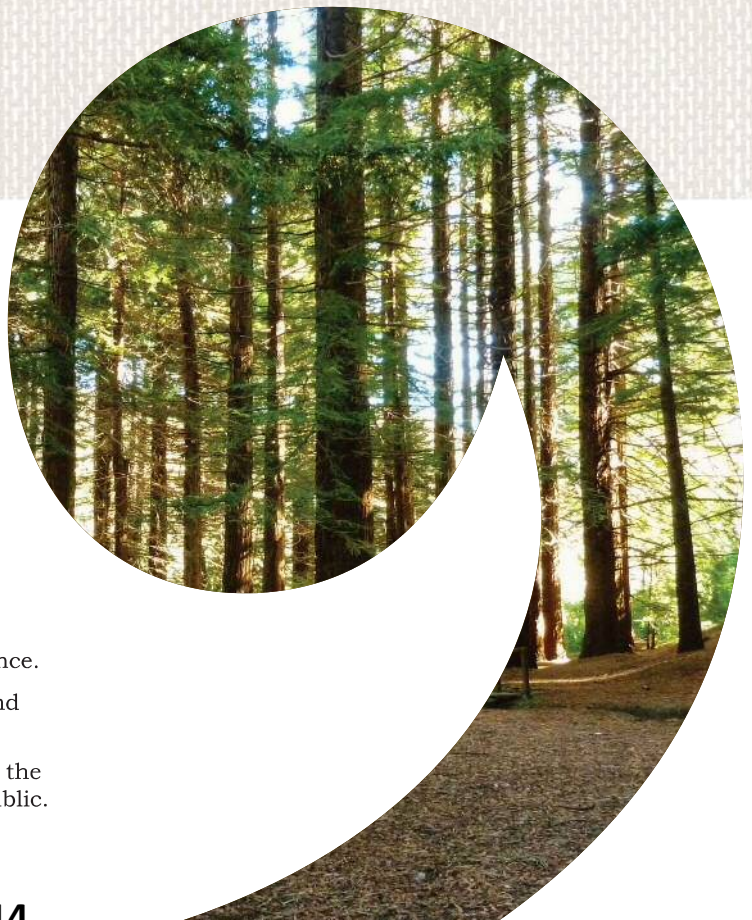
## Te Mata Peak Trust Board – Vision & Objectives

#### Vision

- Te Mata Peak is a taonga tuku iho (heavenly gift) and the iconic feature of Hawke's Bay.
- It will always be a place of cultural, scenic, recreational, scientific and educational significance for all New Zealanders.
- The Trust will sustain, protect and maintain Te Mata Park's outstanding natural features and open spaces.

#### Strategic Objectives

- Establish Te Mata Park as a place of national significance.
- Establish significant financial resources in order to fund the annual operating cost of the Park.
- Provide and maintain facilities and an environment for the recreational, cultural and educational benefit of the public.







Te Mata Park is unique in many ways. Not only because of its landscape, ecology and cultural significance, but also its status as private land, managed by The Te Mata Park Trust on behalf of the community. The Park is protected in perpetuity by an Open Space Covenant through the Queen Elizabeth II Trust, which ensures that the land and its open space values are always preserved. In practical terms, this places stringent limits on any changes to the landscape or any development within the Park.

Historically, the Park has been managed by volunteers (including the Trustees), and it is only since 1998 that the Trust has received a small annual contribution from HBRC to fund a part-time caretaker. Otherwise, the Park has relied solely on donations, grants and volunteer contributions.

This Management Plan will set a vision, identify priorities, and confirm an action plan for the Park to take us through to 2025. The Trust's goal is to provide greater financial security for the Park by seeking increased operational funding from local authorities, securing grants from central government and relevant trusts for specific projects, and continuing with its community engagement and fundraising programs.

As part of the ongoing management and protection of the Park, the Trust Board has identified the following key issues and is seeking your input on these challenges and opportunities. While we have suggested some potential questions relevant to each of the Points for Consideration, we are keen to hear about issues, concerns, ideas or solutions you may have on any aspect of the Park.

## Have your say

**Read more about the Te Mata Peak Management Plan process and how you can be involved at [www.tematapark.co.nz](http://www.tematapark.co.nz)**

1. **Have your say** via the online survey at... [www.myvoicemychoice.co.nz/te-mata-park-future](http://www.myvoicemychoice.co.nz/te-mata-park-future)
2. **Please send us your comments by Friday 13 November.** We will incorporate your thoughts and ideas into the Draft Management Plan where appropriate, which will be available for comment in December.

## Points for Consideration

### 1. Continued vehicular access to the summit

Will a time come when we restrict the size of vehicles driving to the top and even consider closing the upper section of the road during peak periods?

### 2. Improvement of the summit facilities

Can we improve the aesthetics and landscaping at the summit? Could we limit the number of car parks at the summit and expand parking facilities at the Saddle Lookout below? Should we consider significantly improving the walking track from Saddle to Summit to encourage walkers off the road?

### 3. Congestion and facilities at the Main Gates carpark

Do we need to increase the capacity of the Main Gates car park? Would a landscaped picnic area at the Main Gates be of value to the community?

### 4. Facilities and amenities

The Management Plan will address the provision and maintenance of walking and cycling tracks, as well as toilets, rubbish bins and drinking water. Where should these be located?

### 5. Peak House and revenue raising activities

What could be commercially sustainable or alternate uses for Peak House? Would the community support the creation of a designated area of the Park for commemorative planting to raise funds? Should the Trust consider providing 'naming rights' for donors for specific trees, facilities or projects throughout the Park?

### 6. Visitor impacts

Vandalism, theft from parked cars and litter are an ongoing concern – how can we limit the impact that visitors have on the Park?

### 7. Expansion and land purchase

Should the Trust consider opportunities to expand the Park's area?

### 8. Information, education and track signage

Te Mata Park is part of the land associated with the ancestor Te Rehunga of Ngati Ngarengare, a sub-tribe of Ngati Kahungunu. The park has a rich human history spanning several centuries and the upper parts in particular have strong cultural importance to Maori. How can we provide more information about the history and ecology of the Park? Should the Trust invest in web-enabled delivery (eg apps) and/or fixed signage? The Trust will be reviewing maps and directional signage throughout the Park to provide complete clarity for all users, including walkers and bikers. What should these look like?

<b>Report type:</b>	Financial Information Papers
<b>Recommendation:</b>	The Committee notes the financial position, financial performance and asset allocation as at 30 <sup>th</sup> September 2015.
<b>Agenda item no:</b>	<b>5 to 6</b>
<b>Subject:</b>	Financial Reports
<b>Responsible for the report:</b>	General Manager

<b>Purpose of report:</b>	To inform the Committee of where the funds of the Board are invested, the current asset allocation and to compare performance against budget and agreed benchmarks.
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## ECCT MONTHLY FINANCIAL REPORTING DASHBOARD

Month End	Comparison Current Month to Budget 30th September 2015			Comparison YTD to Budget 30th September 2015		
	Actual (000's)	Budget (000's)		Actual (000's)	Budget (000's)	
Gross Realised Income	\$ 0.673	\$ 0.814		\$ 2.589	\$ 4.095	
Expenses	\$ 0.145	\$ 0.153		\$ 1.034	\$ 0.906	
Net Realised Income	\$ 0.528	\$ 0.661		\$ 1.555	\$ 3.189	
Donations	\$ 0.863	\$ 1.155		\$ 2.766	\$ 3.311	
Profit/Loss	-\$ 0.335	-\$ 0.494		-\$ 1.211	-\$ 0.122	
Hedging Gain/Loss	\$ -			-\$ 1.367		

For commentary please  
see GM's Report

<u>Investments</u>	<u>Monthly Change</u>				<u>YTD Change</u>		<u>March 31st 2015 Value</u>
	Aug 31 Value	Sep 30 Value	(000's)		(000's)		(000's)
Equity F Barr	55,525	54,577	-948		2,350		52,227
Equity E Capital	50,058	48,764	-1,294		498		48,266
NZ Bonds	40,329	39,981	-348		- 142		40,123
O'Seas Bonds	14,774	14,840	66		- 653		15,493
Own Cash	5,500	5,000	-500		- 500		5,500
	Total	163,162	-3,024		1,553	Total	161,609
Complaints	Nil				Nil		

Value increased or ahead of budget  
 No change  
 Value decreased or behind budget

**Eastern & Central Community Trust**  
**Statement of Financial Position**  
**As at 30 September, 2015**

	<b>Actual</b>	<b>Last Year</b>
<b><u>Trust Funds</u></b>		
Surplus Income	44,950	14,085,026
General Reserves	162,332,729	148,247,703
<b>Total Trust Funds</b>	<b>162,377,679</b>	<b>162,332,729</b>
<b><u>Current Assets</u></b>		
Petty Cash	226	5
Current	15,575	387,548
Imprest	407	661
Call	936,563	883,957
Conference Current 2015	-	15,826
Sundry Debtors	29,853	34,538
Prepayment of fees	18,557	-
<b>Total Current Assets</b>	<b>1,001,181</b>	<b>1,322,535</b>
<b><u>Investment Assets</u></b>		
<b>New Zealand</b>		
Shares Forsyth Barr	54,576,871	52,227,000
Shares Elevation Capital	48,764,034	48,266,473
Hedging Contracts NZ	(493,544)	804,112
Cash Self Term Deposits	5,000,000	5,500,000
Bonds Self	39,981,476	40,123,905
Te Kete Putea Ltd Partnership	72,525	72,525
Private Equity Pioneer Capital	744,616	674,547
<b>Total New Zealand Investments</b>	<b>148,645,977</b>	<b>147,668,562</b>
<b>Overseas</b>		
Bonds Pimco	14,840,402	15,493,498
<b>Total Overseas Investments</b>	<b>14,840,402</b>	<b>15,493,498</b>
<b>Total Current and Investment Assets</b>	<b>164,487,560</b>	<b>164,484,595</b>
<b><u>Fixed Assets</u></b>		
Fixed Assets at Cost	188,447	188,447
Accumulated Depreciation	(161,830)	(154,986)
<b>Total Fixed Assets</b>	<b>26,617</b>	<b>33,461</b>
<b>Total Assets</b>	<b>164,514,177</b>	<b>164,518,056</b>
<b><u>Current Liabilities</u></b>		
Donation Creditors	1,970,413	1,939,042
Trade Creditors	77,944	167,639
Creditor Accruals	88,141	78,646
<b>Total Current Liabilities</b>	<b>2,136,498</b>	<b>2,185,327</b>
<b>Net Assets</b>	<b>162,377,679</b>	<b>162,332,729</b>

**Eastern & Central Community Trust**  
**Statement of Financial Performance**  
**For The 6 Periods Ending 30 September, 2015**



	Current Month			Year to date			Full year	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
<b>Income</b>								
<b>Realised Investment Income</b>								
<b>New Zealand</b>								
Shares FBarr Interest	1,340	400	374	21,451	5,500	5,832	7,000	16,585
Shares FBarr Dividend	148,370	260,000	224,750	951,005	1,110,000	945,096	1,968,750	1,753,015
Shares ECap Interest	3,953	800	3,250	23,838	3,700	32,816	7,000	55,278
Shares ECap Dividend	196,106	205,000	211,963	1,103,241	1,045,000	1,090,127	1,848,750	1,930,085
Hedging gain/loss	-	-	-	(1,367,358)	-	1,369,493	-	(323,160)
Bonds Self Interest	306,082	320,000	305,938	1,248,314	1,340,000	1,310,715	2,400,000	2,538,995
Bonds Self Disposal gain/loss	-	-	-	-	-	(2,079)	-	(2,079)
Cash Self Realised Income	17,331	28,000	3,421	131,667	166,000	224,254	336,000	387,870
Sundry Income	-	-	-	-	170	170	170	170
	673,182	814,200	749,697	2,112,159	3,670,370	4,976,423	6,567,670	6,356,759
<b>Overseas</b>								
Shares SSGA Dividend	-	-	-	-	-	3,825	-	7,823
Bonds Pimco Interest	-	-	-	477,044	425,000	489,098	850,000	999,679
	-	-	-	477,044	425,000	492,923	850,000	1,007,503
<b>Total Realised Income</b>	673,182	814,200	749,697	2,589,202	4,095,370	5,469,346	7,417,670	7,364,261
<b>Expenses</b>								
<b>Administrative Expenses</b>								
Advertising - Statutory	2,778	-	154	40,646	17,000	13,411	17,000	13,411
Promotion	1,320	13,000	3,268	19,022	44,000	14,388	70,000	54,513
Rent & Services	6,984	8,000	7,581	58,278	63,500	60,179	115,000	109,577
Telephone	-	1,000	992	5,930	7,000	6,835	14,000	14,030
Postage	36	100	30	1,545	1,950	1,614	4,000	3,536
KiwiSaver net Contributions	1,264	1,350	2,018	8,378	8,850	8,495	17,000	18,431
Printing & Stationery	739	1,300	1,099	5,171	6,000	5,102	14,000	11,884
Insurance	(3,633)	-	-	2,676	6,000	8,707	6,000	7,851
General Expenses	69	150	150	1,683	1,060	359	4,000	4,720
Computer Services	-	20,000	18,748	43,243	48,600	45,479	80,000	67,252
Staff Remuneration	36,582	36,000	53,911	220,255	224,500	231,151	450,000	482,611
Staff Training	-	600	-	2,262	3,950	-	8,000	2,034
Staff Travel	2,606	3,500	1,849	11,087	16,800	9,941	30,000	18,728
ACC Levies	-	-	-	1,660	1,500	(544)	1,500	(544)
<b>Total Administrative Expenses</b>	48,745	85,000	89,801	421,834	450,710	405,119	830,500	808,035

**Eastern & Central Community Trust**  
**Statement of Financial Performance**  
**For The 6 Periods Ending 30 September, 2015**



	Current Month			Year to date			Full year	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
<b>Trustees Expenses</b>								
Trustees Remuneration	13,177	20,500	19,765	85,650	87,500	85,650	175,000	171,300
Meeting Expenses	8,479	11,000	10,670	33,650	29,000	26,541	58,000	53,873
Trustee Training	-	3,000	-	1,405	7,000	1,731	12,000	1,731
Liability Insurance	-	-	-	-	-	-	10,000	9,537
<b>Total Trustee Expenses</b>	<b>21,656</b>	<b>34,500</b>	<b>30,436</b>	<b>120,704</b>	<b>123,500</b>	<b>113,922</b>	<b>255,000</b>	<b>236,440</b>
<b>Fee Expenses</b>								
Affiliation Fees	-	-	-	6,325	7,500	6,325	7,500	6,325
Conference Fees	-	-	9,194	16,719	-	14,272	20,000	(960)
Donation Expenses	-	3,000	2,702	4,919	18,200	15,259	30,000	24,015
Professional Expenses	4,449	7,500	6,815	36,231	50,500	37,470	90,000	89,841
Audit Fees	-	3,000	2,400	5,549	20,000	7,200	20,000	29,205
Brokerage Fees	28,717	-	-	190,830	20,000	19,407	25,000	57,894
Custodian Fees	7,622	2,000	1,579	28,732	18,800	17,817	41,000	49,050
Fund Managers Fees	32,483	18,000	15,336	196,064	197,000	176,471	370,000	379,101
<b>Total Fee Expenses</b>	<b>73,271</b>	<b>33,500</b>	<b>38,027</b>	<b>485,369</b>	<b>332,000</b>	<b>294,221</b>	<b>603,500</b>	<b>634,471</b>
Depreciation	1,087	1,100	1,407	6,844	6,600	9,096	13,200	17,289
Amortisation	-	-	-	-	-	-	16,000	18,131
Profit/Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	248
<b>Total Expenses</b>	<b>144,759</b>	<b>154,100</b>	<b>159,671</b>	<b>1,034,751</b>	<b>912,810</b>	<b>822,358</b>	<b>1,718,200</b>	<b>1,714,615</b>
<b>Donations</b>								
<b>Community Donations</b>								
Special Donations	560,500	795,000	464,950	1,233,000	1,591,000	1,113,950	2,970,000	2,607,349
Standard Donations	358,750	350,000	368,250	1,172,510	1,025,000	1,094,928	1,900,000	2,040,973
Discretionary Donations	-	-	-	-	11,000	8,143	20,000	25,143
Education Initiatives	-	10,000	-	93,500	94,000	92,500	200,000	92,500
Sport Trusts	-	-	320,000	340,000	340,000	320,000	340,000	320,000
Summer Reading Programme	-	-	-	250,000	250,000	230,000	250,000	230,000
<b>Total Donations Approved</b>	<b>919,250</b>	<b>1,155,000</b>	<b>1,153,200</b>	<b>3,089,010</b>	<b>3,311,000</b>	<b>2,859,521</b>	<b>5,680,000</b>	<b>5,315,965</b>
Less Donations Written Back	(56,248)	-	(31,692)	(323,141)	-	(92,288)	-	(148,424)
<b>Total Community Donations</b>	<b>863,002</b>	<b>1,155,000</b>	<b>1,121,508</b>	<b>2,765,869</b>	<b>3,311,000</b>	<b>2,767,233</b>	<b>5,680,000</b>	<b>5,167,541</b>
<b>Net Investment Income</b>	<b>(334,579)</b>	<b>(494,900)</b>	<b>(531,482)</b>	<b>(1,211,418)</b>	<b>(128,440)</b>	<b>1,879,755</b>	<b>19,470</b>	<b>482,106</b>



Eastern & Central Community Trust  
Statement of Financial Performance  
For The 6 Periods Ending 30 September, 2015



	Current Month			Year to date			Full year	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
<b>Unrealised Investment Income</b>								
<b>New Zealand</b>								
Shares FBarr change in Currency	(591,595)	-	1,807,195	6,926,737	-	2,703,203	-	1,606,016
Shares FBarr change in Value	(366,207)	-	(249,037)	(4,407,384)	-	1,065,263	-	6,488,180
Shares ECap change in Currency	(695,883)	-	1,688,733	6,530,276	-	2,967,814	-	2,248,373
Shares ECap change in Value	(631,207)	-	(599,943)	(6,097,456)	-	1,054,960	-	2,457,131
Hedging change in Value	(30,667)	-	(1,564,079)	(1,297,656)	-	(3,243,477)	-	(548,878)
Bonds Self change in Interest	(120,008)	-	25,313	(79,128)	-	165,089	-	676,872
Bonds Self change in Value	66,309	-	(109,092)	307,135	-	300,934	-	208,884
	(2,369,258)	-	999,090	1,882,524	-	5,013,785	-	13,136,577
<b>Overseas</b>								
Bonds Pimco change in Value	70,268	-	66,911	(626,192)	-	191,570	-	466,343
	70,268	-	66,911	(626,192)	-	191,570	-	466,343
<b>Total Unrealised Income</b>	(2,298,991)	-	1,066,001	1,256,332	-	5,205,355	-	13,602,920
<b>Surplus Income</b>								
	(2,633,570)	(494,900)	534,519	44,914	(128,440)	7,085,110	19,470	14,085,026

## Commitment Schedule

30 SEPTEMBER 2015

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
<b>Eastern And Central</b>				
7,442	Te Ara Tika Trust	22855	25-Jul-13	4,000.00
7,038	Te Whare Whai Matauranga o Turanga Literacy Hou	23338	23-Jan-14	4,000.00
1,826	Pahiatua Railcar Society Inc	23338	23-Jan-14	20,000.00
6,296	Matapuna Trust	23515	22-May-14	20,000.00
331	Feilding Playcentre	23544	22-May-14	3,500.00
1,463	Gisborne Hospital Child Care Society Inc	23545	22-May-14	3,500.00
5,593	Marotiri Kohango Reo	23553	22-May-14	3,500.00
6,099	Taokotainga Apii Kuki Airani Hastings Inc	23601	22-May-14	3,500.00
7,544	Hinemih Marae	23677	24-Jul-14	44,000.00
7,339	Parent Teachers Association Feilding High School	23763	24-Jul-14	1,000.00
1,377	Eskdale School	23685	25-Sep-14	49,000.00
297	South City Playcentre	23844	25-Sep-14	3,500.00
1,126	Waimarama Surf Life Saving Club	23777	27-Nov-14	30,000.00
7,576	Cross Creek Railway Society Incorporated	23802	27-Nov-14	15,000.00
1,664	Manawatu District Council	23889	27-Nov-14	200,000.00
6,512	Hawke's Bay Regional Sports Park Trust	23986	27-Nov-14	60,000.00
6,056	Manawatu Estuary Trust	24095	29-Jan-15	3,000.00
4,867	Mahia Boating and Fishing Club Inc	24132	29-Jan-15	10,000.00
4,321	South Wairarapa District Council	24151	26-Mar-15	200,000.00
7,403	New Zealand Red Cross	24182	26-Mar-15	6,000.00
2,314	Anglican Parish of Gisborne	24205	26-Mar-15	6,600.00
1,200	Young Men's Christian Assn - Gisborne Inc	24176	28-May-15	20,000.00
818	Palmerston Nth Boys' High School	24227	28-May-15	30,000.00
1,613	Kowhai Special School	24234	28-May-15	20,000.00
2,646	Carterton Golf Club	24242	28-May-15	7,000.00
7,672	Study to Succeed - Tongan Homework Club	24248	28-May-15	3,000.00
3,361	Vintage Car Club - Horowhenua Branch	24251	28-May-15	2,000.00
1,828	Pahiatua School	24282	28-May-15	5,000.00
6,274	Totara Trust - Horowhenua	24302	28-May-15	4,000.00
7,585	Tu Tangata Maraenui Trust	24057	30-Jul-15	18,000.00
5,898	Shear History Trust	24377	30-Jul-15	30,000.00
7,320	Petane Marae	24383	30-Jul-15	51,500.00
539	Hokowhitu School	24401	30-Jul-15	12,000.00
6,142	Greytown Community Sport & Leisure Society Inc	24419	30-Jul-15	15,000.00
5,481	Wairoa Agricultural & Pastoral Society	24425	30-Jul-15	15,000.00
4,174	Tauparanui Ki Heretaunga Te Kohanga Reo	24432	30-Jul-15	3,500.00
147	Arthur Miller School	24442	30-Jul-15	6,000.00
803	Pahiatua Community Services Trust	24466	30-Jul-15	4,000.00
455	Hastings District Council	24491	30-Jul-15	125,000.00
1,865	Porritt Primary School	24069	24-Sep-15	20,000.00
574	Keirunga Gardens Arts and Crafts Society Inc	24298	24-Sep-15	20,000.00
3,052	Horowhenua District Council	24374	24-Sep-15	170,000.00
6,294	St Therese Hall Whakatu Trust	24468	24-Sep-15	4,000.00
7,705	Te Hau ki Turanga Trust	24489	24-Sep-15	50,000.00
5,618	Hawke's Bay Live Poets' Society	24496	24-Sep-15	500.00
778	Omni Gymnastic Centre Inc	24498	24-Sep-15	4,000.00
7,538	Autism Wairarapa Charitable Trust	24499	24-Sep-15	4,000.00
7,531	Hawke's Bay Tertiary Chaplaincy Trust	24500	24-Sep-15	1,500.00
5,144	Hawke's Bay Hang Gliding and Paragliding Club Inc	24501	24-Sep-15	400.00
7,700	Auckland District Kidney Society Inc	24502	24-Sep-15	4,000.00



<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
6,661	Kaisen Charitable Trust	24503	24-Sep-15	2,000.00
2,369	Age Concern - Wairoa	24504	24-Sep-15	4,000.00
5,947	Central Districts Dressage Group	24505	24-Sep-15	2,000.00
7,473	Mangatarere Restoration Society Inc	24506	24-Sep-15	3,000.00
7,694	Flaxmere Baptist Church Community Trust	24507	24-Sep-15	3,000.00
1,899	Riding for the Disabled - Gisborne Branch	24508	24-Sep-15	10,000.00
4,647	Diabetes Hawke's Bay Incorporated	24511	24-Sep-15	4,000.00
6,093	Horowhenua Events Centre Trust	24512	24-Sep-15	8,000.00
142	Adult Literacy Palmerston North Inc	24513	24-Sep-15	4,000.00
4,505	Hawke's Bay Regional Orchestra	24515	24-Sep-15	4,000.00
519	Hearing Association Inc - Southern Hawke's Bay	24516	24-Sep-15	1,700.00
6,894	Manawatu Horowhenua Tararua Diabetes Trust	24518	24-Sep-15	4,000.00
6,357	The Limit Hawke's Bay Trust	24519	24-Sep-15	4,000.00
2,098	Waipawa Primary School	24520	24-Sep-15	8,000.00
6,029	Wairarapa Community Centre Trust	24521	24-Sep-15	4,000.00
6,733	Woops-A-Daisies Leisure Marching Team	24522	24-Sep-15	600.00
2,500	Gisborne East Coast Council of Social Services	24523	24-Sep-15	4,000.00
1,142	Wairarapa Cricket Association Inc	24524	24-Sep-15	4,000.00
202	Carterton Swimming Club Inc	24525	24-Sep-15	10,000.00
769	Wairarapa Branch of The NZ Society of Genealogists	24527	24-Sep-15	2,000.00
6,235	Gisborne Volunteer Centre	24529	24-Sep-15	4,000.00
4,316	Gisborne Toy Library Inc	24531	24-Sep-15	3,500.00
537	Hohepa Homes Trust Board	24532	24-Sep-15	18,000.00
7,602	Youthquest Hawke's Bay Charitable Trust	24533	24-Sep-15	4,000.00
7,273	Muscular Dystrophy Assn of NZ - Wellington Branch	24534	24-Sep-15	4,000.00
4,814	RMH (Ronald McDonald House) Auckland Trust	24535	24-Sep-15	4,000.00
6,399	Manawatu Chinese Community Trust	24536	24-Sep-15	3,500.00
7,423	Whenua Fatales Roller Derby League Inc	24537	24-Sep-15	2,000.00
4,447	Taradale Cricket Club Inc.	24538	24-Sep-15	3,000.00
702	Milson School	24539	24-Sep-15	750.00
2,029	Scout Association - Te Awahou Scout Group	24540	24-Sep-15	2,850.00
6,398	Amitabha Buddhist Centre	24541	24-Sep-15	4,000.00
7,300	Free Store Charitable Trust	24543	24-Sep-15	25,000.00
5,049	Manawatu Rural Support Service Inc	24546	24-Sep-15	4,000.00
606	Levin Soccer Club Inc	24548	24-Sep-15	4,000.00
7,469	Rangiwahia Environmental Arts Centre Trust Inc	24549	24-Sep-15	4,000.00
6,117	Youth Development Hawke's Bay	24551	24-Sep-15	4,000.00
2,034	Te Karaka Area School	24552	24-Sep-15	15,000.00
6,870	Kaiwhaitau Kids Club	24553	24-Sep-15	3,000.00
265	Dannevirke Community Toy Library	24554	24-Sep-15	3,000.00
7,514	Greytown Menz Shed Inc	24555	24-Sep-15	17,500.00
5,318	The Palmerston North Squash Club Incorporated	24556	24-Sep-15	25,000.00
4,061	Wairoa District Heritage and Museum Trust	24558	24-Sep-15	20,000.00
6,012	Sustaining Hawke's Bay Trust	24562	24-Sep-15	15,000.00
6,383	Horizons Regional Council	24563	24-Sep-15	20,000.00
4,825	Manawatu Home Budgeting Service Inc	24564	24-Sep-15	4,000.00
6,396	Hayseed Trust Inc	24565	24-Sep-15	7,000.00
4,736	Nga Tukemata O Kahungunu Charitable Trust	24566	24-Sep-15	4,000.00
989	Levin Interchurch Foodbank	24567	24-Sep-15	4,000.00
2,177	Carterton Tennis Club Inc.	24568	24-Sep-15	600.00
4,523	St James' Catholic School	24570	24-Sep-15	3,500.00
3,968	Bowls Napier Inc	24571	24-Sep-15	1,500.00
5,902	Martinborough Lawn Tennis Club	24573	24-Sep-15	35,000.00
6,174	Wairarapa Dressage Group	24574	24-Sep-15	2,000.00
6,850	Surf Life Saving New Zealand Inc.	24575	24-Sep-15	8,000.00
1,683	Manchester House Social Services Society Inc	24576	24-Sep-15	8,000.00
3,699	Te Kura Kaupapa Maori O Manawatu	24577	24-Sep-15	7,000.00
2,818	Hawke's Bay Golf Club Inc	24578	24-Sep-15	4,000.00
3,578	Samaritans Manawatu Inc	24579	24-Sep-15	4,000.00
6,279	Wairarapa Community Counselling Centre Inc	24580	24-Sep-15	4,000.00



<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
1,025	Te Taiwhenua O Heretaunga Trust	24582	24-Sep-15	4,000.00
2,921	Halcombe Rugby Football Club	24583	24-Sep-15	4,000.00
4,071	NZ Deerstalkers Assn - Napier	24584	24-Sep-15	2,000.00
7,398	Autism New Zealand Inc	24585	24-Sep-15	4,000.00
7,011	Bhutanese Society of Palmerston North	24586	24-Sep-15	4,000.00
2,897	Gisborne Stroke Support Group	24587	24-Sep-15	4,000.00
7,601	Te Ora Hou Te Tairāwhiti Charitable Trust	24588	24-Sep-15	4,000.00
4,907	Hastings Bridge Club Inc	24589	24-Sep-15	3,500.00
6,225	Te Whakaritorito Trust	24590	24-Sep-15	4,000.00
7,743	Gisborne Home School Group Inc	24593	24-Sep-15	400.00
3,909	Havelock North Rugby Football Club Inc	24595	24-Sep-15	1,000.00
657	Manawatu Youth Orchestra Inc	24598	24-Sep-15	850.00
687	Masterton Golf Club Inc	24599	24-Sep-15	4,000.00
757	NZ Chinese Assn - Manawatu Branch	24600	24-Sep-15	4,000.00
7,742	STAROS - Hawkes Bay Affected by Suicide Support	24600	24-Sep-15	200.00
993	St Joseph's School - Hastings	24603	24-Sep-15	3,000.00
289	East Coast Rugby Football Club Inc.	24604	24-Sep-15	4,000.00
1,513	Hato Paora College	24605	24-Sep-15	5,000.00
3,124	Levin Gymsports Inc.	24606	24-Sep-15	4,000.00
875	Radio Kidnappers Charitable Trust	24607	24-Sep-15	1,800.00
6,485	Canteen - Hawkes Bay Branch	24608	24-Sep-15	4,000.00
1,928	SPCA Inc - Gisborne	24609	24-Sep-15	4,000.00
3,049	Horowhenua Agricultural Pastoral & Industrial Assn	24610	24-Sep-15	20,000.00
622	Lucknow School	24611	24-Sep-15	20,000.00
4,681	Life Education Community Trust - Gisborne	24613	24-Sep-15	20,000.00
6,454	Arohamai Aotearoa Literacy Inc	24614	24-Sep-15	800.00
829	Palmerston Nth Women's Health Collective	24615	24-Sep-15	4,000.00
3,471	Pleroma Trust	24616	24-Sep-15	30,000.00
1,356	Dannevirke Pony Club	24618	24-Sep-15	3,400.00
2,426	Pipes and Drums of Palmerston North & Districts	24619	24-Sep-15	800.00
5,056	Rotary Club of Palmerston North	24620	24-Sep-15	1,000.00
7,744	Royal New Zealand Coastguard Boating Education Ltd	24621	24-Sep-15	6,000.00
5,329	Life Education Trust - Manawatu	24623	24-Sep-15	20,000.00
2,578	Anglican Parish of South Wairarapa	24624	24-Sep-15	4,000.00
2,593	Arts & Crafts Corner Otane Inc	24625	24-Sep-15	2,000.00
3,083	Manawatu Pottery Society Inc	24626	24-Sep-15	500.00
506	SPCA - Hawke's Bay	24627	24-Sep-15	4,000.00
6,891	Birchleigh Polo Club	24630	24-Sep-15	4,000.00
4,038	Milverton Kindergarten	24631	24-Sep-15	3,500.00
1,952	Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand	24632	24-Sep-15	3,600.00
6,286	TS Tutira Horowhenua Branch of Sea Cadet Assn	24633	24-Sep-15	1,500.00
1,181	Westshore Surf Life Saving Club Inc	24634	24-Sep-15	7,000.00
7,746	He Awa Ora, He Tai Ora, Healthy Rivers Living Sea Education Trust	24635	24-Sep-15	4,000.00
5,474	Rotary Club of Waipukurau Charitable Trust	24636	24-Sep-15	4,000.00
7,747	Te Haroto Marae Committee	24637	24-Sep-15	3,500.00
6,623	Wairarapa Rescue Trust	24641	24-Sep-15	2,500.00
451	Hastings Boys' High School	24642	24-Sep-15	5,000.00
<b>Total for Eastern And Central</b>				<b>1,980,350.00</b>
<b>Report Totals</b>				<b>1,980,350.00</b>

# E&CCT ASSET ALLOCATION

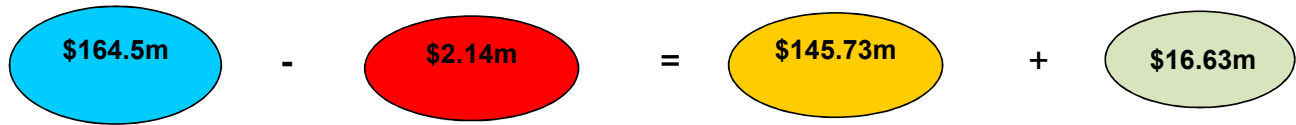
AS AT 30th SEPTEMBER 2015

CURRENT ASSETS

LIABILITIES

CAPITAL BASE

RESERVES

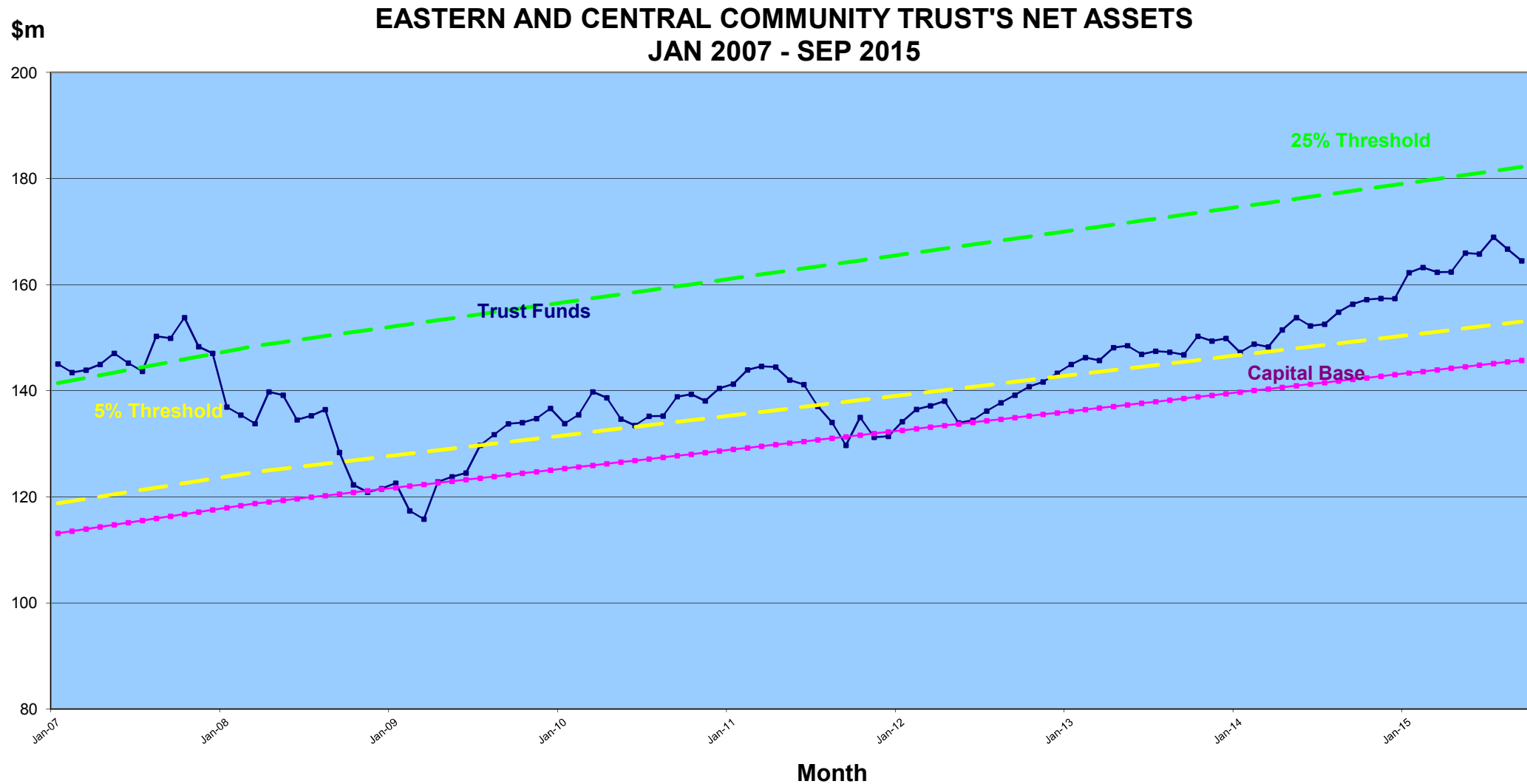


Benchmark (For Capital Base + maximum 25% in reserves)		Allowable Range	Tactical Target Updated 25th January 2013	Actual Value \$m	Percentage of Current Assets	Percentage Variance from target	Variance from tactical target
60%	<b>GROWTH ASSETS</b>	50 - 65%	60%	\$104.1	63.3%	3.3%	\$5.4
30.0%	Shares Forsyth Barr	22.5% - 37.5%	30.0%	\$54.6	33.2%	3.2%	\$5.2
30.0%	Shares Elevation Capital	22.5% - 37.5%	30.0%	\$48.8	29.6%	-0.4%	-\$0.6
0%	Private Equity	0% - 0%	0%	\$0.7	0.5%	0.5%	\$0.7
35%	<b>INCOME ASSETS</b>	25 - 45%	35%	\$54.8	33.3%	-1.7%	-\$2.7
27.5%	NZ Bonds	20 - 35%	27.5%	\$40.0	24.3%	-3.2%	-\$5.3
7.5%	Overseas Bonds	5% - 10%	7.5%	\$14.8	9.0%	1.5%	\$2.5
5%	<b>LIQUID ASSETS</b>	2 - 10%	5%	\$5.6	3.4%	-1.6%	-\$2.6
5%	Self-managed Cash (Incl Hedges & TKP)	2 - 10%	5%	\$5.6	3.4%	-1.6%	-\$2.6
100%	<b>TOTAL</b>		100%	\$164.5	100.0%		\$0.0

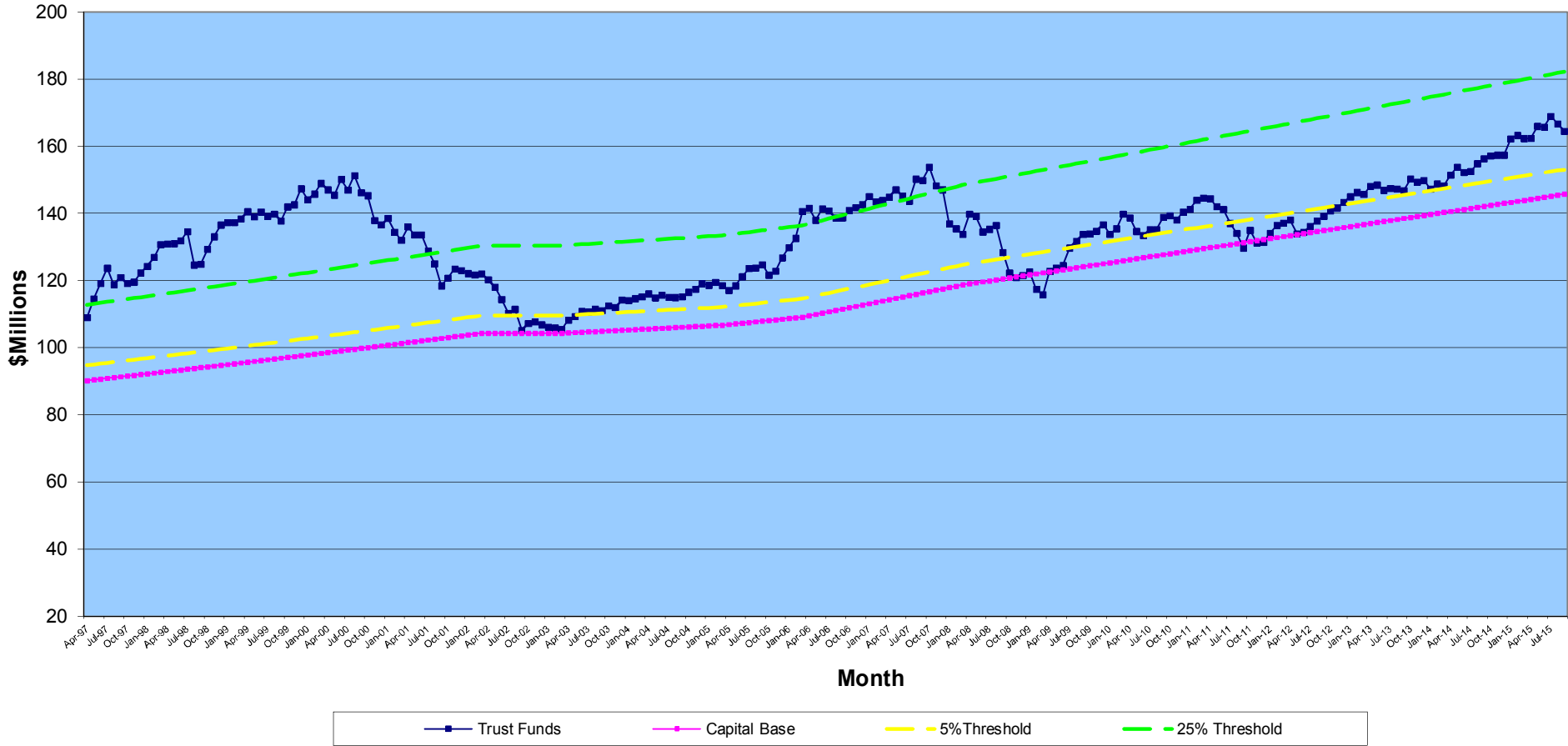
**Benchmark Allocation** –The benchmark allocation reflects the long-term views of the asset structures likely to generate the required investment return to meet the primary objectives. The benchmark allocation assumes a hypothetical “neutral environment”, i.e. one in which the Trustees do not have a tactical view that one asset class should be favoured over another or that special action should be undertaken.

**Allowable Range** -These reflect the normal minimum and maximum holdings for an asset class. The ranges exist to allow for normal market movement so that the Trustees can minimise transaction costs and for short-term tactical decisions.

**Tactical Target** -This allows the Trustees to exercise a tactical view to favour one asset class over another, e.g. more into fixed interest, less into shares in times of high interest rates, while remaining within the “allowable range” for that asset class. Trustees will re-examine the “tactical target” where the variation between the “tactical target” and the Actual situation is plus or minus 5%.



**EASTERN AND CENTRAL COMMUNITY TRUST'S NET ASSETS APR 1997 - SEP 2015**



<b>Report type:</b>	Audit & Risk Committee Information Papers
<b>Recommendation:</b>	That the Board receives and notes the current currency positions.
<b>Agenda item no:</b>	<b>7</b>
<b>Subject:</b>	Currency Positions
<b>Responsible for the report:</b>	General Manger

<b>Purpose of report:</b>	To inform the Board of the current currency position and consider future hedging positions.
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Attached are;

1. The BNZ currency position as at the end of September.
2. ECCT Hedging Report for the end of September
3. ECCT Hedging Report for the 8<sup>th</sup> of October
4. MCA Report on Exchange Rates as at 8<sup>th</sup> October 2015.

The movement in the NZ dollar relative to the Euro and Pound has strengthened since we closed out our hedging contract in September.

Michael Chamberlain is preparing a paper for the Board meeting in November to re-iterate the hedging policy and recommend adherence to that policy for the coming twelve months.

It is likely that between now and that meeting there may be a recommendation to hedge some currency against the pound and possibly the Aussie dollar. Until that time, or the November meeting of the Board there are no recommendations for the Trust to take a position on currency.

Jonathan Bell

October 2015



### Eastern & Central Community Trust

In the following table Bank of New Zealand sets out the mark to market value[s] of the transaction[s] stipulated in the request from the Customer on the bases set out in that request

### Market Value Date

Wednesday, 30 September 2015

External Deal Ref	Cust Buy Ccy	Cust Buy Amount	Cust Sell Ccy	Cust Sell Amount	Deal Rate	Maturity Date	Reval Rate	MTM Value (NZD)	Spot Rate
CB210756	NZD	8,300,000.00	EUR	4,949,788.00	0.596360	06-Nov-15	0.564320	-469,785.36	0.566065
CB210757	NZD	5,800,000.00	GBP	2,422,486.00	0.417670	06-Nov-15	0.419181	20,862.65	0.420190
CS227948	EUR	4,949,788.00	NZD	8,759,136.44	0.565100	06-Nov-15	0.564320	12,064.35	0.566065
CS227949	GBP	2,422,486.00	NZD	5,835,909.42	0.415100	06-Nov-15	0.419181	-56,685.88	0.420190
<b>Total</b>								<b>-493,544.24</b>	

# E&CCT HEDGING CONTRACTS OPENING REPORT

as at 30th Sept 2015

Rollover Date: 6th November 2015

CURRENCY Country	Amount Hedged \$NZ	Value of Overseas Exposure in \$NZ 30/09/2015	Hedged % Target %	Trade Date	Deal Rate	Spot Rate 30/09/2015	Rollover Date	Balance \$NZ
Thailand Malaysia USA HongKong Brazil	0	504,408 1,538,297 41,508,042 0 0	0.00% 50%	7/08/2015	0.00000	0.00000	6/11/2015	0.00
All European Countries (incl Swiss)	8,300,000	21,531,092	38.55% 50%	7/08/2015	0.59636	0.56432	6/11/2015	-471,243.27
UK	5,800,000	9,815,328	59.09% 50%	7/08/2015	0.41767	0.41918	6/11/2015	20,906.96
Japan	0	0	0% 50%	n/a	n/a	n/a	n/a	0.00
Pimco Bonds (Hedged)	0	15,063,633	0.00% 0%	n/a	n/a	0.92363	n/a	0.00
Australia	0	13,009,601	0.00% 0%	n/a	0.92363	0.92212	n/a	0.00

TOTAL (Incl Bonds)	\$14,100,000	\$102,970,401		Current Balance	-\$450,336.31
EQUITIES ONLY	\$14,100,000	\$87,906,768	16.04%		
Excluding Australia	\$14,100,000	\$74,897,167	18.83%		

Hedging to be increased when exposure falls 5% below the target exposure.

General Manager is empowered to adjust the hedging levels at rollover to the defined tactical targets as set by the Trustees.

USD used to hedge the currencies of USA, Thailand, Malaysia, Hong Kong & Brazil (other).

Euro used to hedge the Euro and the Swiss franc.

J Bell  
19/10/2015

# E&CCT HEDGING CONTRACTS OPENING REPORT

as at 8th October 2015

Rollover Date: 6th November 2015

CURRENCY Country	Amount Hedged \$NZ	Value of Overseas Exposure in \$NZ 30/09/2015	Hedged % Target %	Trade Date	Deal Rate	Spot Rate 30/09/2015	Rollover Date	Balance \$NZ
Thailand Malaysia USA HongKong Brazil	0	504,408 1,538,297 41,508,042 0 0	0.00% 50%	7/08/2015	0.00000	0.00000	6/11/2015	0.00
All European Countries (incl Swiss)	8,300,000	21,531,092	38.55% 50%	7/08/2015	0.59636	0.58900	6/11/2015	-103,714.77
UK	5,800,000	9,815,328	59.09% 50%	7/08/2015	0.41767	0.43200	6/11/2015	192,393.52
Japan	0	0	0% 50%	n/a	n/a	n/a	n/a	0.00
Pimco Bonds (Hedged)	0	15,063,633	0.00% 0%	n/a	n/a	0.92363	n/a	0.00
Australia	0	13,009,601	0.00% 0%	n/a	0.92363	0.92212	n/a	0.00

<b>TOTAL (Incl Bonds)</b>	<b>\$14,100,000</b>	<b>\$102,970,401</b>		Current Balance	<b>\$88,678.75</b>
<b>EQUITIES ONLY</b>	<b>\$14,100,000</b>	<b>\$87,906,768</b>	<b>16.04%</b>		
<b>Excluding Australia</b>	<b>\$14,100,000</b>	<b>\$74,897,167</b>	<b>18.83%</b>		

Hedging to be increased when exposure falls 5% below the target exposure.

General Manager is empowered to adjust the hedging levels at rollover to the defined tactical targets as set by the Trustees.

USD used to hedge the currencies of USA, Thailand, Malaysia, Hong Kong & Brazil (other).

Euro used to hedge the Euro and the Swiss franc.

J Bell  
19/10/2015

## Exchange rates: current and relative levels

8 October 2015

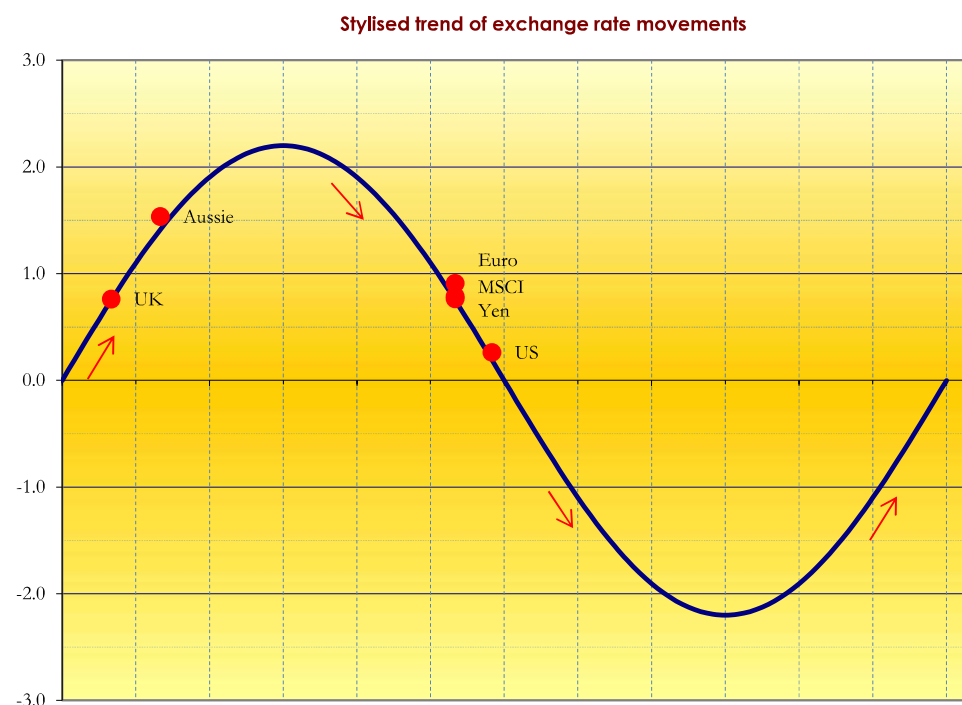
The data and graphs in these pages are from a NZ dollar perspective.

	US	UK	Aussie	Yen	Euro	China	MSCI weighted
<b>Current level</b>	<b>0.6617</b>	<b>0.4320</b>	<b>0.9183</b>	<b>79.4100</b>	<b>0.5887</b>	<b>4.2065</b>	<b>0.6031</b>
Six months ago	0.6381	0.4198	0.9077	76.8600	0.5700	4.0675	0.5873
1-month average trend	up	up	up	up	up	up	up
3-month average trend	down	up	up	down	down	up	down
6-month average trend	down	down	down	down	down	down	down
1-year average trend	down	down	up	down	down	down	down

### Historical statistics (post 1986)

+2 standard deviations	0.8587	0.5194	0.9548	94.7662	0.6595	6.1840	0.6996
+1 standard deviations	0.7469	0.4525	0.8945	82.9977	0.5991	5.4878	0.6244
<b>Average</b>	<b>0.6351</b>	<b>0.3857</b>	<b>0.8341</b>	<b>71.2291</b>	<b>0.5388</b>	<b>4.7916</b>	<b>0.5492</b>
-1 standard deviations	0.5233	0.3189	0.7738	59.4605	0.4784	4.0955	0.4740
-2 standard deviations	0.4114	0.2520	0.7134	47.6919	0.4181	3.3993	0.3988

In the stylised trend graph, the level of the exchange rate is plotted relative to the average since 1986. The trend is the moving three month average. 1986 was when the NZ dollar floated.



Note: the movement of the exchange rate does not follow a perfect cycle and may not cycle. It can be observed to fluctuate around an "average" and by mathematical definition will fall within plus or minus one standard deviation 68% of the time.

<b>Report type:</b>	Audit & Risk Committee Information Papers
<b>Recommendation:</b>	That the Board receives and notes the current risks and associated recommended actions.
<b>Agenda item no:</b>	<b>8</b>
<b>Subject:</b>	ECCT Risk Register
<b>Responsible for the report:</b>	General Manger

<b>Purpose of report:</b>	To inform the Board of the current risk register and identify any risks which may give Trustees cause for concern.
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The risk register has been reviewed and the following areas are noted as of high concern at present.

1. Currency Fluctuations – Uncertainty in global markets and concerns with the refugee crisis in Europe, Russian intervention in Syria and continued stagnation of the Chinese economy have led to volatility with the NZ dollar against other currencies. ACTION; Continue to monitor the NZ dollar against the hedging model and ECCT hedging policy and invoke this policy as required.
2. Global Financial Market failure – Whilst this risk continues to be high for some of the reasons noted above, the Trust's assets are well spread both geographically, industry sector wise and over different asset classes. ACTION; None required at present.
3. Nil Donations Reserves – The Trust's assets have dipped slightly towards the 5% margin above the reserve capital. ACTION; Monitor and report accordingly to Trustees.

There are no other areas identified which the Trustees need to be made aware of.

Jonathan Bell

October 2015

<b>Report type:</b>	Financial Information Papers
<b>Recommendation:</b>	The Committee notes the summarized fund manager reports as at 30 <sup>th</sup> September 2015.
<b>Agenda item no:</b>	<b>9</b>
<b>Subject:</b>	Financial Reports
<b>Responsible for the report:</b>	General Manager

<b>Purpose of report:</b>	To inform the Committee of the overall performance of the diversified investment portfolio along with commentary on any trends of note.
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## Investment monitoring

### report & analysis to 30 September 2015

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Contents	Page
Summary	1
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\$6.7m in grants	4
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30 September 2015

### Overall Trust return (%)

	Month	Year (6 months)
Income return	0.40%	1.60%
Market movement	(1.40%)	0.61%
Total return	(0.99%)	2.20%

### Summarised accounts (\$)

Assets at start	166,639,451	164,434,367
Net cash flow	(596,193)	(3,679,408)
Income received/(paid)	673,182	2,600,511
Growth gains/(losses)	(2,327,224)	1,033,747
Total investment gains/(losses)	(1,654,041)	3,634,258
Assets at end	164,389,217	164,389,217
Income sector assets at end		60,823,058 (37.0%)
Growth sector assets at end		103,566,159 (63.0%)

### Objectives

Liquidity



Income



Growth



### Strategy



### Trust performance



### Manager performance

Cash



NZ bonds



Overseas  
bonds



Total listed  
shares



Elevation  
Capital



Forsyth  
Barr





## Summary

30 September 2015

### Month

In respect of the investment results to 30 September 2015, we note:

- The asset value is \$164,389,217, down \$2.25m over the month [ Last month: \$166,639,451 ].
- The portfolio generated investment income of \$673,182 [vs monthly budget: \$638,652 ].
- The overall investment return for the month was negative 0.99%, i.e. (\$1,654,041).

### Strategy

- The investment allocation to each sector is within  $\pm 4.7\%$  of the benchmark asset allocation.
- Listed shares is 2.3% below the benchmark, and Cash is 4.7% above the benchmark.
- The latest hedging contract position of overseas shares was: 50% hedged to Euro, UKP, 0% to AUD, USD and Yen.

### Market movements

- Positive: Cash, Overseas bonds, NZ bonds.
- Negative: Listed shares

All markets had a good month except listed shares.

### Investment managers' performance (relative to market indices)

- Positive: Cash, Listed shares, NZ bonds, Overseas bonds.
- Negative: Nil

All managers had a good month.

### Year (since 1 April 2015)

- The investment portfolio has generated \$2,600,511 of income and experienced \$1,033,747 of market movements since 1 April 2015. The total return has been \$3,634,258 or 2.20% since 1 April 2015. The income level is below the budget.

### Current issues

#### Environment

The environment continues to be a low interest rate, low overall inflation and low economic growth environment. We expect this to continue for the foreseeable future (next 5 to 10 years) driven by the demographics (ageing of the baby boomers), the debt levels of major western governments and the fiscal deficits of the US, Japan, UK and Europe, made worse through derivatives.

30 September 2015

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## Objectives

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The investment policy objectives of the Trust are to:

**Return**

- achieve a growing level of income to fund the budgeted grants and operating costs each year.
- grow the capital base over the long term, to protect the capital and grants against the impact of inflation.

**Risk**

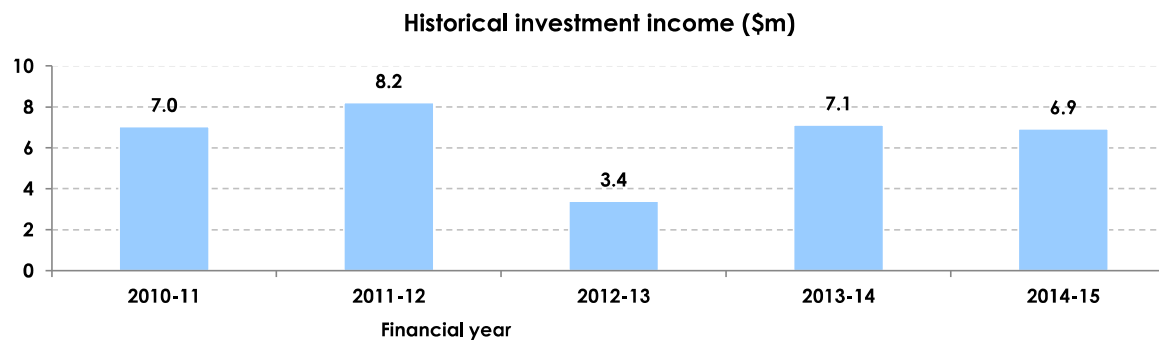
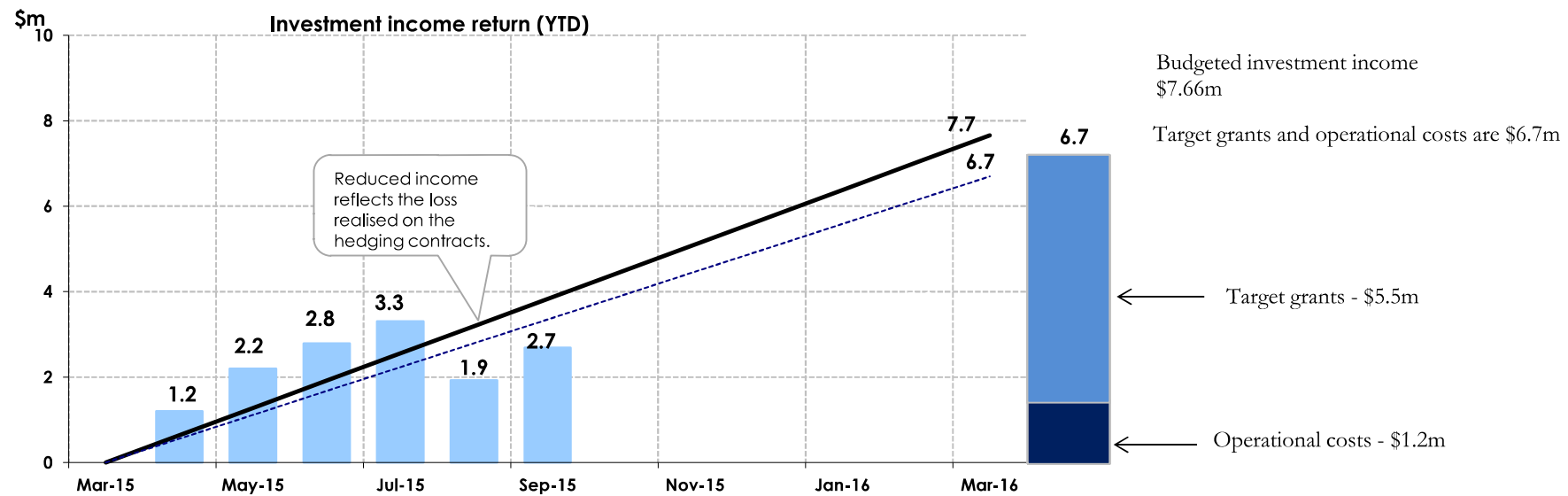
- to generate sufficient actual income each year to let the Trust donate 4% of the adjusted capital base at the start of the year and to meet the Trust's costs. \$6.7m is budgeted for 2015/16.

30 September 2015

### Objective - funding \$5.5m in grants + \$1.2m operation costs (\$6.7m in total)

The objective is to generate investment income which, when supplemented by the cash assets, will let the Trust make grants at the budgeted level and to meet the operational costs. Any budgeted expenditure not met from the investment income is funded from cash. The 2015/2016 target grants and operation costs are \$6.7m. The budgeted investment income is \$7.7m.

The results, relative to the objective and the budget for the year-to-date, are:



30 September 2015

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## Allocation of capital & investment strategy

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The assets of the Trust are split between cash, bonds and shares. The split is designed to achieve the return objectives of the Trust to support the grants policy. Each class of asset has a different purpose and a different pattern of returns. The resulting asset mix is the investment strategy of the Trust.

The allocation of capital is:

- \$10m is targeted at cash to provide liquidity;
- \$50m at bonds to provide cash flow over the next 10 years, to fund the grants as required;
- The balance is allocated to shares to provide long-term growth. Of the shares, up to \$20m is available for private equity.

30 September 2015

## Investment strategy - by investment asset type

The investment strategy should be looked at in terms of the split of the current assets relative to the purpose, the benchmark, the benchmark applied to the capital base and the benchmark applied to 125% of the capital base.



### Purpose

	Liquidity Certainty Short-term	Income Reduced volatility Medium-term	Inflation protection Growth Long-term	Current grants Intergenerational Equity
Benchmark (\$)	\$10.00m	\$50.00m	\$104.39m	\$164.39 m
Benchmark (%)	6.1%	30.5%	63.5%	100.0%

### Current assets vs benchmark

Current assets	\$13.49 m	\$47.33 m	\$103.57 m	\$164.39 m
Benchmark assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$104.39 m</u>	<u>\$164.39 m</u>
Excess (shortfall)	\$3.49 m	-\$2.67 m	-\$0.82 m	\$0.00 m

### Current assets vs capital base

Current assets	\$13.49 m	\$47.33 m	\$103.57 m	\$164.39 m
Capital base	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$85.73 m</u>	<u>\$145.73 m</u>
Elevation Capital portfolio	\$3.49 m	-\$2.67 m	\$17.84 m	\$18.66 m

### Current assets vs 125% x capital base

Current assets	\$13.49 m	\$47.33 m	\$103.57 m	\$164.39 m
Target assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$122.16 m</u>	<u>\$182.16 m</u>
Excess (shortfall)	\$3.49 m	-\$2.67 m	-\$18.59 m	-\$17.77 m

### Notes:

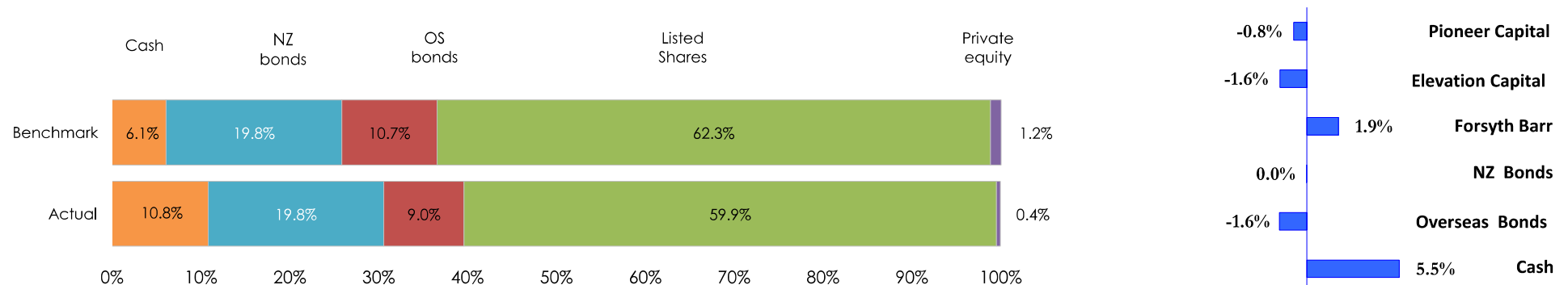
1. For the target asset levels, the cash holdings should include the undistributed distribution a/c.
2. The allocation to bonds is below the optimal level for 125% x Capital base.
3. The allocation to shares/property is below the benchmark level on each basis, reflecting the general downturn in the markets over the last 6 years.
4. The capital base (i.e. \$145.73m) represents the inflation adjusted original capital base set in April 1997 (i.e. \$90m) and should, in addition, include the undistributed grants reserve. The current assets should ideally exceed the value of these.

30 September 2015

## Investment strategy - by manager and asset type

	Listed shares	Private equity	Bonds	Cash	Total	Actual	
						\$	%
<b>Growth</b>							
<b>Listed shares</b>							
Elevation Capital	\$44,646,110			\$4,117,921	\$48,764,031	\$48.76m	29.7%
Forsyth Barr	\$53,891,727			\$685,135	\$54,576,861	\$54.58m	33.2%
<b>Private equity</b>							
Pioneer Capital		\$718,811			\$718,811	\$0.72m	0.4%
						<b>\$104.06m</b>	<b>63.3%</b>
<b>Income</b>							
NZ bonds			\$32,488,689		\$32,488,689	\$32.49m	19.8%
Overseas bonds			\$14,840,401		\$14,840,401	\$14.84m	9.0%
						<b>\$47.33m</b>	<b>28.8%</b>
<b>Cash</b>							
Trust				\$6,001,181	\$6,001,181	\$6.00m	3.7%
Forsyth Barr Esam Cushing				\$7,492,787	\$7,492,787	\$7.49m	4.6%
FX Overlay1				-\$493,544	-\$493,544	-\$0.49m	-0.3%
						<b>\$13.00m</b>	<b>7.9%</b>
<b>Total</b>	\$98,537,837	\$718,811	\$47,329,090	\$17,803,479	\$164,389,217		
<b>Current allocation (%)</b>	<b>59.9%</b>	<b>0.4%</b>	<b>28.8%</b>	<b>10.8%</b>	<b>100.0%</b>		
<b>Difference from benchmark</b>	<b>-2.3%</b>	<b>-0.8%</b>	<b>-1.6%</b>	<b>4.7%</b>			
<b>Benchmark</b>	<b>62.3%</b>	<b>1.2%</b>	<b>30.4%</b>	<b>6.1%</b>	<b>100.0%</b>		
<b>Indices used for comparison</b>	MSCI world net div (currency unhedged)	NZX 50 index	ANZ Corp A grade/Citigroup WGBI index	NZX call index			

### Position from benchmark



30 September 2015

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## Manager performance

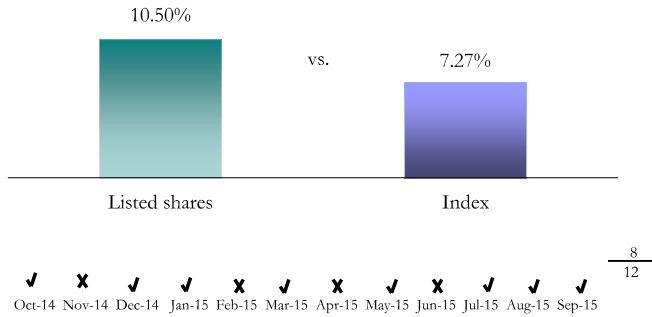
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This section summarises performance by manager relative to the benchmark indices along with the attribution analysis.

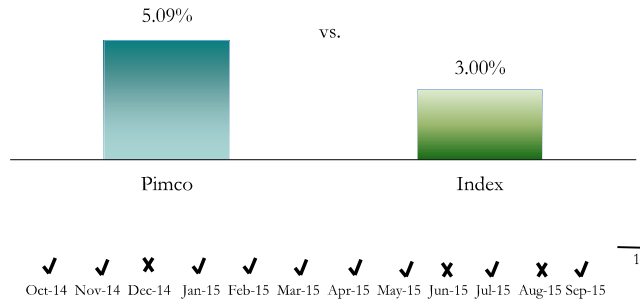
30 September 2015

## Last 12 months' performance relative to market benchmark returns

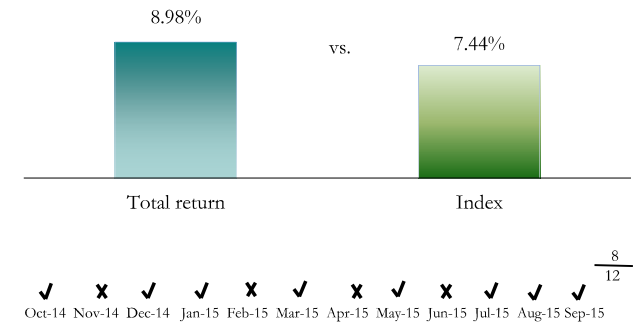
### Listed shares



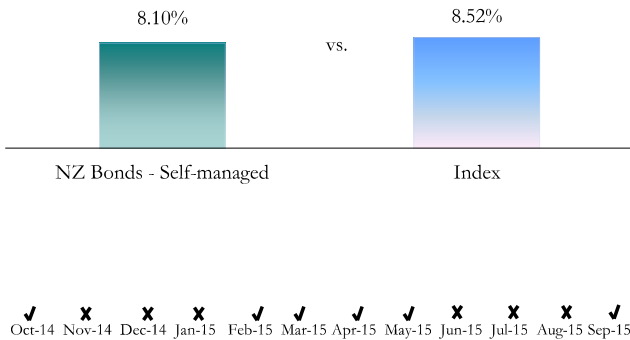
### OS bonds - Pimco



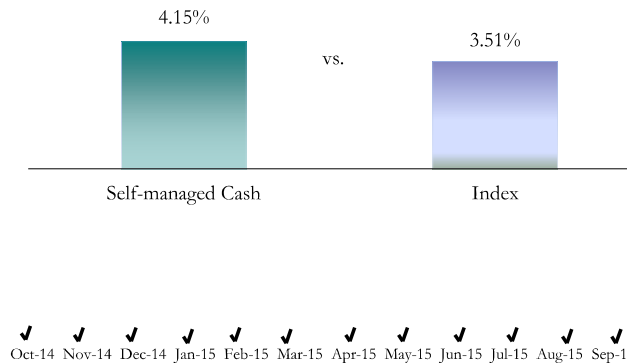
### Total Return



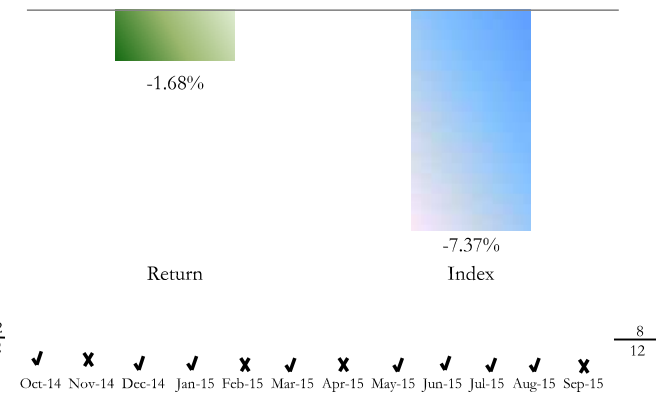
### NZ bonds - Self-managed



### Cash - Self-managed



### Hedging



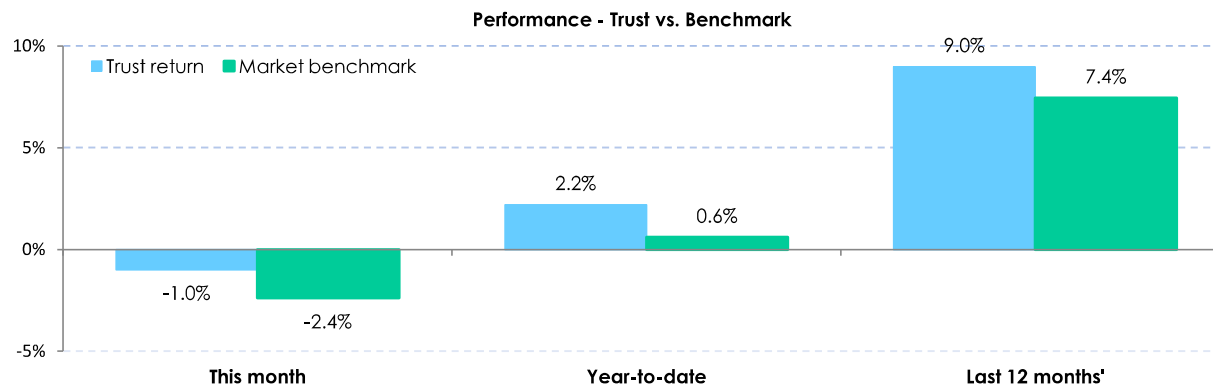


30 September 2015

## Performance by manager

	This month (%)			Year-to-date (%)			Last 12 months' (%)		
	returns			returns			returns		
	Actual	Benchmark	Value added	Actual	Benchmark	Value added	Actual	Benchmark	Value added
<b>Overall Trust return</b>	-0.99%	-2.39%	1.40%	2.20%	0.60%	1.60%	8.98%	7.44%	1.54%
<b>Total shares</b>	-1.90%	-4.11%	2.21%	2.21%	-0.59%	2.80%	10.50%	7.27%	3.23%
<b>Listed shares and Hedging</b>	-1.90%	-4.11%	2.21%	2.21%	-0.59%	2.80%	10.50%	7.27%	3.23%
Currency hedging	-0.03%	0.57%	-0.60%	-2.55%	-7.78%	5.23%	-1.68%	-7.37%	5.69%
Elevation Capital (portfolio)	-2.31%	-4.11%	1.80%	0.55%	-0.59%	1.14%	6.50%	7.27%	-0.77%
Shares	-2.38%	-4.11%	1.73%	3.00%	-0.59%	3.59%	6.81%	7.27%	-0.46%
Liquidity	-0.45%			5.96%			2.39%		
Forsyth Barr (portfolio)	-1.53%	-4.11%	2.58%	3.75%	-0.59%	4.34%	17.93%	7.27%	10.67%
Shares	-1.52%	-4.11%	2.59%	6.73%	-0.59%	7.32%	18.29%	7.27%	11.02%
Liquidity	0.45%			-1.24%			-1.08%		
<b>Pioneer Capital Partners</b>	n/a			n/a			n/a		
<b>NZ bonds - Self-managed</b>	0.63%	0.32%	0.31%	3.66%	3.73%	-0.08%	8.10%	8.52%	-0.42%
<b>OS bonds - Pimco</b>	0.48%	0.40%	0.08%	-0.96%	-1.63%	0.68%	5.09%	3.00%	2.09%
<b>Self-managed - cash</b>	0.30%	0.26%	0.04%	1.97%	1.67%	0.30%	4.15%	3.51%	0.65%

Note: Details of the benchmark indices are on page 17.



30 September 2015

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## Listed shares portfolio

**Elevation Capital - Christopher Swasbrook**

**Forsyth Barr - Richard Burton**

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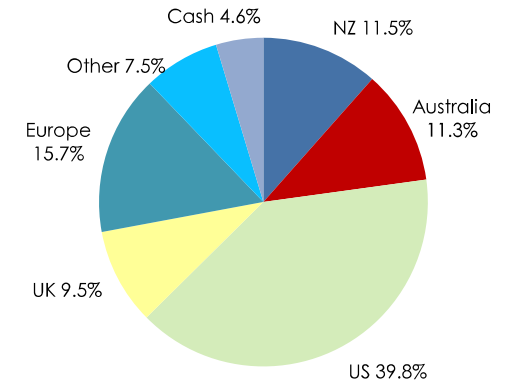
The objective of the portfolio is to provide:

- an income stream of 4.0% of the value of the portfolio each year, and
- a growing level of dividend income in absolute terms over rolling 1 year periods, and
- an increasing portfolio value over a five year period.

30 September 2015

## Geographic split

Country of listing	No. of holdings			Value of holdings			%
	EC	FB	Total	EC	FB	Total	
NZ	3	11	14	2,369,950	9,529,397	11,899,347	11.5%
Australia	9	7	16	5,667,788	6,015,103	11,682,892	11.3%
US	24	25	49	19,905,177	21,202,865	41,108,043	39.8%
UK	7	4	11	6,395,153	3,420,175	9,815,329	9.5%
Europe	5	14	19	4,306,832	11,958,202	16,265,034	15.7%
Other	8	2	10	6,001,209	1,765,984	7,767,193	7.5%
<b>Shares</b>	<b>56</b>	<b>63</b>	<b>119</b>	<b>44,646,110</b>	<b>53,891,727</b>	<b>98,537,837</b>	<b>95.4%</b>
<b>Cash</b>				<b>4,117,921</b>	<b>685,135</b>	<b>4,803,056</b>	<b>4.6%</b>
<b>Total</b>				<b>48,764,031</b>	<b>54,576,861</b>	<b>103,340,892</b>	<b>100.0%</b>



## Industry split

Start of the year

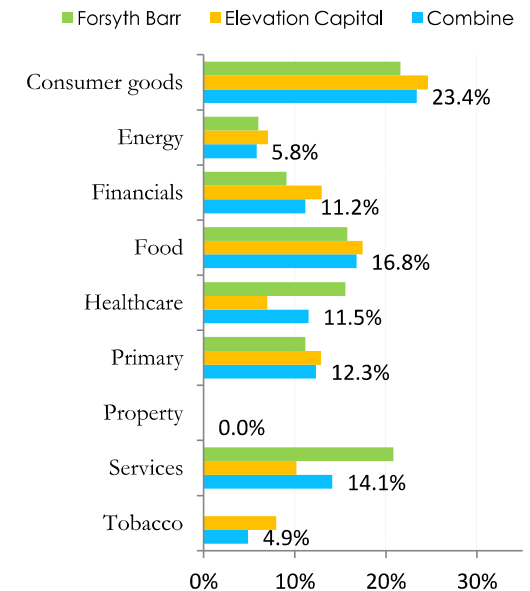
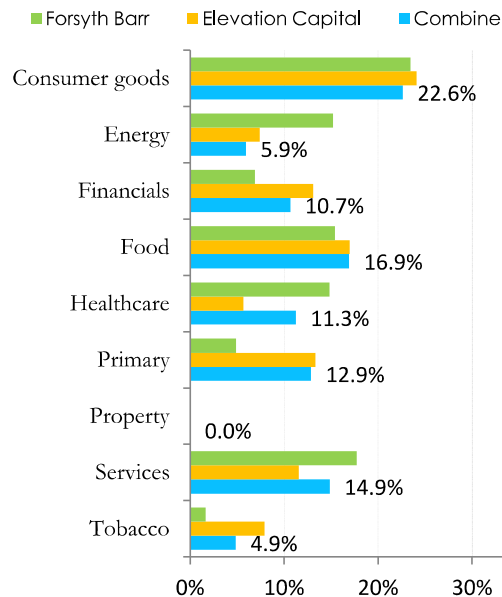
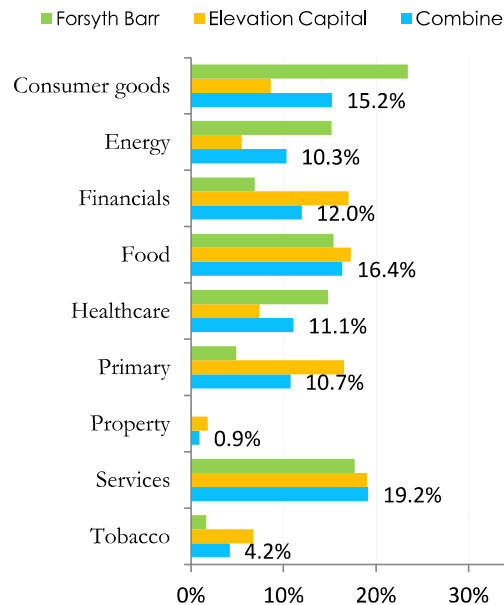
31 Mar 2015

Start of the month

31 Aug 2015

End of the month

30 Sep 2015

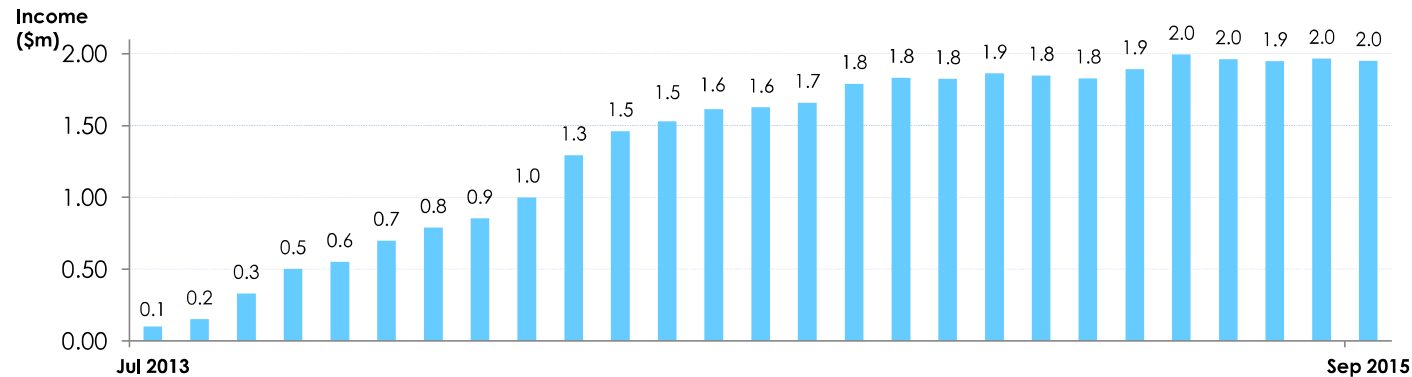


30 September 2015

## Summary of income & growth in portfolio

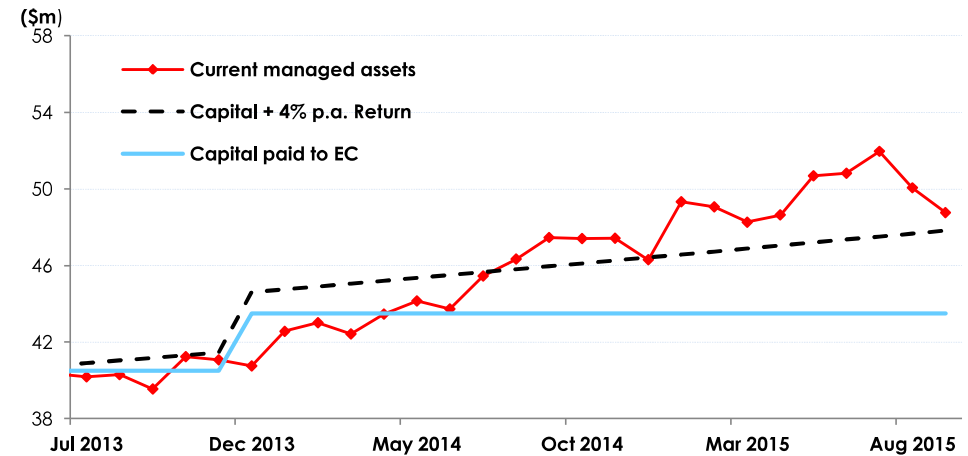
### Cumulative dividend income for 12 month periods to month shown (\$m)

#### Elevation Capital



Assets	\$48,764,031
Distributions paid out since appointment	\$3,787,226

	Financial year to date	Since appointment
Value start of the year	\$45,028,059	
New capital given to manager		\$43,500,000
Dividends received/earned	\$1,110,208	\$3,940,286
Distributions paid to Trust	(\$1,029,375)	(\$3,787,226)
Market movement	(\$6,799,222)	(\$4,458,916)
Currency movement	\$6,336,440	\$5,451,967
Cash	\$4,117,921	\$4,117,921
<b>Value at 30 Sep 2015</b>	<b>\$48,764,031</b>	<b>\$48,764,031</b>

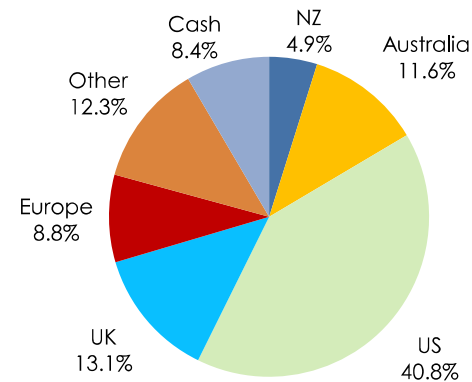


The difference between dividends & interest earned, and what was paid out, relates to the exchange rates at time of receipt versus payment used. Dividends received and paid to the Trust include both dividend and interest income on the investments.

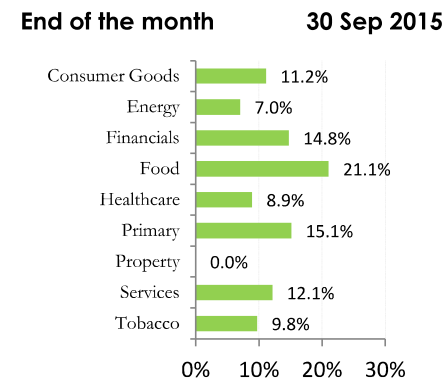
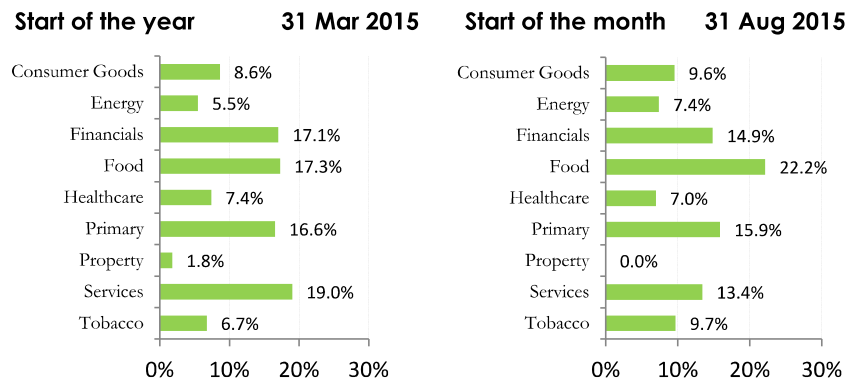
30 September 2015

### Geographic split

Country of listing	No. of holdings	\$	%
NZ	3 shares	2,369,950	4.9%
Australia	9 shares	5,667,788	11.6%
US	24 shares	19,905,177	40.8%
UK	7 shares	6,395,153	13.1%
Europe	5 shares	4,306,832	8.8%
Other	8 shares	6,001,209	12.3%
<b>Shares</b>	<b>56 shares</b>	<b>44,646,110</b>	<b>91.6%</b>
<b>Cash</b>		<b>4,117,921</b>	<b>8.4%</b>
<b>Total</b>		<b>48,764,031</b>	<b>100.0%</b>



### Industry split



### Market returns (NZ\$)

	Last 1 year	Last 3 years	Last 5 years
Consumer goods	34.7%	27.0%	17.6%
Energy	-13.0%	2.1%	2.7%
Financials	17.4%	19.8%	9.5%
Food	31.3%	19.9%	15.6%
Healthcare	29.7%	28.6%	20.2%
Primary	-0.6%	3.7%	-0.3%
Services	28.9%	22.4%	15.5%
Overall MSCI	17.4%	18.5%	11.4%

### Concentration risks:

Shares that are 20% or more above the "equal weighting target" of \$885,938

[Procter & Gamble Corp](#) [Diageo](#)

Shares that are 20% or less below the "equal weighting target" of \$885,938

[BHP Billiton](#) [MetCash](#) [South32 Ltd.](#) [Arcos Dorados Holdings Inc](#) [BP Prudhoe Bay Royalty Trust](#) [Chesapeake Energy Corp](#) [Freeport McMoran C&G](#) [Siam City Cement](#) [Givaudan SA](#)

### New shares

[Givaudan SA.](#)

### Exits

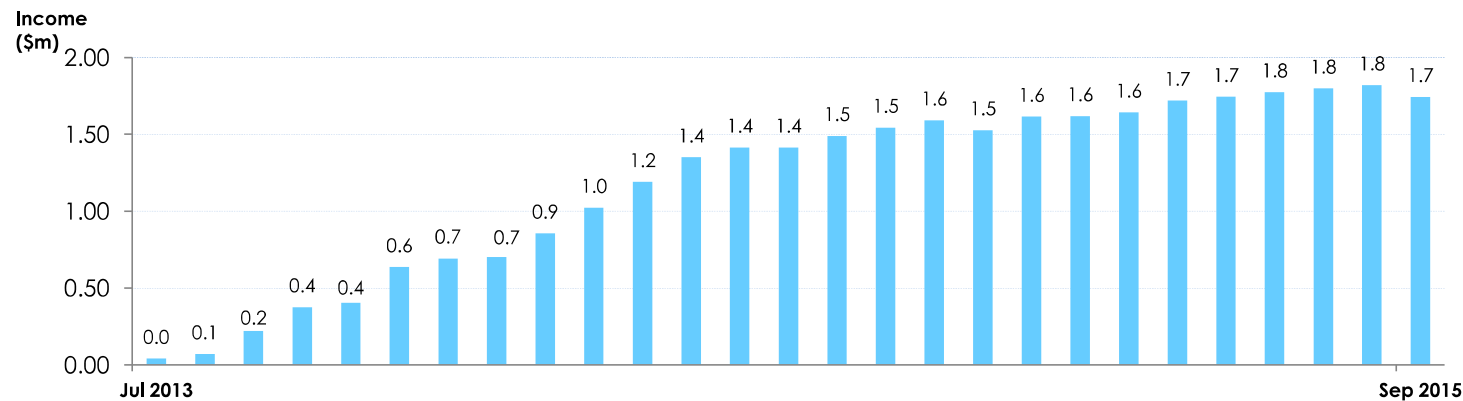
[CDK Global Inc](#) [Halyard Health Inc](#) [Nestle Malaysia](#) [Lafarge Malayan Cement](#)

30 September 2015

## Summary of income & growth in portfolio

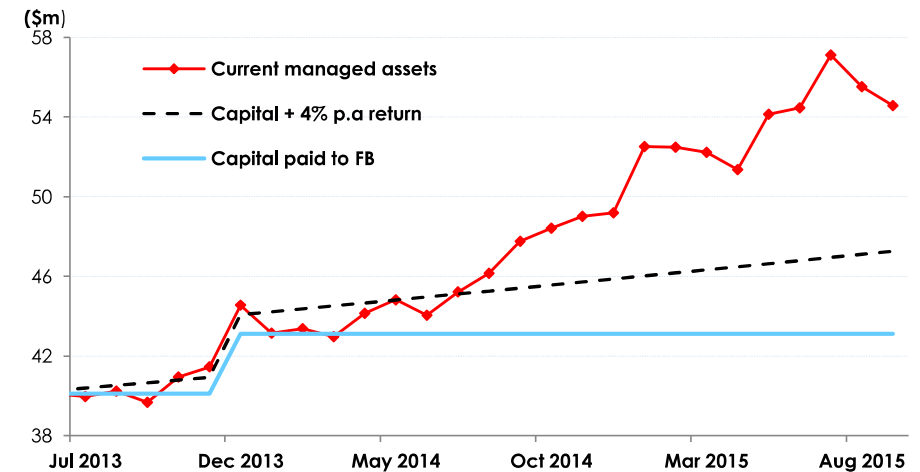
### Cumulative dividend income for 12 month periods to month shown (\$m)

#### Forsyth Barr



Assets	\$54,576,861
Distributions paid out since appointment	\$3,433,171

	Financial year to date	Since appointment
Value start of the year	\$48,576,929	
New capital given to manager		\$43,113,670
Dividends received/earned	\$955,345	\$3,454,308
Distributions paid to Trust	(\$984,073)	(\$3,433,171)
Market movement	(\$1,418,904)	\$4,923,386
Currency movement	\$6,762,429	\$5,833,533
Cash	\$685,135	\$685,135
<b>Value at 30 Sep 2015</b>	<b>\$54,576,861</b>	<b>\$54,576,861</b>

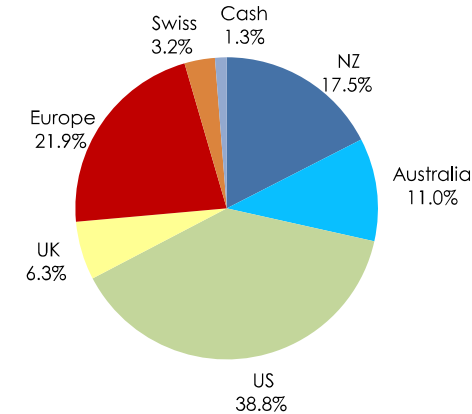


The difference between dividends & interest earned, and what was paid out, relates to the exchange rates at time of receipt versus payment used. Dividends received and paid to the Trust include both dividend and interest income on the investments.

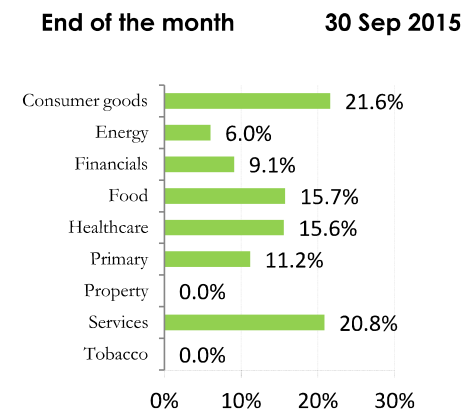
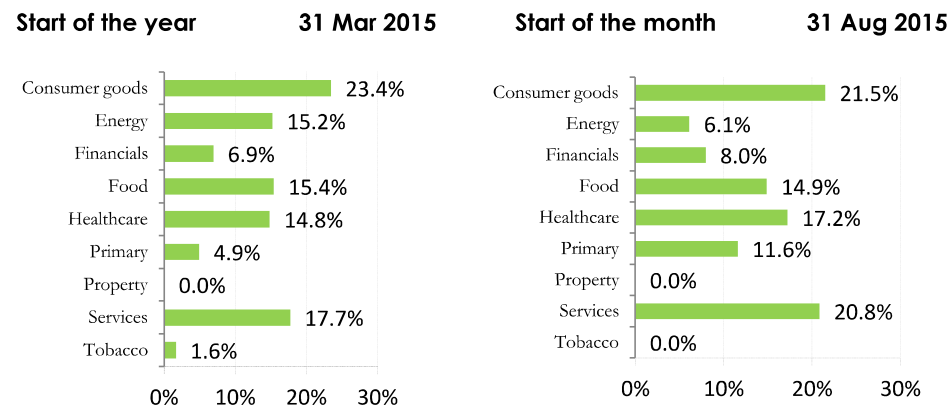
30 September 2015

### Geographic split

Country of listing	No. of holdings	\$	%
NZ	11 shares	9,529,397	17.5%
Australia	7 shares	6,015,103	11.0%
US	25 shares	21,202,865	38.8%
UK	4 shares	3,420,175	6.3%
Europe	14 shares	11,958,202	21.9%
Swiss	2 shares	1,765,984	3.2%
Shares	63 shares	53,891,727	98.7%
Cash		685,135	1.3%
<b>Total</b>		<b>54,576,861</b>	<b>100.0%</b>



### Industry split



### Market returns (NZ\$)

	Last 1 year	Last 3 years	Last 5 years
Consumer goods	34.7%	27.0%	17.6%
Energy	-13.0%	2.1%	2.7%
Financials	17.4%	19.8%	9.5%
Food	31.3%	19.9%	15.6%
Healthcare	29.7%	28.6%	20.2%
Primary	-0.6%	3.7%	-0.3%
Services	28.9%	22.4%	15.5%
Overall MSCI	17.4%	18.5%	11.4%

### Concentration risks:

Shares that are 20% or more above the "equal weighting target" of \$866,299

EBOS

Shares that are 20% or less below the "equal weighting target" of \$866,299

The Kraft Heinz Company The Travelers Companies, Inc.

### New shares

The Kraft Heinz Company The Travelers Companies, Inc

### Exits

Nil



30 September 2015

## Technical notes

This page sets out details of key investment managers and details of the market benchmarks used.

	Appointment date	Current management
Overall	Apr 1997	
Private equity	Jun 2013	Pioneer Capital Partners.
Listed shares	May 2013	Elevation Capital & Forsyth Barr listed shares.
OS bonds	May 2013	Pimco.
NZ bonds	Nov 2002	Self-managed through Forsyth Barr Esam Cushing.
OS shares FX hedging	Apr 2000	BNZ.
NZ shares	Jul 1999	Forsyth Barr.
Cash	Apr 1997	Self-managed.
Market sector returns are calculated based on the general market movement applicable to a non-taxpayer.		

Market indices:	
Total shares	MSCI world net div (50% hedged).
Elevation Capital / Forsyth Barr listed shares	MSCI world net div (currency unhedged).
Shares	MSCI world net div.
Currency hedging	50% of currency movement.
NZ bonds - self-managed	S&P/NZX A Grade Corporate Bond Index.
OS bonds hedged - Pimco	30% Citigroup World Govt Bond Index hedged and 70% Citigroup World Corp Bond Index hedged.
Self-managed - cash	NZX call rate.

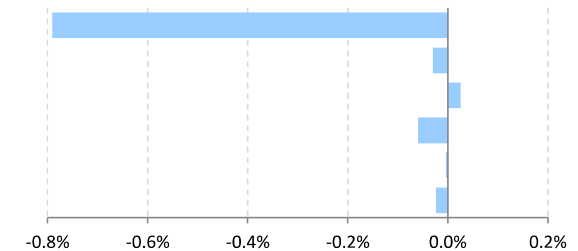
30 September 2015

## Environment and market statistics

### 90-day bank bill rates

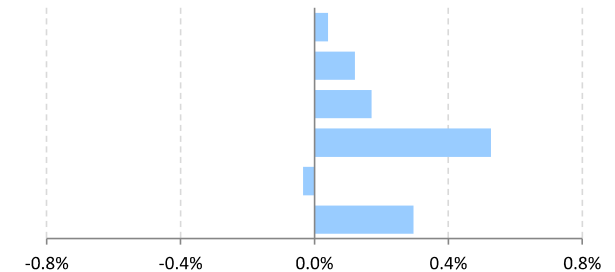
	Start of year 1 Apr 2015	Start of period 1 Sep 2015	End of period 30 Sep 2015	Movement	
				Month	Year-to-date
<b>NZ</b>	3.6%	2.9%	2.8%	(0.1%)	(0.8%)
<b>US</b>	0.0%	0.1%	0.0%	(0.1%)	(0.0%)
<b>UK</b>	0.4%	0.5%	0.5%	0.0%	0.0%
<b>Euro</b>	0.0%	0.0%	0.0%	(0.0%)	(0.1%)
<b>Japan</b>	0.0%	0.0%	0.0%	(0.0%)	(0.0%)
<b>Australia</b>	2.2%	2.1%	2.2%	0.1%	(0.0%)

### Year-to-date (change)



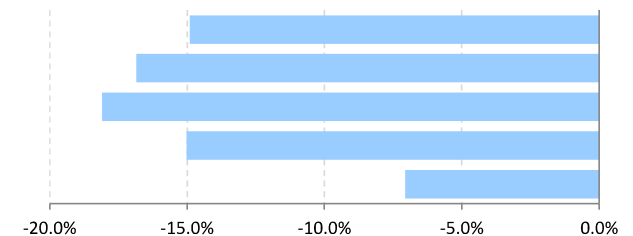
### 10 year government bond yields

	Start of year 1 Apr 2015	Start of period 1 Sep 2015	End of period 30 Sep 2015	Movement	
				Month	Year-to-date
<b>NZ</b>	3.2%	3.3%	3.3%	0.0%	0.0%
<b>US</b>	1.9%	2.2%	2.1%	(0.2%)	0.1%
<b>UK</b>	1.7%	2.0%	1.9%	(0.2%)	0.2%
<b>Euro</b>	1.0%	1.4%	1.5%	0.1%	0.5%
<b>Japan</b>	0.4%	0.4%	0.4%	(0.0%)	(0.0%)
<b>Australia</b>	2.3%	2.7%	2.6%	(0.0%)	0.3%



### Exchange rates

	Start of year 1 Apr 2015	Start of period 1 Sep 2015	End of period 30 Sep 2015	Movement	
				Month	Year-to-date
<b>US</b>	0.7490	0.6420	0.6374	(0.7%)	(14.9%)
<b>UK</b>	0.5059	0.4161	0.4207	1.1%	(16.8%)
<b>Euro</b>	0.6918	0.5717	0.5666	(0.9%)	(18.1%)
<b>Yen</b>	89.99	77.78	76.47	(1.7%)	(15.0%)
<b>Australia</b>	0.9785	0.8995	0.9094	1.1%	(7.1%)



30 September 2015

## Environment and market statistics

### Sharemarket returns (local currency)

	Month	Year-to-date	Last 12 months	Last 3 years (p.a.)	Last 5 years (p.a.)
<b>US (S&amp;P 500)</b>	(2.6%)	(7.2%)	(2.6%)	10.0%	11.0%
<b>Japan (Nikkei 225)</b>	(8.0%)	(9.5%)	7.5%	25.2%	13.2%
<b>UK (FTSE 100)</b>	(3.0%)	(10.5%)	(8.5%)	1.8%	1.8%
<b>Germany (DAX)</b>	(5.8%)	(19.3%)	2.0%	10.2%	9.2%
<b>France (CAC 40)</b>	(4.2%)	(11.5%)	0.9%	9.9%	3.7%
<b>Australia (ASX 200)</b>	(3.0%)	(12.7%)	(0.7%)	9.4%	6.5%
<b>NZ (S&amp;P/NZX 50)</b>	(1.1%)	(4.1%)	6.4%	13.4%	12.0%
<b>MSCI Net div unhedged</b>	(4.7%)	7.7%	18.2%	19.3%	11.8%
<b>MSCI Net div 50% hedged</b>	(4.0%)	0.2%	8.9%	16.6%	12.4%
<b>MSCI Net div 100% hedged</b>	(3.3%)	(7.0%)	2.3%	14.5%	12.3%

Note:

1. Year-to-date is the period since 1 April 2015.
2. The exchange rates are those on the Reserve Bank website. These are generally updated at 11am each day. The actual exchange rates for the hedging contracts will be the bank's close of business rates, which will be a different exchange rate. The movement in rates from 11am to 11am may be materially different from close of business to close of business.

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<b>Report type:</b>	Audit & Risk Committee Decision Papers
<b>Recommendation:</b>	That the Board discusses the treatment of brokerage fees in the monthly Financial Performance report and recommends to the full Board actions moving forward.
<b>Agenda item no:</b>	<b>10</b>
<b>Subject:</b>	Brokerage Fees
<b>Responsible for the report:</b>	General Manger

<b>Purpose of report:</b>	To inform the Board of the current thinking around the treatment of the brokerage fees in the monthly reporting.
---------------------------	--

The brokerage fees at month end are currently reported in realized expenses in the monthly reports. A couple of Trustees have questioned if this is the correct place to report on this.

Brokerage fees are deducted from the unrealised investment income rather than being paid out as “cash”.

Michael Chamberlain has agreed with this stating

“MCA treats brokerage as a capital cost and so it is deducted from the asset value when sold and added to the purchase price when bought. From an accounting perspective it should be a balance sheet item and not a P&L item.”

The questions for the committee to consider are;

1. Do we agree that the brokerage fees should be included as a balance sheet item?
2. If so, do we change the method of accounting for this in the current year or wait until the next financial year?

Once this has been discussed and agreed upon, the A & R Committee can then make a recommendation to the Board.

Jonathan Bell

October 2015