



Eastern & Central
COMMUNITY
TRUST

AUDIT & RISK COMMITTEE MEETING

3:00pm Thursday 28th April 2017

Eastern & Central Community Trust Meeting 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 MONDAY 27th APRIL 2017 COMMENCING AT 3:00 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 27th February 2017 : [pages 3-5](#)
3. Matters arising and action items: [pages 6-7](#)

OPERATIONAL REPORTS TO THE COMMITTEE

4. General Managers Report including financial reports; [pages 8-23](#)

COMMITTEE DECISION PAPERS

5. Risk Register Report: [pages 24-28](#)
6. Review of need for internal control or performance audit: [page 29](#)
7. A & R Work-plan Review: [pages 30-34](#)
8. Private Equity Accounting Policy: [page 35](#)

COMMITTEE INFORMATION PAPERS

9. Fund Advisor and Fund Managers Monthly Reports: [pages 36-85](#)
10. General Business

Close of Meeting

Next meeting: 11:00am May 25th 2017 (Auditor Present)

Report type:	A & R Committee Decision Papers
Recommendation:	That the Board receives and approves the draft Minutes from the A & R Committee meeting 27 th February 2017.
Agenda item no:	2
Subject:	Draft Minutes
Responsible for the report:	General Manager

Purpose of report:	To provide the A & R Committee with the draft minutes from the previous committee meeting for approval
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**MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE
OF THE EASTERN AND CENTRAL COMMUNITY TRUST INC.,
HELD IN THE TRUST OFFICES, RUSSELL STREET SOUTH, HASTINGS,
ON MONDAY 27th FEB 2017, COMMENCING AT 3:00 PM.**

IN ATTENDANCE:

Shelly Mitchell-Jenkins (Chair), Mark Kilmister, Jonathan Bell (General Manager) Rebecca Huckle (Secretary)

COMMITTEE MEMBERS BY TELECONFERENCE:

Ron Garrod, Geoff Milner

1. APOLOGIES

Stephen Kerr noted as absent

2. MINUTES FROM THE PREVIOUS AUDIT & RISK COMMITTEE MEETING: (Page 3)

- Amendment- R Garrod was omitted from the attendees. To be corrected.

2.1 RESOLUTION

The Committee resolved to approve the minutes of the previous meeting held on 21st December 2016 as a true and accurate record of the meeting subject to the above amendment.

S Mitchell-Jenkins / R Garrod

CARRIED

3.1 MATTERS ARISING FROM THE PREVIOUS MINUTES: (Page 6)

- None

3.2 ACTION ITEMS: (Page 7)

- *Action Item 6:* M Kilmister asked if the letter to the Public Trust had been sent. J Bell stated that the Public Trust's performance has improved recently and that he will discuss this with Glen Wilkinson and with Michael Chamberlain.
- *Action Item 9:* M Kilmister asked if M Chamberlain had looked at the Trust's exposure to consumer goods, and the trends in this area. J Bell advised that M Chamberlain had been asked for feedback and will follow this up. **ACTION ITEM**
- *Action Item 1:* M Kilmister asked whether exit interviews were to take place for those Trustees not reappointed or who retired. An exit interview template will be provided by G Milner to provide feedback on as part of a formal process. **ACTION ITEM**

4.0 GENERAL MANAGERS REPORT: (Page 8)

Taken as read.

- J Bell stated that the hedging position had been variable, due to volatility in global markets, with another two weeks until the contract matured. The decision to go 50% with the US dollar had in hindsight been the right decision as the 75% position (as per policy) would have been worse. The decision to take a 50% hedging stance was made because a jump from 0% to 75% was too much for a first step.
- A Hansen has responded on the previously approved policies and J Bell has sent another six to her for review and comment.
- The number of donation applications has shown a trend back to normal levels.

- M Kilmister asked if the Trust was spending too much on professional expenses, and asked for clarification on this.
- J Bell stated that the fees were higher due to the engagement of Turley & Associates to complete valuations of the Cancer Society premises. It was noted that most of the expenses relate to M Chamberlain approximately \$65k per annum.
- S Mitchell- Jenkins suggested that the Funding Strategy group consider the length of time allowed before an applicant has to uplift the funds. The current policy of two years seems too long in the vast majority of circumstances.

5.0 RISK REGISTER REPORT: (Page 24)

For Noting only. Reviewed with no changes

6.0 REVIEW OF NEED FOR INTERNAL CONTROL OR PERFORMANCE AUDIT: (Page 29)

- S Mitchell- Jenkins asked if there was anything to suggest that there was a need to review internal controls at this point. It was agreed that there were no flags at this time to suggest this. This will be reviewed when it next falls on the work plan.
- A discussion was held regarding whether there was a need for a performance audit to be undertaken,. It was agreed that with the current project underway to change the way the Trust operates and in the absence of any red flags, there was no need for such a review at this time. It was suggested that a review or evaluation process be built into the funding strategy project plan after implementation.
- G Milner stated that he was happy as long as the General Manager continued to ask if current processes were doing the job and whether there is a need for improvement.

7.0 A&R WORK-PLAN REVIEW: (Page 30)

- It was noted that all the items on the work plan had been attended to as timetabled. The GM advised that the audit timeline is on track.

8.0 FUND ADVISOR AND FUND MANAGERS MONTHLY REPORTS: (Page 38)

- The GM advised that the funds under Pimco Management are likely to be transferred to the Hunter Investment Management fund by the end of the month.
- J Bell noted that funds to meet the capital calls for investment in private equity should come from the equity portfolios managed by Elevation Capital and Forsyth Barr as per SIPO. Given the Trust currently is holding large amounts of cash he suggested that this be used to invest in Private Equity rather than sell down shares. The General Manager will present a paper at the March meeting recommending a variance to SIPO. **ACTION ITEM.**

9.0 GENERAL BUSINESS:

- G Milner requested a discussion on the 2017-18 forecast budget options before it is presented to the Board for ratification. J Bell stated that the Audit & Risk Committee will receive a copy of the paper prior to presentation to the Board. He will aim to have it completed next week. **ACTION ITEM**

Meeting closed at 3:42pm.

Report type:	A & R Committee Decision Papers
Recommendation:	That the Committee receives the action plan and any matters arising from the Minutes from the A & R Committee meeting February 27th 2017
Agenda item no:	3
Subject:	Matters arising and Action Plan
Responsible for the report:	General Manager

Purpose of report:	To provide the A & R Committee with the action plan from the previous committee meeting.
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A & R COMMITTEE ACTION PLAN

Meeting Date; 27th April 2017

#	ACTION	WHO	WHEN	STATUS
1	Add amended Trustee exit interview strategy to plan and charter	Jonathan	At Governance Charter Review	Pending
2	Valuation of Private Equity – Need to consider these well before year financial year end in time for 2017 Audit	Shelly & Jonathan	Feb 2017	See GM Report
3	Development of: <ul style="list-style-type: none"> • Auditor Rotation Policy and, • Include in ECCT Policy Manual 	Shelly & Jonathan	Jun 2017	Pending
4	Public Trust Performance – To be completed as part of the Annual Review process with Michael Chamberlain and the General Manager	Jonathan	May 2017	Pending
5	MCA External Review due Dec 2017 – General Manager to include in 2016-17 Budget	Jonathan	March 2017	Pending
6	Request opinion from Michael Chamberlain on the level of investment in consumer goods	Jonathan	March 2017	Pending
7	Development of an interview template when Trustees retire or are not re-appointed	G Milner	May	Pending
8	Paper to request a variance to SIPO to allow funds to be taken from NZ Bonds portfolio and invested in Private Equity	J Bell	May 2017	Pending
9	Paper for March Board meeting on different budget scenarios to be presented to the A & R Committee prior to the may Board Meeting.	J Bell	March 2017	Completed

Report type:	Operational Reports to the A & R Committee
Recommendation:	The A & R receives and accepts <ol style="list-style-type: none">1. The Financial Report for the period to 31st March 20172. The General Manager's report for the period to 21st April 2017.
Agenda item no:	4
Subject:	General Manager's Report to the A & R Committee
Responsible for the report:	Jonathan Bell

Purpose of report:	To inform the A & R Committee of progress and/or exceptions to the achievement of the 2016/17 Business Plan (inclusive of key Financial performance measures to 31 st March 2017), and other KPI's to 21 st April 2017. 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 APRIL 2017

1.0 Executive Summary

Since the last Trust meeting the following points are noted;

1. Hedging cover has been taken against the Euro as per the mandate.
2. Our equity portfolios have increased in value in March.
3. Year end result is considerably better than last year due to unrealised income which is covered off below.

2.0 Financial Performance

2.1 Dashboard

The number of red lights has increased since the last Board meeting in March. Key comments to note are;

2.2 Balance Sheet

- Both equity portfolios increased in the month by a combined total of \$3.3mill.
- YTD the total value of our portfolios has increased by \$5.6mill.

2.3 Income

- Realised income for the month was ahead of budget by \$207k.
- Realised Income year end is ahead of budget by \$729k.
- FBarr was over budget by \$22k and ECap behind budget by \$34k both less than 2% of budgeted income.
- NZ Bonds were over budget by \$102k, 4.6%.
- Global Bonds provided the biggest upside being \$615k over budget.

2.4 Expenses

- Expenses for the month were higher than budgeted by 64k.
- This was due to Amortisation (\$18K), CSI payment (\$33.5k) and the last of MCA fees for the year (\$21k)
- Year-end expenses were over budget by \$73k.

2.5 Year-end Result

Realised Income	\$7,915,973
Total Operating Expenses	\$1,755,579
Nett Donations Approved	\$5,071,280
Surplus Income	\$1,089,096
Unrealised Income	\$8,533,142
Year End	\$9,622,241 (\$3 rounding difference)

- This will be a good result to report at our APM in August.

2.6 Distributions

- Applications for the upcoming May meeting total 132, of which 33 are specials. An early indication would suggest that the request for funds will be \$1.2 million. This is considerably higher than the previous May meetings which have averaged approximately \$640k per annum.

2.6 Hedging

- Attached is the MCA currency report for 13th April.

- We have put in place a hedging contract against the Euro for \$12.2 million as per policy. This contract matures on the 20th of July 2017.

2.7 Capital base

- The capital base graphs are attached.
- I have adjusted the Capital base to \$147.12 million as per the motion passed at the last Board meeting.

2.8 Risk Register

- Agenda Item # 5

2.9 Commitment Schedule

- The commitment schedule is now \$2.323 million.
 - We have begun to contact Petane Marae enquiring as to the current state of their project.

3.0 Action Plan

- The action plan is attached and is up to date.
- Valuation of Private Equity – Two other Trusts have advised me that they treat PE the following way:
 - a. They take the valuations of PE at the end of the third quarter.
 - b. Request from the PE managers confirmation that there has been no significant changes in the last quarter (e.g. major share transaction, loss of key management, loss of sales contracts etc.).
 - c. If there has they adjust the valuations accordingly,
 - d. If not they use the Q3 valuation.
 - e. If the YE valuation shows a significant difference between that noted in the accounts to the YE valuation, this is commented on in the following year's accounts.
 - f. We will ask our Auditor for agreement of this method.
 - g. We will discuss this further at the meeting **Agenda Item #8.**
- MCA external review – Professional expenses were increased by \$5k on the previous budget. When the time comes to conduct an external review on MCA, I will ask for quotes from suitably approved people/organisations and then request this from the Board.

4.0 Policies for Approval

- I have developed some more policies, these are being reviewed by Anna Hansen and will be presented for approval in due course.

5.0 HR

- Current Annual Leave balances are











○ J Bell	164 hours
○ R Artemiev	121.85 hours
○ N Attapattu	49.85 hours
○ J Wolland	188.13 hours
○ P Dawson	91.08 hours
- Jill is on leave next week and her annual leave will drop by 24 hours.

6.0 Other

- Nothing to report

Jonathan Bell
General Manager
21st April 2017

ECCT MONTHLY FINANCIAL REPORTING DASHBOARD

Month End	Comparison Current Month to Budget 31st March 2017			Comparison YTD to Budget 31st March 2017			
	Actual (000's)	Budget (000's)		Actual (000's)	Budget (000's)		
Total Realised Income	\$ 0.808	\$ 0.601		\$ 7.916	\$ 7.187		For commentary please see GM's Report
Total Operating Expenses	\$ 0.179	\$ 0.115		\$ 1.756	\$ 1.682		
Net Disposable Investment Income	\$ 0.629	\$ 0.486		\$ 6.160	\$ 5.505		
Donations Approved	\$ 0.480	\$ 0.616		\$ 5.169	\$ 5.605		
Donations Written Back	\$ 0.003	\$ -		\$ 0.098	\$ 0.100		
Surplus After Donations	\$ 0.152	-\$ 0.130		\$ 1.089	-\$ 0.200		
Less Brokerage Fees	\$ -	\$ -		\$ 0.056	\$ -		Not Budgeted For
Hedging Gain/Loss	-\$ 1.359	\$ -		\$ 1.681	\$ -		Not Budgeted For
Unrealised Income	\$ 3.384	\$ -		\$ 6.908	\$ -		
Surplus Income	\$ 2.177	-\$ 0.130		\$ 9.622	-\$ 0.200		
Investments	Monthly Change			YTD Change		March 31st 2016 Value	
	Feb 2017 Value	March 2017 Value	(000's)		(000's)		(000's)
Equity F Barr	57,573	59,327	1,754 	4,006 	55,321		
Equity E Capital	50,311	51,842	1,531 	4,753 	47,089		
NZ Bonds	38,165	37,493	-672 	533 	36,960		
O'Seas Bonds	17,631	17,661	30 	- 826 	18,487		
Own Cash	4,200	3,200	-1,000 	- 2,800 	6,000		
	Total	169,523	1,643	5,666	Total	163,857	
Complaints	Nil 		Nil 				
Investment Fluctuation Buffer							
Currents Assets	\$ 173.155						
Capital Base	\$ 147.120						
%	117.70%		Less than 125% 				

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

Eastern & Central Community Trust
Statement of Financial Position
As at 31 March, 2017

	Actual	Last Year
<u>Trust Funds</u>		
Surplus Income	9,622,241	1,165,850
General Reserves	147,118,072	162,332,729
Donations reserve	16,380,507	-
Total Trust Funds	173,120,820	163,498,579
<u>Current Assets</u>		
Petty Cash	57	66
Current	225,592	252,196
Imprest	925	1,050
Call	505,844	487,745
Conference 2017	24,045	22,752
Sundry Debtors	27,596	25,093
HBFF Capacity Project	(6,000)	-
Prepayment of fees	25,563	-
Total Current Assets	803,621	788,902
<u>Investment Assets</u>		
New Zealand		
Shares Forsyth Barr	59,327,316	55,320,573
Shares Elevation Capital	51,842,084	47,088,886
Hedging Contracts NZ	-	178,217
Cash Self Term Deposits	3,200,000	6,000,000
Bonds Self	37,492,734	36,960,191
Te Kete Putea Ltd Partnership	36,263	54,394
Private Equity Pioneer Capital 11	1,597,242	1,216,822
Private Equity Pioneer Capital 111	575,917	-
Private Equity - Waterman Fund	1,062,500	-
Private Equity - Morrisons	1,113,395	-
Private Equity - Direct Capital V	58,951	-
Total New Zealand Investments	156,306,402	146,819,083
Overseas		
Bonds Pimco	17,661,307	18,486,729
Total Overseas Investments	17,661,307	18,486,729
Total Current and Investment Assets	174,771,330	166,094,714
<u>Fixed Assets</u>		
Fixed Assets at Cost	995,042	181,303
Accumulated Depreciation	(157,817)	(152,495)
Total Fixed Assets	837,225	28,808
Total Assets	175,608,555	166,123,522
<u>Current Liabilities</u>		
Donation Creditors	2,311,850	2,444,267
Trade Creditors	111,054	99,226
Creditor Accruals	64,830	81,450
Total Current Liabilities	2,487,734	2,624,943
Net Assets	173,120,820	163,498,579

EASTERN & CENTRAL COMMUNITY TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE Year ENDING 31 March 2017

<u>Income</u>	<u>Actual</u>	<u>Current Month</u>		<u>Actual</u>	<u>Year To Date</u>		<u>Full Year</u>	
		<u>Budget</u>	<u>Last year</u>		<u>Budget</u>	<u>Last year</u>	<u>Budget</u>	<u>Last Year</u>
<u>Realised Investment Income</u>								
Shares FBarr Interest	2,309	800	2,046	17,898	10,000	31,168	10,000	31,168
Shares FBarr Dividend	175,400	200,000	156,812	1,904,433	1,882,500	1,751,752	1,882,500	1,751,752
Shares ECap Interest	592	1,000	800	12,558	10,000	30,327	10,000	30,327
Shares ECap Dividend	345,132	112,750	190,900	1,768,756	1,803,750	1,930,940	1,803,750	1,930,940
Bonds Self Interest	273,466	160,000	306,719	2,302,259	2,200,000	2,370,416	2,200,000	2,370,416
Cash Self Realised Income	11,252	16,000	17,367	213,767	201,000	244,636	201,000	244,636
Sundry Income	0	0	0	1,100	170	220	170	220
	<u>808,150</u>	<u>490,550</u>	<u>674,645</u>	<u>6,220,772</u>	<u>6,107,420</u>	<u>6,359,459</u>	<u>6,107,420</u>	<u>6,359,459</u>
<u>Overseas</u>								
Shares SSAG Dividend	0	0	0	0	0	0	0	0
Bonds Fimco Interest	0	110,000	0	1,695,201	1,080,000	700,336	1,080,000	700,336
	<u>0</u>	<u>110,000</u>	<u>0</u>	<u>1,695,201</u>	<u>1,080,000</u>	<u>700,336</u>	<u>1,080,000</u>	<u>700,336</u>
<u>Total Realised Investment Income</u>	<u>808,150</u>	<u>600,550</u>	<u>674,645</u>	<u>7,915,973</u>	<u>7,187,420</u>	<u>7,059,794</u>	<u>7,187,420</u>	<u>7,059,794</u>
<u>Expenses</u>								
<u>Administration Expenses</u>								
Advertising- Statutory	0	0	0	33,131	34,000	40,646	34,000	40,646
Promotion	517	500	332	40,170	50,000	26,252	50,000	26,252
Rent & Services	7,581	6,600	8,448	107,126	115,000	106,290	115,000	106,290
Telephone	974	1,100	1,325	10,139	14,000	14,528	14,000	14,528
Postage	300	600	350	2,308	4,000	3,493	4,000	3,493
KiwiSaver Net Contributions	1,287	435	1,303	16,832	16,000	16,848	16,000	16,848
Printing & Stationery	476	800	454	10,414	13,000	10,431	13,000	10,431
Insurance	0	0	0	4,955	6,000	5,387	6,000	5,387
General Expenses	275	150	28	5,031	3,000	2,927	3,000	2,927
Computer Services	9,641	15,000	16,980	57,067	67,000	89,767	67,000	89,767
Staff Remuneration	36,892	33,000	37,160	415,980	436,000	432,391	436,000	432,391
Staff Training	-567	0	143	3,908	7,000	3,680	7,000	3,680
Staff Travel	590	2,400	213	11,996	24,000	20,192	24,000	20,192
Acc Levies	0	0	0	1,075	1,700	1,660	1,700	1,660
Nelson St Expenses	2,876			2,876				
	<u>60,842</u>	<u>60,585</u>	<u>66,737</u>	<u>723,009</u>	<u>790,700</u>	<u>774,492</u>	<u>790,700</u>	<u>774,492</u>

	<u>Current Month</u>			<u>Year To Date</u>			<u>Full Year</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Last year</u>	<u>Actual</u>	<u>Budget</u>	<u>Last year</u>	<u>Budget</u>	<u>Last Year</u>
Trustee Expenses								
Trustee Remuneration	13,080	15,500	13,427	169,991	175,000	171,291	175,000	171,291
Meeting Expenses	58	7,500	-3,898	3,304	65,000	52,662	65,000	52,662
Trustee Accommodation	951	0	0	9,464	0	0	0	0
Trustee Mileage	1,476	0	0	18,534	0	0	0	0
Trustee Meals/ Catering expenses	1,012	0	0	14,697	0	0	0	0
Trustee Vehicle rental	416	0	0	5,043	0	0	0	0
Trustee Training	0	0	0	2,360	12,000	1,405	12,000	1,405
Liability Insurance	0	0	0	10,149	12,715	10,034	12,715	10,034
	<u>16,994</u>	<u>23,000</u>	<u>9,529</u>	<u>233,541</u>	<u>264,715</u>	<u>235,392</u>	<u>264,715</u>	<u>235,392</u>
Fee Expenses								
Affiliation Fees	0	0	0	6,325	7,000	6,325	7,000	6,325
Conference Fees	0	0	0	25,001	30,000	16,719	30,000	16,719
Donation Expenses	0	3,000	2,875	17,361	20,000	10,669	20,000	10,669
Professional Expenses	13,663	5,000	18,151	146,441	90,000	88,807	90,000	88,807
CSI Expenses	0	0	0	40,186	30,000	0	30,000	0
ECCT Funding Project	33,500	0	0	65,000	0	0	0	0
Audit Fees	-3,519	2,500	6,269	19,394	20,000	20,272	20,000	20,272
Custodian Fees	4,565	7,500	3,619	47,547	60,000	55,690	60,000	55,690
Fund Management Fees	33,492	13,000	33,744	401,425	370,000	395,348	370,000	395,348
	<u>81,701</u>	<u>31,000</u>	<u>64,658</u>	<u>768,679</u>	<u>627,000</u>	<u>593,830</u>	<u>627,000</u>	<u>593,830</u>
Depreciation	976	0	958	11,339	0	12,889	0	12,889
Amortisation	18,131	0	18,131	18,131	0	18,131	0	18,131
Profit/Loss on Disposal of Fixed Assets	0	0	0	896	0	147	0	147
	<u>19,107</u>	<u>0</u>	<u>19,089</u>	<u>30,366</u>	<u>0</u>	<u>31,167</u>	<u>0</u>	<u>31,167</u>
Total Operating Expenses	<u>178,644</u>	<u>114,585</u>	<u>160,012</u>	<u>1,755,596</u>	<u>1,682,415</u>	<u>1,634,880</u>	<u>1,682,415</u>	<u>1,634,880</u>
Net Disposable Investment Income	<u>629,506</u>	<u>485,965</u>	<u>514,633</u>	<u>6,160,378</u>	<u>5,505,005</u>	<u>5,424,914</u>	<u>5,505,005</u>	<u>5,424,914</u>
Donations								
Community Donations								
Special Donations	160,000	415,000	411,000	2,190,500	2,900,000	2,978,600	2,900,000	2,978,600
Standard Donations	320,250	201,005	201,067	2,107,996	1,941,005	1,885,627	1,941,005	1,885,627
Discretionary Donations	0	0	0	0	0	0	0	0
Education Initiatives	0	0	0	305,000	174,000	93,500	174,000	93,500

	<u>Current Month</u>			<u>Year To Date</u>			<u>Full Year</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Last year</u>	<u>Actual</u>	<u>Budget</u>	<u>Last year</u>	<u>Budget</u>	<u>Last Year</u>
Sports Trusts	0	0	0	340,000	340,000	340,000	340,000	340,000
Summer Reading Programme	0	0	0	226,000	250,000	250,000	250,000	250,000
	480,250	616,005	612,067	5,169,496	5,605,005	5,547,727	5,605,005	5,547,727
Regional Project Reserve Fund	0	0	0	0	0	0	0	0
Less Donation Written Back	-3,148	15,000	0	-98,216	-100,000	-352,808	100,000	-352,808
	477,102	0	631,005	5,071,280	5,505,005	5,194,919	5,505,005	5,194,919
Surplus From Investment Income After D	152,404	-145,040	-97,434	1,089,096	0	229,995	0	229,995
<u>Realised Non Investment Income/ Expenditure</u>								
<u>New Zealand</u>								
Shares FBarr Disposal Gain/Loss	0	0	0	0	0	0	0	0
Shares ECap Disposal Gain/Loss	0	0	0	0	0	0	0	0
Property NZ Disposal Gain/Loss	0	0	0	0	0	0	0	0
Brokerage Fees	-16	0	-46,620	-55,787	0	-321,262	0	-321,262
Hedging Gain/Loss	-1,358,608	0	-604,668	1,681,130	0	-2,467,071	0	-2,467,071
Donds Disposal Gain/Loss	0	0	0	0	0	0	0	0
	-1,358,624	0	-651,288	1,625,343	0	-2,788,333	0	-2,788,333
<u>Unrealised Investment Income</u>								
<u>New Zealand</u>								
Shares FBarr Change in Currency	1,539,512	0	-632,232	-606,473	0	4,371,624	0	4,371,624
Shares FBarr Change in Value	180,618	0	1,326,651	4,357,604	0	-999,699	0	-999,699
Shares ECap Change in Currency	1,325,794	0	-1,122,675	-2,140,831	0	3,472,292	0	3,472,292
Shares ECap Change in Value	178,293	0	2,011,196	6,915,950	0	-2,749,695	0	-2,749,695
Hedging Change in Value	-21,109	0	1,020,104	-178,217	0	-625,895	0	-625,895
Bonds Self Change in Interest	-113,926	0	-148,525	-91,863	0	-20,611	0	-20,611
Bonds Self Change in Value	168,182	0	173,722	-675,353	0	123,981	0	123,981
FCII Change in Fair Value	88,080			88,080				
	3,345,442	0	2,628,242	7,668,897	0	3,571,996	0	3,571,996
<u>Overseas</u>								
Bonds Fmco Change in Value	35,452	0	488,652	-761,098	0	50,869	0	50,869
	35,452	0	488,652	-761,098	0	50,869		50,869
	2,022,270	0	2,465,605	8,533,142	0	834,532	0	834,532
	2,177,550	-145,040	2,368,171	9,622,241	0	1,064,527	0	1,064,527

as at 31/12/2017

Committment Schedule

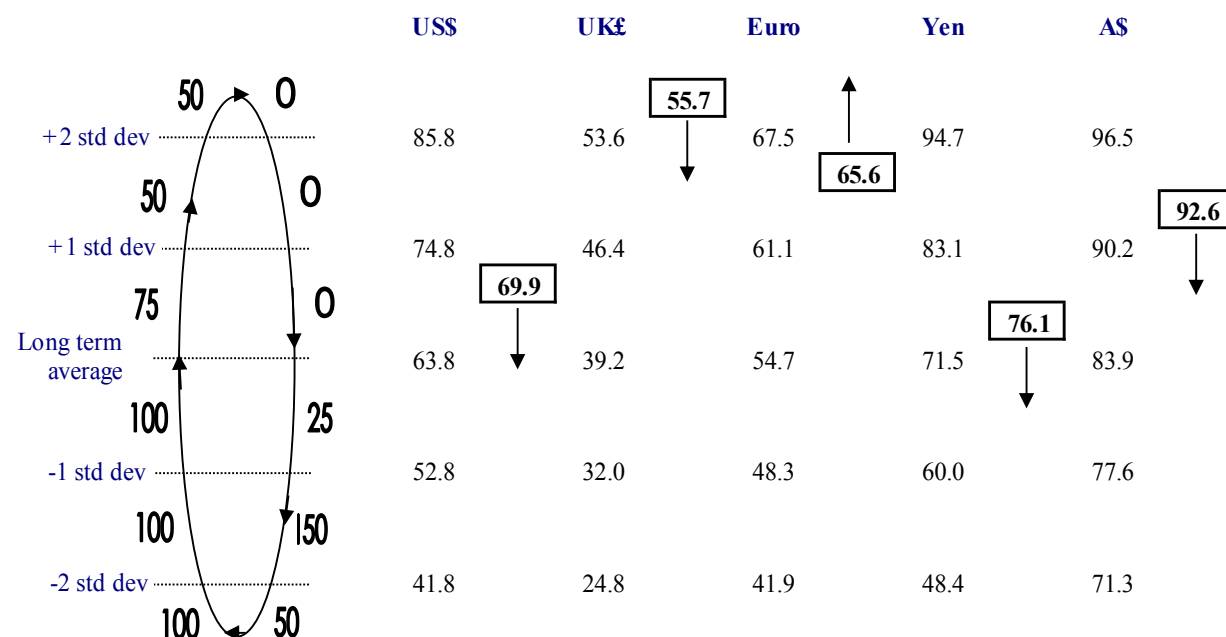
<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
Eastern And Central				
7,320	Petane Marae	24383	30-Jul-15	51,500.00
4,174	Tauparanui Ki Heretaunga Te Kohanga Reo	24432	30-Jul-15	3,500.00
574	Keirunga Gardens Arts and Crafts Society Inc	24298	24-Sep-15	20,000.00
7,705	Te Hau ki Turanga Trust	24489	24-Sep-15	50,000.00
3,049	Horowhenua Agricultural Pastoral & Industrial Assn	24610	24-Sep-15	20,000.00
7,715	Carterton Community Courthouse Trust	24457	26-Nov-15	20,000.00
2,662	Central Hawke's Bay Agricultural & Pastoral Societ	24643	26-Nov-15	10,000.00
240	Cobblestone Trust	24717	26-Nov-15	12,000.00
7,769	Lions Club of Gisborne Wainui Inc	24723	26-Nov-15	50,000.00
2,639	Campion College	24764	26-Nov-15	5,000.00
7,588	Equippers Napier Trust	24752	27-Nov-15	1,500.00
7,753	Ashhurst Community Trust	24803	28-Jan-16	30,000.00
5,178	Gisborne District Council	24826	28-Jan-16	180,000.00
7,802	Schizophrenia Fellowship Wairarapa Branch Incorp	24863	31-Mar-16	2,000.00
728	Hawke's Bay Parents' Centre Inc	24872	31-Mar-16	3,500.00
7,713	Eketahuna Youth Trust	24459	26-May-16	40,000.00
5,469	Poupatate Marae	24830	26-May-16	20,000.00
4,233	Central Hawke's Bay District Community Trust	24964	26-May-16	140,000.00
1,861	Porangahau Primary School	24967	26-May-16	15,000.00
5,894	Hawke's Bay Regional Council	24986	26-May-16	40,000.00
7,735	Ngāi Tumapūhia-a-Rangi ki Mōtūwairaka Inc	25031	26-May-16	40,000.00
7,845	Bring it to Colombo Trust	25032	26-May-16	175,000.00
7,852	Order of St John - Wairarapa	25034	26-May-16	15,000.00
6,245	National Science Technology Roadshow Trust Boa	24836	27-May-16	140,000.00
2,343	Ngata Memorial College	24915	28-Jul-16	40,000.00
1,881	Queen Elizabeth College	24990	28-Jul-16	20,000.00
4,886	Maraenui Golf Club Inc	25043	28-Jul-16	4,000.00
2,653	Carter Society Inc	25085	28-Jul-16	10,000.00
7,871	Sisterson Lagoon Restoration Trust	25092	28-Jul-16	3,000.00
7,343	Wairoa Young Achievers Trust	25095	28-Jul-16	40,000.00
7,864	Tairāwhiti Connex Charitable Trust	25098	28-Jul-16	80,000.00
7,588	Equippers Napier Trust	25172	28-Jul-16	10,000.00
7,674	Ka Pai Kaiti Trust	25175	28-Jul-16	18,000.00
889	Masterton Red Star Rugby Club	25007	29-Sep-16	6,800.00
4,201	Napier Sailing Club	25188	29-Sep-16	4,000.00
7,676	Wellington Gliding Club	25216	29-Sep-16	30,000.00
4,797	Pahiatua Golf Club Inc	25220	29-Sep-16	10,000.00
7,484	Rotary River Pathways Trust	25222	29-Sep-16	15,000.00
924	Rongotea School	25233	29-Sep-16	30,000.00
455	Hastings District Council	25274	29-Sep-16	30,000.00
4,474	Gisborne Tennis Club	25275	29-Sep-16	35,000.00
7,890	Anglican Diocese of Waiapu - Puketapu Parish	25280	29-Sep-16	2,000.00
2,506	Young Men's Christian Assn - Palmerston Nth Inc	25268	24-Nov-16	18,000.00
246	Colyton School	25318	24-Nov-16	8,000.00
508	Hawke's Bay Squash Rackets Club Inc	25319	24-Nov-16	8,000.00
3,020	Hawke's Bay & East Coast Aero Club	25320	24-Nov-16	35,000.00
5,834	Foxton Windmill Trust Inc	25346	24-Nov-16	15,000.00
2,954	Havelock North High School	25348	24-Nov-16	10,000.00
6,450	Pukaha Mount Bruce Board	25352	24-Nov-16	30,000.00
7,906	NZ Rural Games Trust	25358	24-Nov-16	10,000.00

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
6,512	Hawke's Bay Regional Sports Park Trust	25383	24-Nov-16	4,000.00
705	Mohaka School	25392	24-Nov-16	10,000.00
1,058	Te Aute College	25406	26-Jan-17	25,000.00
254	Cranford Hospice Foundation Trust	25413	26-Jan-17	10,000.00
7,529	Pourerere Beach Improvement Assn	25422	26-Jan-17	10,000.00
5,903	Tairawhiti Community Law Trust	25423	26-Jan-17	18,000.00
2,714	Dannevirke & District Agricultural & Pastoral Assn	25424	26-Jan-17	35,000.00
2,873	Gisborne City Vintage Railway Inc	25427	26-Jan-17	10,000.00
5,393	Order of St John - Central Regional Trust Board	25428	26-Jan-17	30,000.00
7,321	Wings Over Wairarapa Community Trust	25430	26-Jan-17	20,000.00
4,384	Mahia Golf Club Inc	25432	26-Jan-17	10,000.00
178	Bush Rock n Roll Club	25438	26-Jan-17	1,400.00
4,569	Returned Services Assn Inc - Wairoa	25455	26-Jan-17	8,000.00
4,848	Ngati Porou Hauora Charitable Trust	25468	26-Jan-17	30,000.00
7,930	NZ Iris Society - Rangitikei Branch	25471	26-Jan-17	400.00
4,261	Tiniroto Community Assn	25475	26-Jan-17	4,000.00
1,711	Matawai School	25469	23-Mar-17	25,000.00
7,337	Central Districts Equine Society Incorporated	25477	23-Mar-17	4,000.00
289	East Coast Rugby Football Club Inc. (Masterton)	25478	23-Mar-17	4,000.00
4,038	Milverton Kindergarten	25479	23-Mar-17	2,000.00
7,583	SPCA-Dannevirke	25480	23-Mar-17	4,000.00
7,644	Wildlife Foxton Trust	25481	23-Mar-17	4,000.00
1,355	Dannevirke Netball Assn	25482	23-Mar-17	3,000.00
5,456	Show Jumping Hawke's Bay Inc	25483	23-Mar-17	4,000.00
3,784	Horowhenua Motorcycle Club Inc	25484	23-Mar-17	1,000.00
168	Rledisloe School	25485	23-Mar-17	8,000.00
263	Dannevirke Central Kindergarten	25486	23-Mar-17	8,000.00
473	Havelock North Intermediate School	25487	23-Mar-17	4,000.00
487	Hawke's Bay Badminton Assn Inc	25488	23-Mar-17	2,400.00
4,298	Waipukurau Bridge Club Inc	25490	23-Mar-17	4,000.00
5,399	Card Reserve Artificial Surface Trust	25492	23-Mar-17	25,000.00
1,356	Dannevirke Pony Club	25495	23-Mar-17	1,000.00
2,796	Feilding Community Patrol	25496	23-Mar-17	2,000.00
4,541	Hawke's Bay Holt Planetarium Charitable Trust	25497	23-Mar-17	4,000.00
3,120	Levin Croquet Club Inc	25498	23-Mar-17	4,000.00
5,689	Swimming Hawke's Bay Poverty Bay Inc	25499	23-Mar-17	8,000.00
6,419	Haemophilia Foundation of NZ	25500	23-Mar-17	4,000.00
232	Citizens Advice Bureau - Wairoa	25501	23-Mar-17	2,500.00
6,907	Environmental Education for Resource Sustainability	25502	23-Mar-17	4,000.00
7,684	Zeal Education Trust	25504	23-Mar-17	10,000.00
6,659	Cystic Fibrosis Association of NZ	25505	23-Mar-17	4,000.00
7,732	Technology in Schools Education Trust	25507	23-Mar-17	4,000.00
5,260	Brain Injury Assn Hawke's Bay Inc	25509	23-Mar-17	4,000.00
7,933	Anderson Park Community Group	25510	23-Mar-17	4,000.00
4,505	Hawke's Bay Orchestra	25511	23-Mar-17	2,000.00
1,093	Salvation Army NZ Trust	25512	23-Mar-17	4,000.00
4,237	Duart House Society	25514	23-Mar-17	10,000.00
7,501	Haeata Ocean Sports Incorporated	25515	23-Mar-17	10,000.00
562	Institute for Child Protection Studies Trust	25516	23-Mar-17	4,000.00
5,329	Life Education Trust - Manawatu	25517	23-Mar-17	20,000.00
2,498	Reignier School	25518	23-Mar-17	5,000.00
2,997	Hawke's Bay Mountain Bike Club Inc	25520	23-Mar-17	40,000.00
1,076	Heretaunga Croquet Club Inc	25521	23-Mar-17	10,000.00
5,409	Wairoa Pony Club Inc	25522	23-Mar-17	15,000.00
5,668	Swimming NZ Inc	25523	23-Mar-17	20,000.00
210	Central Hawke's Bay Budget Service	25524	23-Mar-17	4,000.00
235	Clive Rugby and Sports Club Inc	25525	23-Mar-17	3,000.00
3,858	Western Rangers Football Assn Inc	25526	23-Mar-17	4,000.00
529	Heretaunga Women's Centre	25527	23-Mar-17	4,000.00
7,946	Indian Ink Trust	25528	23-Mar-17	4,000.00

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
4,336	Highland Home Christian Camp	25529	23-Mar-17	4,000.00
7,381	JTD Solutions Limited	25530	23-Mar-17	4,000.00
6,848	Marewa Cricket Club Inc	25531	23-Mar-17	1,750.00
4,020	RNZ Plunket Society - Hawke's Bay Area Inc	25533	23-Mar-17	4,000.00
516	Hearing Association - Hastings	25534	23-Mar-17	4,000.00
7,407	Arts Culture & Heritage Trust - Toi Wairarapa	25535	23-Mar-17	4,000.00
7,900	Tennis Eastern Inc	25537	23-Mar-17	4,000.00
7,938	Wairarapa Track & Field Inc	25538	23-Mar-17	4,000.00
6,400	RNZ Plunket Society - Manawatu/Wanganui Area I	25539	23-Mar-17	8,300.00
7,921	Tautoko Services	25540	23-Mar-17	3,000.00
7,256	Central Wairarapa Indoor Bowls Assn Inc	25541	23-Mar-17	10,000.00
7,675	Connected Media Charitable Trust	25542	23-Mar-17	15,000.00
5,461	Wairarapa Safer Community Trust	25543	23-Mar-17	4,000.00
7,662	NZ Pacific Studio Inc	25544	23-Mar-17	4,000.00
3,340	NZ Family & Foster Care Federation Inc	25545	23-Mar-17	4,000.00
7,786	Aurora Education Foundation Charitable Trust	25546	23-Mar-17	4,000.00
7,730	Te Hinaki Education Trust	25547	23-Mar-17	10,000.00
6,579	Great Forest Events Inc	25549	23-Mar-17	2,000.00
7,922	Business & Professional Women - Central Hawkes	25550	23-Mar-17	3,000.00
7,767	Ashhurst Aquanauts	25553	23-Mar-17	4,000.00
5,953	Cancer Society of NZ - Central Districts Division	25554	23-Mar-17	4,000.00
5,265	Manawatu Triathlon Club	25555	23-Mar-17	4,000.00
7,948	Martinborough Golf Club Inc	25556	23-Mar-17	4,000.00
7,953	Palmerston Nth Interfaith Group Inc	25559	23-Mar-17	2,300.00
6,474	Piping and Dancing Assn of NZ Inc - Hawke's Bay	25560	23-Mar-17	2,000.00
874	Purena Koa Rehua Youth Services O Heretaunga I	25561	23-Mar-17	4,000.00
7,547	Social Socks Charitable Trust	25562	23-Mar-17	4,000.00
331	Feilding Playcentre	25563	23-Mar-17	1,700.00
7,944	Martinborough Soccer Club	25564	23-Mar-17	4,000.00
7,857	Kidz Need Dadz Charitable Trust Wellington	25565	23-Mar-17	4,000.00
2,116	Netball Wairarapa Inc	25566	23-Mar-17	4,000.00
846	Philips Search & Rescue Trust	25567	23-Mar-17	4,000.00
7,833	Mauria Te Pono Trust	25568	23-Mar-17	4,000.00
635	Manakau School	25570	23-Mar-17	4,800.00
739	National Youth Drama School Trust	25571	23-Mar-17	4,000.00
7,812	NZ Miniature Horse Assn	25572	23-Mar-17	2,500.00
5,401	Tikitiki School	25573	23-Mar-17	5,000.00
Total for Eastern And Central				2,311,850.00
Report Totals				2,311,850.00

Eastern & Central Community Trust

Equities currency hedging contract position at 13 April 2017



	US\$	UK£	Euro	Yen	A\$
Current exchange rate	0.6994	0.5566	0.6556	76.06	0.9260
Policy position (from the above graph)	0%	0%	50%	0%	0%
Current position	0%	0%	0%	0%	0%

Exposure as at 31 March 2017

Forsyth Barr	24.51	2.97	13.42		5.56
Elevation Capital	18.48	9.26	10.90		5.16
Total	42.99	12.23	24.32		10.72

Target cover at 13 Apr 17 (\$m)	0.0	0.0	12.2	0.0	0.0
Current contract cover					
Strike rate purchased					
Target minus current contract cover =	0.0	0.0	12.2	0.0	0.0

Contract surplus (deficit) (\$m) \$0.00 \$0.00 \$0.00 \$0.00 \$0.00

Total current contract surplus (deficit) = 0.00

Historical hedging actions

15 Mar 2017 - 0% to US\$, UKP, EUR, AUD & Yen; contract not rolled over.

27 Jan 2017 - 50% hedged to US\$, UKP, EUR & AUD; 0% to Yen; maturity 15 Mar 2017.

13 Jan 2017 - 50% hedged to UKP, EUR & AUD; 0% to US\$ and Yen; maturity 15 Mar 2017.

7 Dec 2016 - 50% hedged to UKP and EUR; 0% to AUD, US\$ and Yen; maturity 15 Mar 2017.

Notes

USD is used to hedge the currencies of USA, Brazil, Thailand, Malaysia & Hong Kong. Euro is used to hedge the Euro, Norwegian and Swiss currencies.

The hedging contract for overseas bonds is excluded from this report.

E&CCT ASSET ALLOCATION

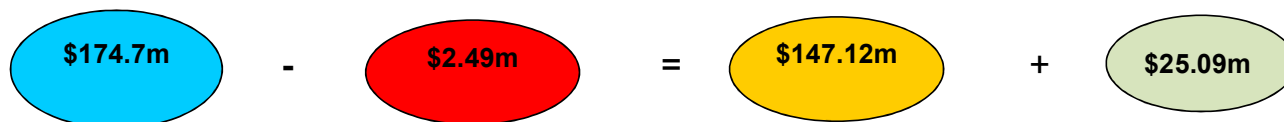
AS AT 31ST MARCH 2017

CURRENT ASSETS

LIABILITIES

CAPITAL BASE

RESERVES



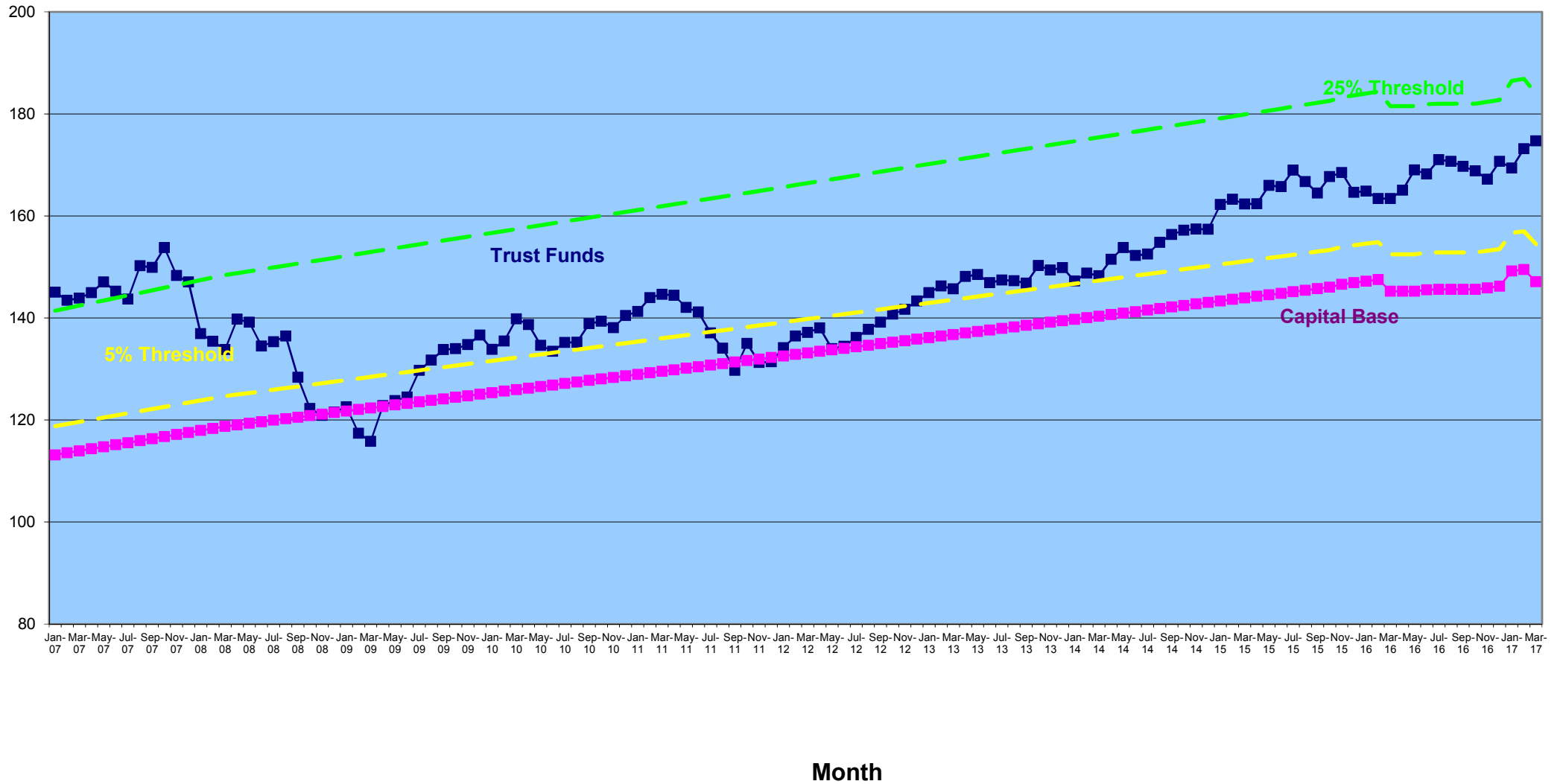
Benchmark (For Capital Base + maximum 25% in reserves)		Allowable Range	Tactical Target Updated February 2017	Actual Value \$m	Percentage of Current Assets	Percentage Variance from target	Variance from tactical target
60%	GROWTH ASSETS	50 - 65%	64%	\$115.6	66.2%	2.2%	\$3.8
30.0%	Shares Forsyth Barr	22.5% - 37.5%	30.0%	\$59.3	34.0%	4.0%	\$6.9
30.0%	Shares Elevation Capital	22.5% - 37.5%	30.0%	\$51.8	29.7%	-0.3%	-\$0.6
0%	Private Equity	0% - 10%	4%	\$4.4	2.5%	-1.5%	-\$2.6
35%	INCOME ASSETS	25 - 45%	30%	\$55.2	31.6%	1.6%	\$2.7
27.5%	NZ Bonds	20 - 35%	24.0%	\$37.5	21.5%	-2.5%	-\$4.4
7.5%	Overseas Bonds	5% - 10%	6.0%	\$17.7	10.1%	4.1%	\$7.2
5%	LIQUID ASSETS	2 - 10%	6%	\$4.0	2.3%	-3.7%	-\$6.5
5%	Self-managed Cash (Incl Hedges & TKP)	2 - 10%	6%	\$4.0	2.3%	-3.7%	-\$6.5
100%	TOTAL		100%	\$174.7	100.0%		\$0.0

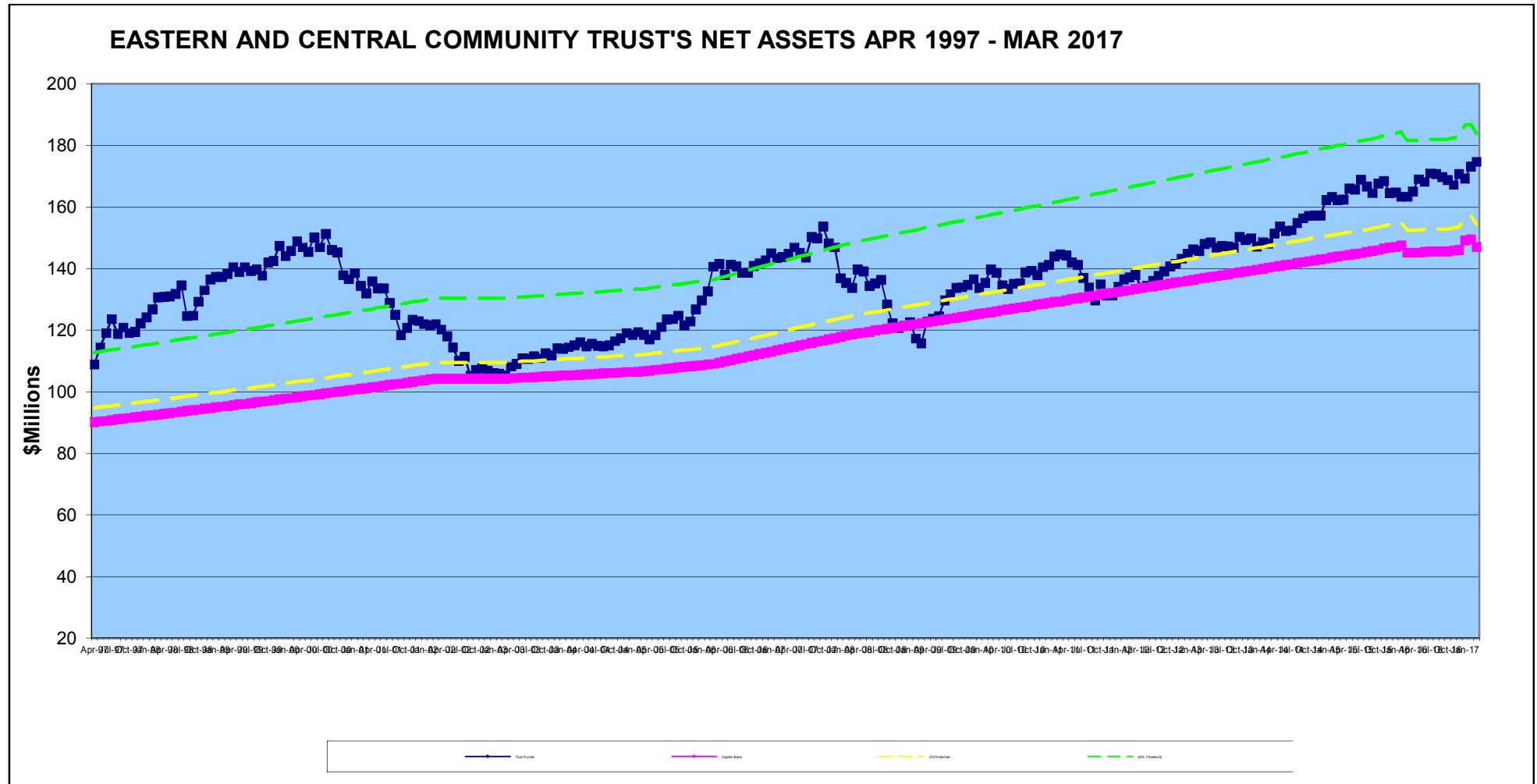
Benchmark Allocation –The benchmark allocation reflects the long-term views of the asset structures likely to generate the required investment return to meet the primary objectives. The benchmark allocation assumes a hypothetical “neutral environment”, i.e. one in which the Trustees do not have a tactical 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%.

\$m
EASTERN AND CENTRAL COMMUNITY TRUST'S NET ASSETS
JAN 2007 - MAR 2017





back to
agenda

Report type:	A & R Committee Decision Paper
Recommendation:	The A & R Committee reviews and notes the Risk Register and associated matrix
Agenda Item	5
Subject:	Monthly review of Risk Register and Risk Matrix
Responsible for the report:	General Manager

Purpose of report:	To present the A & R Committee with the updated Risk Register and matrix for review and noting.
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The A & R Committee;

1. Review the Risk Register and risk matrix
2. Note one major change since the March report to the Board – Te Kete Putea viability.
 - a. The future of TKP is identified as being at risk due to the possibility of Foundation North changing to another Grant Management System (GMS).
 - b. The CE's of the shareholding trusts in TKP are meeting in Wellington on April 28th to discuss the next steps in a formal review of TKP against three other GMS providers.
 - c. One of the major risks identified is staff flight from the TKP help desk.
 - d. I will be able to update the full Board at the May meeting on the actions required to ensure the continuation of TKP until a new system is identified.

Jonathan Bell
General Manager
March 2017

E&CCT RISK REGISTER

Risk #	Identified Risk	Likelihood	Significance	Staff/People	Existing Controls	Risk Response	Risk Score
	Strategic Objective 1	Capital - to preserve the capital base in real terms while making optimal annual distributions					Likelihood x Significance
1	Equity Crash or prolonged period of negative returns	High	Significant	Trustees/General Manager/Advisor	Reserving policy, asset allocation, diversification & monitored monthly.	Review impact on portfolio and income generation. Advise Chair. Call special meeting if required. Adjust donations if necessary.	16
2	Global or local failure of financial markets	High	Significant	Trustees/General Manager/Advisor	Monthly reporting. Diversification of assets.	Review impact on portfolio and income generation. Advise Chair. Call special meeting if required. Adjust donations if necessary.	16
3	Currency Fluctuations	High	Significant	Executive/Trustees General Manager/Advisor	Currency Policy in place. FX monitored & reviewed monthly.	Act according to Policy. Change policy according to Financial model and advice from Fund Advisor.	16
4	SIPO inappropriate for purpose	Medium	Medium	Fund Managers/ Financial Advisor/ Trustees	Annual Review of SIPO, input from Funds Advisor and Fund Managers	Review and Change SIPO	6
5	Poor performance & advice from Financial Advisor	Low	Significant	Trustees/General Manager/ Financial Advisor	Appointment process in place with appropriate due diligence. Annual review of Advisor to measure performance against KPI's. Independent review every five years.	Monitor and advise concerns to Fund Advisor as appropriate. Replace the financial advisor if necessary.	8
6	Fund Manager not adhering to fund mandate or not holding a satisfactory internal controls assurance report	Low	Medium	Fund Managers/ General Manager/ Financial Advisor	Mandates provided to fund managers at appointment. Monitored monthly by Financial Advisor & General Manager. Annual review of Fund Managers reported annually to the May Board Meeting.	Provide feedback on annual review expressing any concerns. General Manager and/or Financial Advisor to advise the Board immediately of any concerns regarding internal controls. Replace the fund manager.	4
7	Custodial Trustee - Doesn't pay accurately or on time. Ownership of assets is compromised	Low	Medium	Fund Advisor/ General Manager	Contract in place for provision of custodial services. Annual provision of internal controls audit. Annual review of services by Funds Advisor and General Manager	Consider alternative options if unsatisfactory performance.	4

E&CCT RISK REGISTER

Risk #	Identified Risk	Likelihood	Significance	Staff/People	Existing Controls	Risk Response	Risk Score
	Strategic Objective 2	Giving - to distribute Trust funds, in partnership with our communities and stakeholders, in a fair and effective manner					
8	Donations are not granted fairly on a geographical basis	Low	Low	Trustees/Staff	Historical trends analysed and presented annually to Board	Discussed at annual review of Funding Strategy and at Annual Strategic retreat. Any actions formulated at that time.	2
9	Donations are not granted fairly across ECCT's Categories e.g. Arts & Culture, Youth etc	Low	Low	Trustees/Staff	Historical trends analysed and presented annually to Board	Discussed at annual review of Funding Strategy and at Annual Strategic retreat. Any actions formulated at that time.	2
10	Ineffective Funding Strategy	Medium	Significant	Trustees/Staff	The Trust is developing this strategy along with appropriate frameworks and policies	To be Developed	12
	Strategic Objective 3	Organisation - to exercise effective governance and management that reflects best practice					
12	Acting outside NZ Law and key trust Documents	Low	Significant	General Manager /Trustees	Trustee induction includes reference to this. Processes and practice are documented and actioned. Required compliance noted on Audit Work Plan. Changes to legislation affecting Community Trusts advised by DIA.	Any concerns are raised with the Chair or Deputy Chair. Appropriate action taken to ensure compliance.	8
13	Business Continuity - Premises affected by Fire, Flood, Earthquake, Burglary, Terrorism etc	Very Low	Significant	Staff / Trustees	Contents Insurance etc. Risk Prevention Strategy for the computer system. Pandemic Influenza Contingency Plan	Initiate Business Continuity Plan.	4
14	Loss of key staff.	Medium	Medium	All staff	Insurance cover on the General Manager upon death ensures temporary appointment. ECCT follows good employer practices.	If urgent replacement required use employment agency. Initiate Business Continuity Plan.	6
15	Pandemic	Low	High	General Manager	Pandemic Policy in place	Pandemic Policy and Business Continuity Plan initiated.	6
16	Health & Safety of Employees	Low	Medium	Staff /Trustees	H & S Policy developed and reviewed annually . GM reports to Board bi monthly.	Actions taken according to H & S Policy.	4

E&CCT RISK REGISTER

Risk #	Identified Risk	Likelihood	Significance	Staff/People	Existing Controls	Risk Response	Risk Score
	FRAUD						
17	Inflated or fraudulent invoices	Medium	Medium	General Manager & Admin Officer	All invoices checked by General Manager. Contracted services reviewed and negotiated regularly. Budget to actual expenses monitored by Trustees.	Disciplinary and recovery action taken.	6
18	Credit Card	Low	Low	General Manager, Donations Assessors	Credit Card Policy in place. All Statements checked by GM for approval. GM Statement signed retrospectively by Chair. Credit Card Limits in place.	Only work related expenses. Abuse will lead to removal of card from staff member and possible disciplinary action.	2
19	False Staff and Trustee expense claims	Low	Low	All staff and Trustees.	Payment of expenses requires invoice and receipt of payment. All expense claims signed off by GM or Chair. Mileage claimed as per vehicle policy. AA claim rates are used. Payment authorised by two signatories.	Disciplinary and recovery action taken.	2
21	Unauthorised adjustments to Payroll.	Low	Medium	Staff/GM	Payroll approved & imported into desk banking by General Manager. Access to Payroll on two computers only with password protection. Payment authorised by two signatories	Disciplinary and recovery action taken.	4
22	Fictitious Application	Low	Low	Staff/Trustees	Requirements at the time of application e.g. Charities #, annual accounts, tax status etc. place onus on organisation to prove authenticity. Checked by staff.	Recovery action taken if funds have been paid. Organisation/People red flagged in system.	2
23	Funding inappropriate organisations	Low	Low	Staff/Trustees	Staff recommendations & full Board decision. Adherence to Donations Policy.	Monitor applicants at database entry time and rely on the community knowledge of Trustees and staff.	2
24	Misappropriation of a Donation	Low	Significant	Staff/Trustees	Accountability audit process on all special donations and random selection of standard donations.	Accountability form requested to be completed. Trust to request return of all funds if deemed appropriate. If fraud involved liaise with organisation and police. Stand down period for organisation.	8
25	Unauthorised Payments	Low	Significant	General Manager	Two authorised signatories required for all payments. Protected Disclosure Policy in place.	Disciplinary and recovery action taken.	8

E&CCT RISK REGISTER

Risk #	Identified Risk	Likelihood	Significance	Staff/People	Existing Controls	Risk Response	Risk Score
	CYBER/ICT						
26	General Computer system failure	Medium	Significant	GM/Donations Assessor	Internal back ups (discs) stored off-site and back up in cloud. Recovery possible within 24 hours	Reconsider the current procedures. Apply Business Continuity Plan.	12
27	Te Kete Putea Failure (Financially)	High	Significant	General Manager	TKP reports monthly, quarterly & annually to Community Trusts	Community Trusts discuss further application of funds on a pro-rata basis according to the size of investments	16
28	TKP not fit for purpose	Medium	Medium	General Manager	TKP management updates system regularly. TKP enhances system at request of Community Trust staff.	Annual review of TKP.	6
29	Te Kete Putea (DMS & FMIS) failure.	Medium	Significant	General Manager & providers	TKP back ups off-site. External providers support TKP. Help Desk in place.	Review of TKP by all CT's in 2017.	12
30	Security around electronic devices (Laptops, iPads, phones) for cyberhack	Low	Medium	Staff/Trustees	IT policy developed and Trustees and staff sign a IT Usage Contract. Firewalls and anti virus software in place. Monitoring by Tech servicing company.	Reapply passwords, review software annually, remove device if abuse or non adherence to policy by staff or Trustee.	4
31	Physical loss of electronic devices	Low	Medium	Staff/Trustees	All devices password protected. iPads have inbuilt tracking systems	Invoke tracking system. Disable devices if possible.	4
	GENERAL						
32	Reputational Risk	Low	Medium	Staff/Trustees	Media statements are issued by the Chair or GM. Code of conduct in place outlining expected behaviour of Staff & Trustees	Actions taken in accordance with the Complaints Policy. Trustees to be contacted advising of any issues which would cause serious concern to the Trust	4

CHANGES SINCE LAST REVIEW

Document Control	Date	Action
Annual Review by Board		
Reviewed by A & Committee	27-Apr-17	

Changes have been made since the last review and are highlighted in yellow.

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Report type:	A & R Committee Decision Paper
Recommendation:	The A & R Committee considers the review of the annual work-plan and considers a recommendation from the Chair of the A & R Committee regarding the need for an independent review of internal controls or a performance audit.
Agenda Item	6
Subject:	Recommendation of internal control or performance audit.
Responsible for the report:	A & R Committee Chair

Purpose of report:	To allow the A & R Committee to discuss the need for internal control or performance audits.
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Background

The A & R Committee annual work-plan notes two items to be considered by the A & R Committee;

1. Independent review of internal controls
2. Review the need for a performance audit.

Recommendation

This topic will be discussed at the meeting with a recommendation following that discussion.

Shelly Mitchell-Jenkins
Chair A & R Committee
April 2017

Report type:	A & R Committee Decision Paper
Recommendation:	The A & R Committee considers the A & R Annual Work-Plan and its associated actions.
Agenda Item	7
Subject:	Review of A & R Committee Monthly Work-plan
Responsible for the report:	General Manager

Purpose of report:	To provide the A & R Committee with the annual work-plan and a review of actions items within that.
---------------------------	---

Background

The annual work-plan is attached and the following items are for the committee to consider;

1. Monthly accounts – Included in the GM report agenda item # 4
2. Investment reports – Agenda item # 9
3. Review Draft Accounts – These are not currently available however I attach a Trial Balance for your information.
4. Risk Register Update – Agenda item #5
5. Review need for internal audit – Agenda item #6
6. Policy review per timeline – No policies are due for review in the month of April

Jonathan Bell
General Manager
March 2017

ECCT Audit and Risk Committee Work-plan

Audit and Risk Committee Annual Work-plan

January	Monthly Accounts and Investment reports Meet with auditor – audit plan/engagement letter/determine fees Recommend fees to Board Review annual report preparation planning timeline	
February	Monthly Accounts and Investment reports Independent review of internal controls Risk Register update Review annual report preparation timeline Review need for internal audit Policy review per timeline	
March	Meet with auditor for update Review annual report preparation timeline	
April	Monthly Accounts and Investment reports Review draft annual accounts Risk Register update Review need for internal audit Policy review per timeline	
May	Monthly Accounts and Investment reports Meet with auditor Review and Recommend annual financial statements to Board Review annual report preparation timeline	
June	Monthly Accounts and Investment reports Review annual report preparation timeline Risk Register update Audit findings list Review need for internal audit Policy review per timeline	
August	Monthly Accounts and Investment reports Risk Register update Audit findings list Auditor review Recommend Auditor to Board (if within contract) Review need for internal audit Policy review per timeline Certificate of compliance with Trust Deed and Statutory reporting	
October	Monthly Accounts and Investment reports Risk Register update Audit findings list Review need for internal audit Policy review per timeline Review proposals for auditor (2016) and recommend appointment to Board	
December	Monthly Accounts and Investment reports Risk Register update	

ECCT Audit and Risk Committee Work-plan

	Audit findings list Review need for internal audit Policy review per timeline	
--	---	--

Report (GLTRLR1)

Trial Balance as of 31/03/2017

In Functional Currency

Sort By

[Account No.]

Include Accounts With No Activity

[No]

For Year-Period

[2017-12]

From Account No.

[illegible]

From Account Group

[] To [ZZZZZZZZZZZZZZ]

Use Rolled Up Amounts

[No]

Account Number	Description	Debits	Credits
1010	Petty Cash	57.40	
1110	Current	225,592.21	
1120	Imprest	925.40	
1130	Call	505,843.55	
1140	Conference 2017	24,044.50	
1410	Sundry Debtors	27,595.62	
1420	HBFF Capacity Project		6,000.00
1610	Prepayment of fees	25,562.50	
2050	Shares Forsyth Barr	59,327,316.40	
2075	Shares Elevation Capital	51,842,083.65	
2150	Hedging Contracts NZ	0.00	
2200	Cash Self Term Deposits	3,200,000.00	
2250	Bonds Self	37,492,733.60	
2260	Te Kete Putea Ltd Partnership	36,263.30	
2270	Private Equity Pioneer Capital 11	1,597,241.67	
2271	Privte Equity Pioneer Capital 111	575,917.00	
2275	Private Equity –Waterman Fund	1,062,500.00	
2280	Private Equity –Morrisons	1,113,395.11	
2285	Private Equity –Direct Capital V	58,951.16	
2375	Bonds Pimco	17,661,306.61	
2410	Fixed Assets at Cost	995,042.33	
2610	Accumulated Depreciation		157,817.35
2690	Disposal Proceeds of Fixed Assets		0.00
3010	Donation Creditors		2,311,850.00
3015	Trade Creditors		111,054.45
3020	Creditor Accruals		64,829.98
5220	General Reserves		147,118,072.27
5230	Donations reserve		16,380,507.00
5240	Revaluation Reserves		0.00
6010	Shares FBarr Interest		17,898.06
6015	Shares FBarr Dividend		1,904,432.86
6021	Shares ECap Interest		12,558.19
6022	Shares ECap Dividend		1,768,756.09
6040	Hedging gain/loss		1,681,130.19
6045	Bonds Self Interest		2,302,259.37
6086	Bonds Pimco Interest		1,695,201.45
6103	Shares FBarr change in Currency	606,473.00	
6105	Shares FBarr change in Value		4,357,604.15
6106	Shares ECap change in Currency	2,140,831.00	
6107	Shares ECap change in Value		6,915,950.44
6115	Hedging change in Value	178,216.75	
6120	Bonds Self change in Interest	91,863.46	
6125	Bonds Self change in Value	675,353.15	
6156	Bonds Pimco change in Value	761,097.52	
6170	PE Pioneer Capital II–Fair Value Adjustment		88,080.00
6210	Cash Self Realised Income		213,767.30
6410	Sundry Income		1,100.00
6605	Donation Refund Clearing Account		0.00
6610	Less Donations Written Back		98,215.9

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Eastern And Central Community Trust

Page 2

Report (GLTRLR1)

Trial Balance as of 31/03/2017

In Functional Currency

Account Number	Description	Debits	Credits
6880	Brokerage Fees	55,786.90	
7000	Custodian Fees	47,546.66	
7010	Fund Managers Fees	401,424.62	
7110	Annual Report costs	33,130.87	
7120	Promotion	40,170.11	
7210	Rent & Services	107,126.47	
7310	Telephone	10,139.24	
7320	Postage	2,307.60	
7322	KiwiSaver net Contributions	16,832.00	
7330	Printing & Stationery	10,414.10	
7340	Insurance	4,955.07	
7350	General Expenses	5,030.78	
7360	Computer Services	57,067.13	
7380	Affiliation Fees	6,325.00	
7390	Conference Fees	25,001.30	
7457	Donation Expenses	17,361.15	
7510	Professional Expenses	146,440.63	
7511	CSI Expenses	40,186.09	
7512	ECCT Funding Project	65,000.00	
7520	Audit Fees	19,393.55	
7530	Nelson St –insurance	986.43	
7535	Nelson St –other	1,889.24	
7610	Staff Remuneration	415,980.41	
7630	Staff Training	3,908.35	
7640	Staff Travel	11,995.89	
7650	ACC Levies	1,074.88	
7710	Trustees Remuneration	169,991.24	
7720	Trustee Expenses	3,304.39	
7721	Trustee Accommodation	9,464.00	
7722	Trustee –Mileage	18,533.60	
7723	Trustee –Meals /Catering expenses	14,697.28	
7724	Trustee –Vehicle rental	5,042.51	
7730	Trustee Training	2,359.53	
7740	Liability Insurance	10,148.75	
7810	Depreciation	11,339.20	
7820	Amortisation–Te Kete Putea Fair Value Adjust	18,131.00	
7850	Profit/Loss on Disposal of Fixed Assets	896.20	
7905	Special Donations	2,190,500.00	
7910	Standard Donations	2,107,996.00	
7920	Education Initiatives	305,000.00	
7925	Sport Trusts	340,000.00	
7930	Summer Reading Programme	226,000.00	
Total:		187,207,085.06	187,207,085.06
Net Income (Loss) for Accounts Listed:			9,622,240.96

91 accounts printed

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Report type:	A & R Committee Decision Paper
Recommendation:	The A & R Committee considers the Accounting Policy for the valuation of Private Equity
Agenda Item	8
Subject:	Review Private Equity Accounting Policy
Responsible for the report:	General Manager

Purpose of report:	To provide the A & R Committee with a draft accounting policy for the treatment and valuation of Private Equity.
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This paper will be provided early next week by email.

Jonathan Bell
General Manager
April 2017

Report type:	Committee Information Papers
Recommendation:	That the A & R Committee receives and notes the Monthly reports from Fund Managers and MCA.
Agenda item no:	9
Subject:	Monthly Reports
Responsible for the report:	General Manager

Purpose of report:	To provide the A & R Committee with the monthly reports from MCA, PIMCO and Forsyth Barr (Hastings)
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Investment monitoring

report & analysis to 31 March 2017

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Investment policy objectives

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

The risk objectives are 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, subject to a minimum income of \$5.0m in a bad year.

\$7.2m was budgeted for 2016/ 17, and the Trust's \$7.7m has exceeded the budgeted amount and achieved the policy objective.

Allocation of capital & investment strategy

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 in 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.

31 March 2017

Overall Trust return (%)

	Month	Year-to-date (12 months)
Income return	(0.32%)	5.66%
Market movement	1.93%	4.43%
Total return	1.61%	10.10%

Summarised accounts (\$)

Assets at start	173,100,505	165,961,700
Net cash flow	(1,108,233)	(7,489,361)
Income received/ (paid)	(552,727)	9,336,916
Growth gains/ (losses)	3,295,521	6,925,810
Total investment gains/ (losses)	2,742,794	16,262,727
Assets at end	174,735,066	174,735,066
Income sector assets at end		59,157,661 (33.9%)
Growth sector assets at end		115,577,405 (66.1%)

Objectives

Liquidity



Income



Growth



Strategy



Trust performance



Manager performance

Cash



NZ bonds



Overseas
bonds



Total listed
shares



Elevation
Capital



Forsyth
Barr



Summary

Month

In respect of the investment results to 31 March 2017, we note:

- The asset value is \$174,735,066, up \$1.63m over the month [Last month: \$173,100,505].
- The portfolio generated investment income of -\$552,727 [vs monthly budget: \$620,860].
- This investment income is split between \$805,881 in income and -\$1,358,608 in currency hedging settlements.
- The overall investment return for the month was positive 1.61%, i.e. \$2,742,794.

Strategy

- The investment allocation to each sector is within $\pm 1.5\%$ of the benchmark asset allocation.
- Private equity is 1.5% below the benchmark, and Listed shares is 1.1% above the benchmark.
- The latest hedging contract position of overseas shares was: 0% hedged to USD, AUD, EUR & UKP and Yen.

Market movements

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

Investment managers' performance (relative to market indices)

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

Current year (since 1 April 2016)

- The investment portfolio has generated \$9,336,916 of income and experienced \$6,925,810 of market movements since 1 April 2016. The total return has been \$16,262,727 or 10.10% since 1 April 2016. The income level was above the budget for 2016/ 17 year.

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 7 to 9 years) driven by demographics (ageing of the baby boomers), debt levels of major western governments and the fiscal deficits of the US, Japan, UK and Europe, made worse through derivatives, and low productivity.

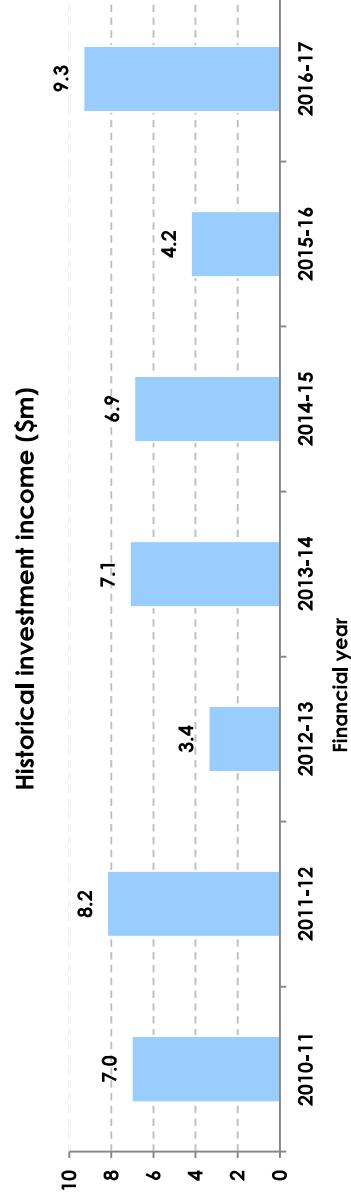
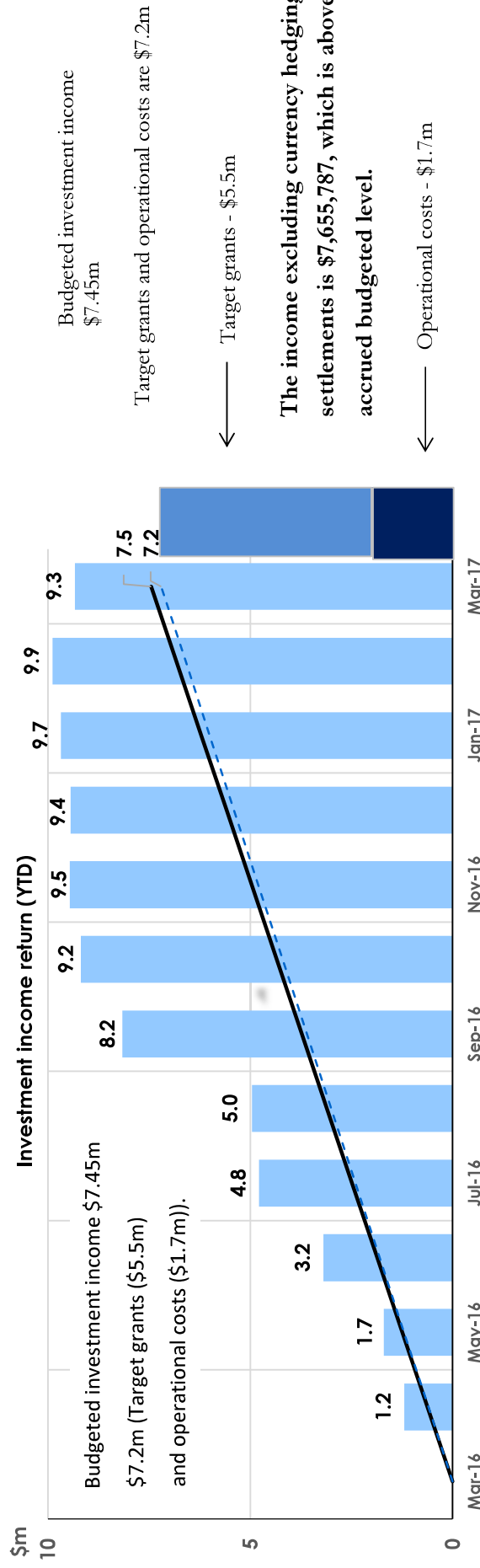
The markets had a good month, except for Overseas bonds.

All managers outperformed their relative indices during the month.

Objective - funding \$5.5m in grants + \$1.7m operation costs (\$7.2m 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 minimum income in a "bad" year is \$5.0m under the risk policy. The 2016/2017 target grants and operation costs are \$7.2m. The budgeted investment income is \$7.5m.

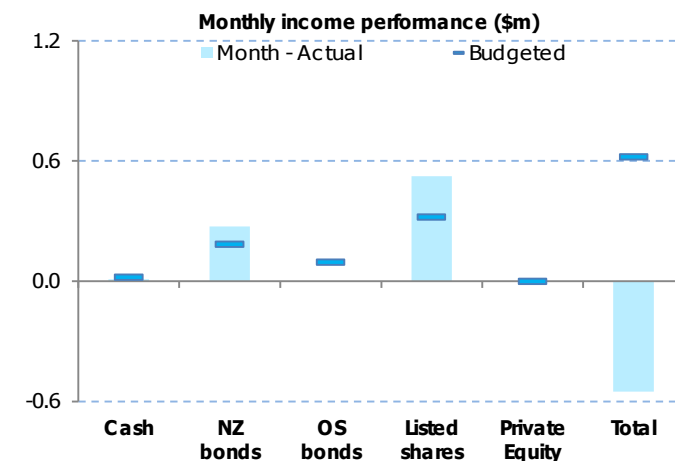
The results, relative to the objective and the budget for the year-to-date, are:



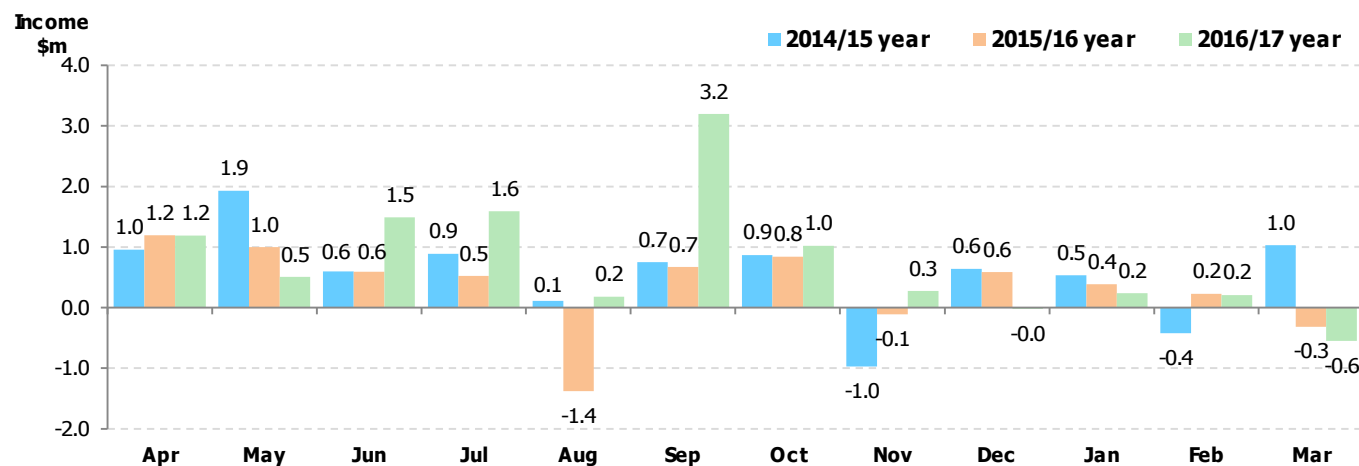
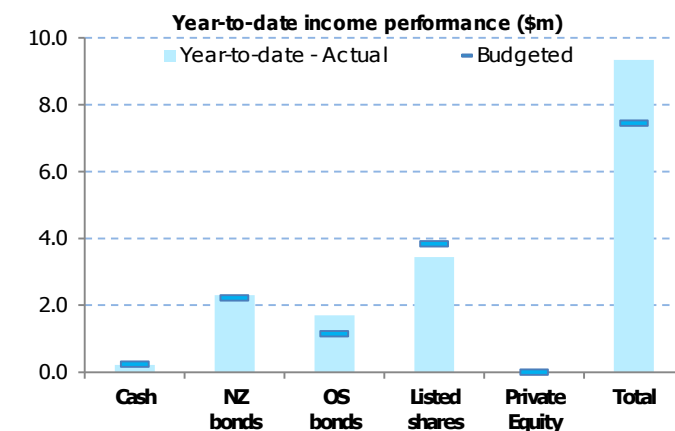
31 March 2017

Objective - funding \$5.5m in grants + \$1.7m operation costs

	Cash	NZ bonds	OS bonds	Listed shares	Private equity	Currency	Total
Assets: 1 April 2016	6.79	36.96	18.49	102.41	1.14	0.18	165.96
Assets for income budget	6.79	36.96	18.49	102.41	1.14	0.18	165.96
Expected income return (%p.a.)	3.6%	6.0%	6.2%	3.8%	0.0%	1.0%	4.5%
Expected income return (\$m)	0.24	2.22	1.15	3.84	0.00	0.00	7.45
Monthly							
Actual	0.01	0.27	0.00	0.52	0.00	-1.36	-0.55
Budget	0.02	0.18	0.10	0.32	0.00	0.00	0.62
Year-to-date							
Actual	0.21	2.31	1.70	3.44	0.00	1.68	9.34
Budget	0.24	2.22	1.15	3.84	0.00	0.00	7.45



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Note: The monthly budget is assumed to be 1/ 12th of the annual level.

31 March 2017

Investment movement by sector

	Cash	NZ Bonds	OS Bonds	Listed shares	Private equity	Trust
Month						
Assets at 1 March 2017	5,194,139	38,165,013	17,631,255	107,905,331	4,204,367	173,100,505
Net investment earnings						
+ Dividends/ Coupons/ interest	11,252	273,466		-835,175		-550,458
+ Realised/ unrealised gains(losses)		54,255	35,870	3,203,127		3,295,521
	11,252	327,721	35,870	2,367,951		2,745,063
Capital movements	-1,201,770	-1,000,000	-5,818	896,118	203,638	-1,108,233
Net change in market value	-1,190,518	-672,279	30,052	3,264,069	203,638	1,634,562
Assets at 31 March 2017	4,003,621	37,492,734	17,661,307	111,169,400	4,408,005	174,735,066
Year-to-date						
Assets at 1 April 2016	6,788,902	36,960,191	18,486,729	102,587,647	1,138,232	165,961,700
Net investment earnings						
+ Dividends/ Coupons/ interest	214,293	2,305,588	1,695,201	5,124,103		9,339,186
+ Realised/ unrealised gains(losses)		-773,045	-754,391	8,450,977		6,923,541
	214,293	1,532,543	940,811	13,575,080		16,262,727
Capital movements	-2,999,574	-1,000,000	-1,766,233	-4,993,327	3,269,773	-7,489,361
Net change in market value	-2,785,281	532,543	-825,422	8,581,753	3,269,773	8,773,366
Assets at 31 March 2017	4,003,621	37,492,734	17,661,307	111,169,400	4,408,005	174,735,066

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 \$10.00m 5.8%	Income Reduced volatility Medium-term \$50.00m 29.0%	Inflation protection Growth Long-term \$114.74m 65.2%	Current grants Intergenerational Equity \$174.74 m 100.0%
Benchmark (\$)	\$8.58 m	\$50.58 m	\$115.58 m	\$174.74 m
Benchmark assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$114.74 m</u>	<u>\$174.74 m</u>
Excess (shortfall)	-\$1.42 m	\$0.58 m	\$0.84 m	\$0.00 m
Current assets vs benchmark				
Current assets	\$8.58 m	\$50.58 m	\$115.58 m	\$174.74 m
Benchmark assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$86.68 m</u>	<u>\$146.68 m</u>
Excess (shortfall)	-\$1.42 m	\$0.58 m	\$28.90 m	\$28.06 m
Current assets vs capital base				
Current assets	\$8.58 m	\$50.58 m	\$115.58 m	\$174.74 m
Target assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$123.35 m</u>	<u>\$183.35 m</u>
Excess (shortfall)	-\$1.42 m	\$0.58 m	-\$7.77 m	-\$8.61 m

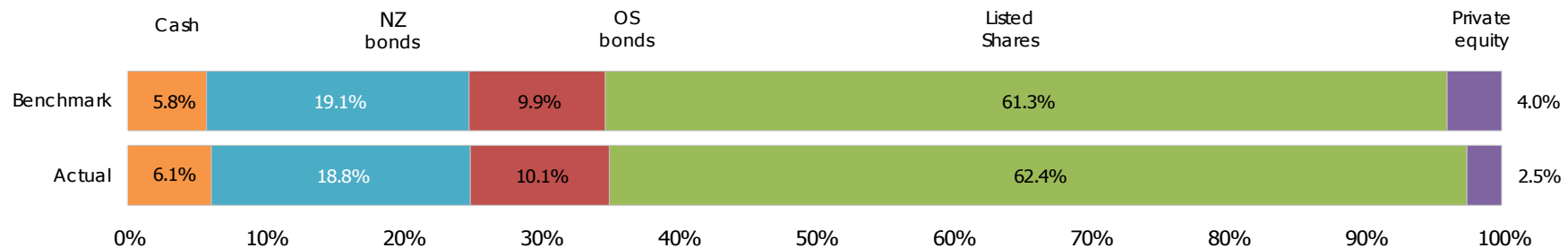
Notes:

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. \$146.68m) 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.

31 March 2017

Investment strategy - by manager and asset type

	Listed shares	Private equity	Bonds	Cash	Total	Actual	
						\$	%
Growth							
Listed shares							
Elevation Capital	\$50,932,124			\$909,960	\$51,842,084	\$51.84m	29.7%
Forsyth Barr	\$58,096,565			\$1,230,752	\$59,327,316	\$59.33m	34.0%
Private equity							
Pioneer Capital 2		\$1,597,242			\$1,597,242	\$1.60m	0.9%
Pioneer Capital 3		\$575,917			\$575,917	\$0.58m	0.3%
Waterman Capital		\$1,062,500			\$1,062,500	\$1.06m	0.6%
Morrison & Co		\$1,113,395			\$1,113,395	\$1.11m	0.6%
Direct Capital		\$58,951			\$58,951	\$0.06m	0.0%
						\$115.58m	66.1%
Income							
NZ bonds			\$32,915,219		\$32,915,219	\$32.92m	18.8%
Overseas bonds			\$17,661,307		\$17,661,307	\$17.66m	10.1%
						\$50.58m	28.9%
Cash							
Trust				\$4,003,621	\$4,003,621	\$4.00m	2.3%
Forsyth Barr				\$4,577,515	\$4,577,515	\$4.58m	2.6%
FX Overlay				\$0	\$0	0	0.0%
						\$8.58m	4.9%
Total	\$109,028,689	\$4,408,005	\$50,576,526	\$10,721,847	\$174,735,066		
Current allocation (%)	62.4%	2.5%	28.9%	6.1%	100.0%		
Difference from benchmark	1.1%	-1.5%	-0.1%	0.4%			
Benchmark	61.3%	4.0%	29.0%	5.8%	100.1%		
Indices used for comparison	MSCI world net div (currency unhedged)	S&P/ NZX 50	ANZ Corp A grade/ Citigroup WGBI	NZX call index			



31 March 2017

Investment returns & currency

This section summarises the overall Trust's returns, the managers' returns by sector.

A summary on the current currency exposure levels is also given.

31 March 2017

Trust performance - current year and historically

The "Trust return" is the overall performance of the Trust and includes both the income and the change in the market value of the assets. The "policy return" is the return of the Trustees' investment policies in the context of what happened in the investment markets. Details of the returns of the different investment market sectors are shown on page 16 and details of the indices are on page 36.

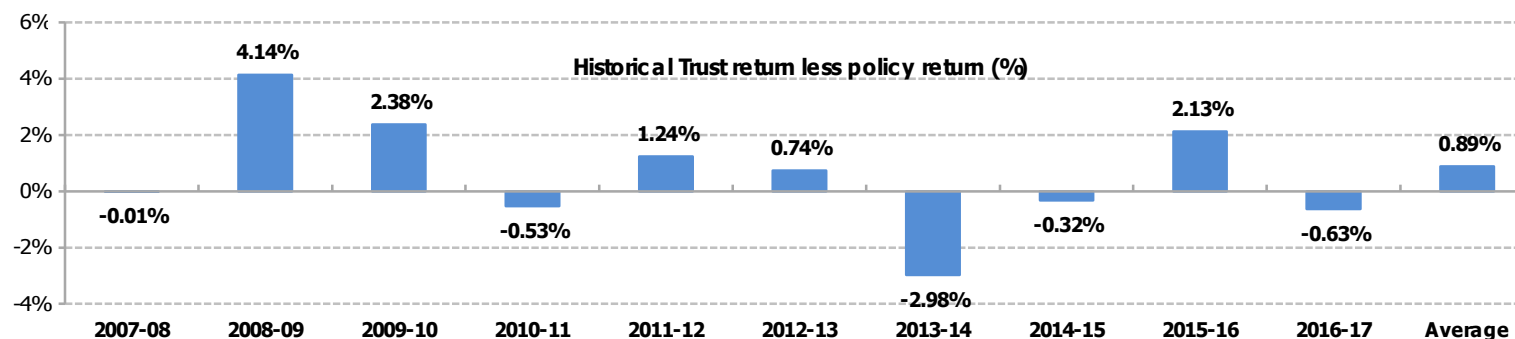
For the year, the Trust has achieved a total return of 10.10%, which was 0.63% below the policy return. The 0.63% represents a Trust return of \$1.08m, below what the policy return achieved.

	Trust return (%)	Policy return (%)	Difference (%)
March-17	1.61%	1.89%	(0.28%)
Year	10.10%	10.73%	(0.63%)
March-17	1.61%	1.89%	(0.28%)
February-17	2.58%	2.60%	(0.02%)
January-17	(0.66%)	(0.30%)	(0.36%)
December-16	2.58%	2.03%	0.55%
November-16	(0.14%)	1.28%	(1.42%)
October-16	(0.61%)	(0.62%)	0.01%
September-16	(0.26%)	0.19%	(0.45%)
August-16	0.52%	0.05%	0.47%
July-16	1.87%	2.67%	(0.80%)
June-16	0.06%	(2.09%)	2.15%
May-16	1.10%	1.99%	(0.89%)
April-16	1.09%	0.64%	0.45%

Trust (\$m)	Policy (\$m)	Difference (\$m)
\$2.74	\$3.25	(\$0.50)
\$16.26	\$17.34	(\$1.08)
\$2.74	\$3.25	(\$0.50)
\$4.32	\$4.37	(\$0.05)
(\$1.12)	(\$0.50)	(\$0.62)
\$4.26	\$3.36	\$0.90
(\$0.23)	\$2.14	(\$2.37)
(\$1.02)	(\$1.05)	\$0.03
(\$0.45)	\$0.33	(\$0.78)
\$0.89	\$0.09	\$0.80
\$3.14	\$4.49	(\$1.35)
\$0.09	(\$3.52)	\$3.62
\$1.84	\$3.34	(\$1.50)
\$1.80	\$1.06	\$0.74

Trust performance - Historical

	Trust (%)	Policy (%)	Difference (%)
2016-17	10.10%	10.73%	(0.63%)
2015-16	4.60%	2.46%	2.13%
2014-15	14.10%	14.42%	(0.32%)
2013-14	6.26%	9.24%	(2.98%)
2012-13	10.61%	9.87%	0.74%
2011-12	(0.39%)	(1.63%)	1.24%
2010-11	7.44%	7.97%	(0.53%)
2009-10	26.25%	23.88%	2.38%
2008-09	(8.51%)	(12.65%)	4.14%
2007-08	(2.43%)	(2.42%)	(0.01%)
Since inception (%p.a.)	7.38%	6.49%	0.89%



Note: The assumptions behind the investment policies contemplated a 2016/ 17 return of 7.3% a year, made up of income of 5.0% and growth of 2.3%.

31 March 2017

Currency & overseas shares returns

In terms of the overseas share investments, the return received depends on the returns from the share markets, and the change in value, through movement in the exchange rate. This ignores the return received through dividends. The movement in the exchange rate is managed through hedging by way of forward contracts. When hedging contracts are held, the investors receive the benefit of the interest rate differential built into the contracts. This page looks at the source of returns with respect to the overseas share investments.

Split of policy return:	Total	Elevation Capital	Forsyth Barr
Share market movement	\$389,889	\$187,808	\$202,081
Currency movement (50% hedged)	\$1,422,656	\$653,297	\$769,358
Policy return	\$1,812,544	\$841,105	\$971,439
Currency management	\$42,939	(\$71,181)	\$114,120
Total return	\$1,855,483	\$769,924	\$1,085,559

Note:

The return on the combined Forsyth Barr and Elevation Capital managed shares for the month was \$3,235,200. This can be split between the market movement and the movement in the NZ dollar.

Market movement	\$389,889
Exchange rate movement	\$2,845,312
	<hr/>
	\$3,235,200

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The Trust's policy is to be 50% hedged, therefore the policy return for the month is \$1,812,544, i.e. the market movement and 50% of the exchange rate movement. The total return from the listed shares was \$1,855,483. Therefore the hedging management policy, to depart from the neutral position, increased \$42,939 over the month.

Historically, over the 2016/2017 year, the split has been:

Return from:	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD 2016/17
Share markets	\$1,027,689	\$939,719	\$2,160,835	\$2,274,038	\$212,119	(\$983,382)	(\$1,466,165)	\$101,886	\$3,193,655	\$1,108,363	\$3,187,761	\$389,889	\$12,146,406
Application of 50% neutral policy	(\$284,395)	\$669,258	(\$2,519,154)	(\$307,846)	(\$369,454)	(\$81,178)	\$248,311	(\$63,822)	\$560,235	(\$1,481,751)	\$458,736	\$1,422,656	(\$1,748,406)
= Benchmark return	\$743,294	\$1,608,976	(\$358,319)	\$1,966,191	(\$157,335)	(\$1,064,560)	(\$1,217,854)	\$38,064	\$3,753,889	(\$373,388)	\$3,646,496	\$1,812,544	\$10,398,000
Impact movement of policy from 50%	\$18,548	(\$356,415)	(\$74,614)	(\$95,889)	\$735,266	\$3,857	(\$40,167)	\$294,315	\$110,921	(\$885,463)	\$1,211	\$42,939	(\$245,492)
= Total return	\$761,842	\$1,252,561	(\$432,933)	\$1,870,302	\$577,931	(\$1,060,703)	(\$1,258,021)	\$332,379	\$3,864,810	(\$1,258,851)	\$3,647,707	\$1,855,483	\$10,152,507

31 March 2017

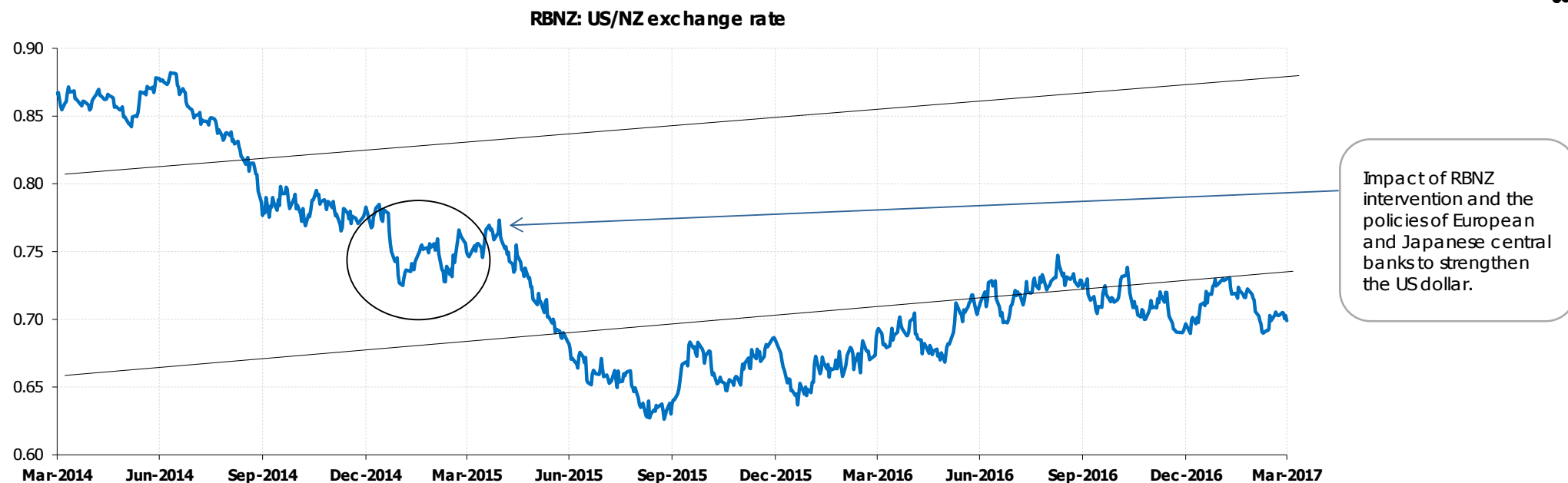
Hedging levels

The benchmark position is to be 50% hedged against the foreign currency exposures. This is an average position over the long term. The actual hedging level is varied between 0% and 100% by the Trustees.

At month end, the overseas shares hedging level is approximately 0%. However, the individual country levels are more important. On 31 March 2017, the individual currency target hedging levels were:

	AUD	EURO	GBP	USD
Hedging level	0%	0%	0%	0%

On 31 March 2017, the RBNZ US\$/ NZ\$ exchange rate was 0.6991. Since 31 March 2014 it has been:



31 March 2017

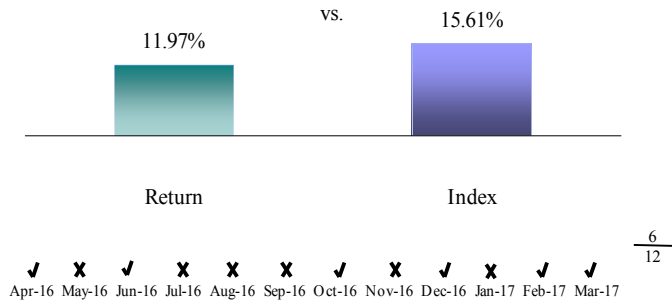
Manager performance

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

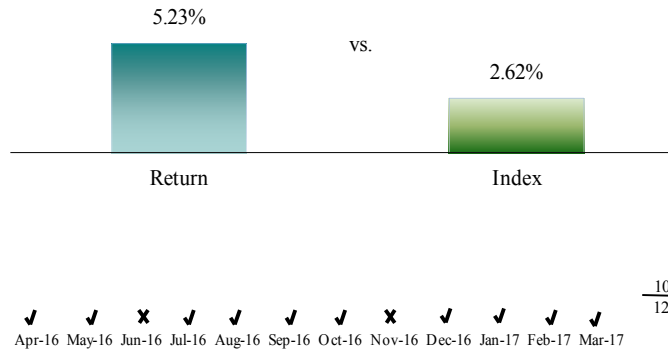
31 March 2017

Last 12 months' performance relative to market benchmark returns

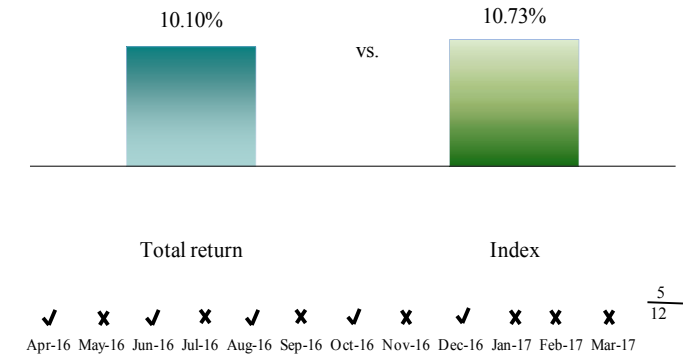
Listed shares



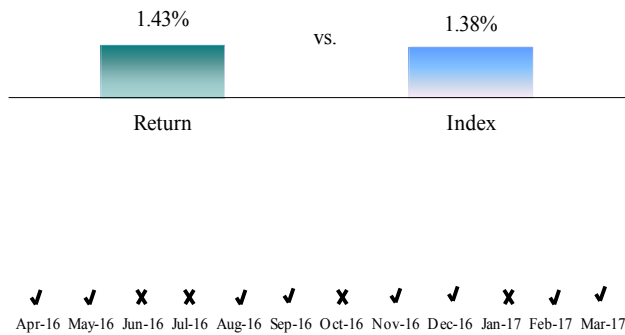
OS bonds - Pimco



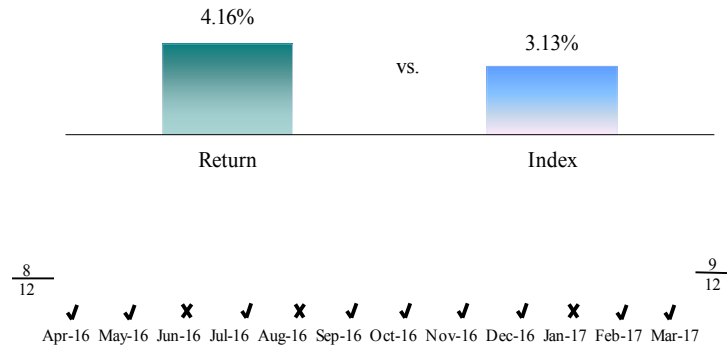
Total return



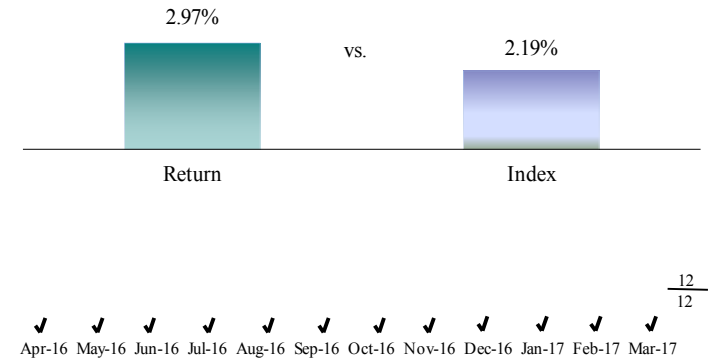
Hedging



NZ bonds - Forsyth Barr (Phil Williams)



Cash - Self-managed



Last 12 months' attribution analysis

The following table sets out the reporting month's value added (i.e. the difference between the Trust's returns and the general market returns) broken down by asset allocation, stock selection, and timing effect. The general market return is the "benchmark" return i.e. the return that could be achieved if the investment policies were implemented "perfectly".

Value Added: -0.63%								
Benchmark return	+	Asset allocation	+	Stock selection	+	Timing effect	=	Actual return
10.73%	+	0.15%	+	-0.59%	+	-0.19%	=	10.10%

Year-to-date attribution analysis

This page sets out the year to date value added (i.e. the difference between the Trust's returns and the general market returns) broken down by asset allocation, stock selection, and timing effect. The general market return is the "benchmark" return i.e. the return that could be achieved if the investment policies were implemented "perfectly".

Value Added: -0.63%								
Benchmark return	+	Asset allocation	+	Stock selection	+	Timing effect	=	Actual return
10.73%	+	0.15%	+	-0.59%	+	-0.19%	=	10.10%

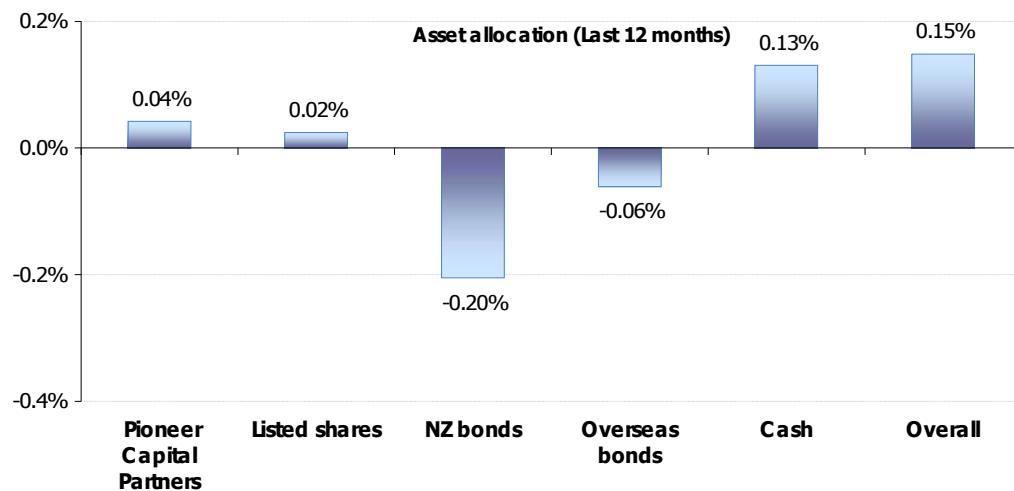
31 March 2017

This page sets out the value added (i.e. the difference between the Trust's returns and the general market returns) broken down by individual sector for the month. The general market return is the "benchmark" return i.e. the return that could be achieved if the investment policies were implemented "perfectly".

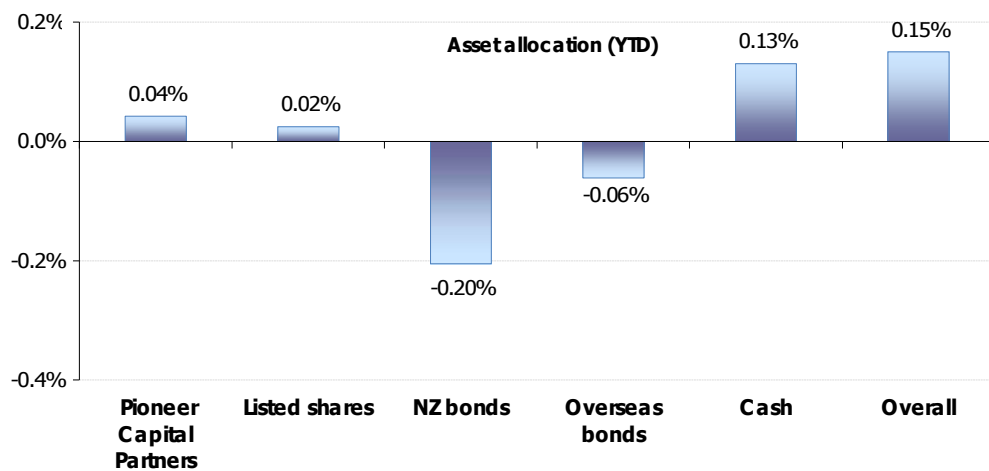
Asset allocation attribution analysis

The value from asset allocation relates to the impact of the decisions to vary the short-term strategy away from the benchmark.

Last 12 months'

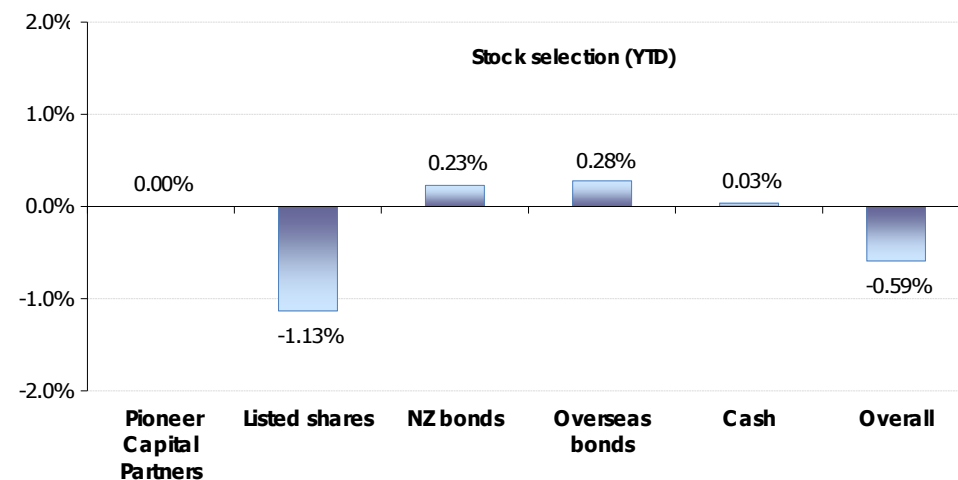
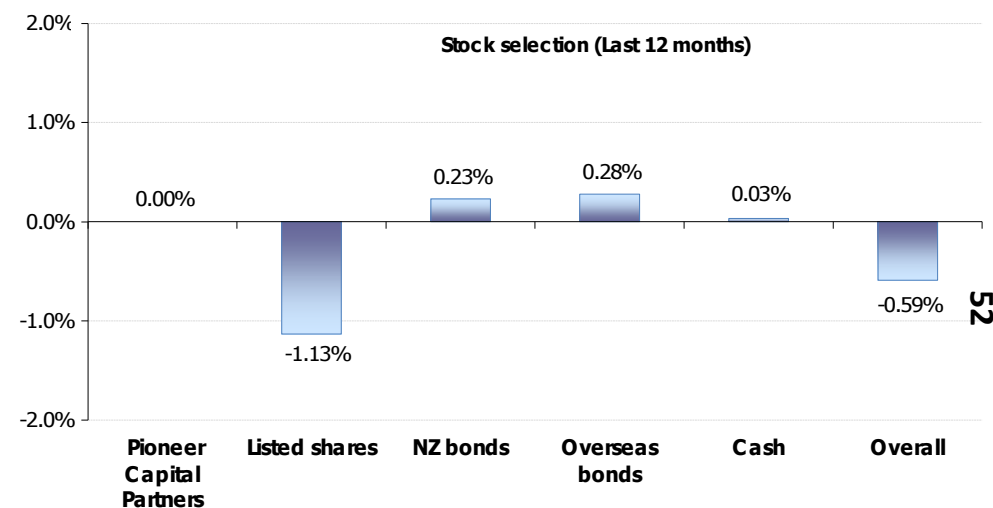


Year-to-date



Stock selection attribution analysis

The value from stock selection relates to the decision to hold a portfolio of assets different to the assets reflective of the overall market.



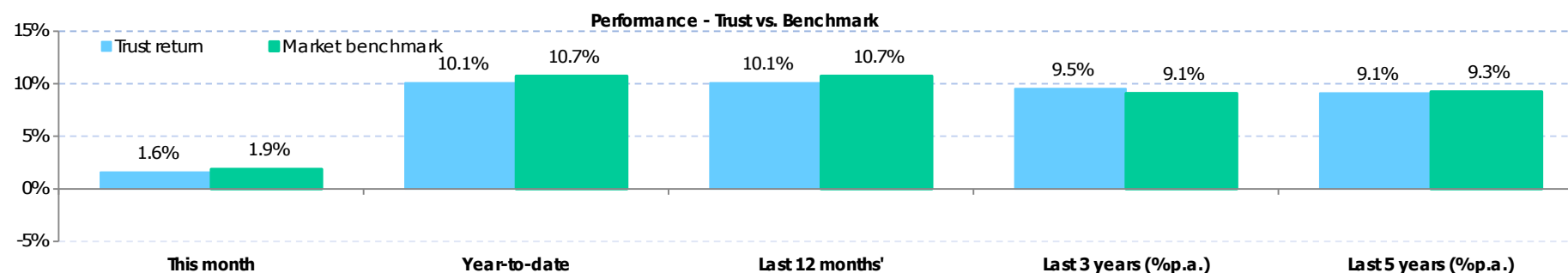
31 March 2017

Performance by manager

	This month (%)			Year-to-date (%)			Last 12 months' (%)			Last 3 years (%p.a.)			Last 5 years (%p.a.)		
	returns			returns			returns			returns			returns		
	Actual	B/mark	Value added	Actual	B/mark	Value added	Actual	B/mark	Value added	Actual	B/mark	Value added	Actual	B/mark	Value added
Overall Trust return	1.61%	1.89%	-0.28%	10.10%	10.73%	-0.63%	10.10%	10.73%	-0.63%	9.53%	9.09%	0.44%	9.11%	9.27%	-0.16%
Listed shares and Hedging	2.19%	2.76%	-0.57%	13.78%	15.61%	-1.84%	13.78%	15.61%	-1.84%	11.78%	10.99%	0.79%	n/ a		
Currency hedging	-1.28%	-1.77%	0.49%	1.43%	1.38%	0.05%	1.43%	1.38%	0.05%	-1.10%	-2.16%	1.07%	n/ a		
Total listed shares	3.46%	2.76%	0.70%	11.97%	15.61%	-3.64%	11.97%	15.61%	-3.64%	12.85%	10.99%	1.86%	n/ a		
Elevation Capital (portfolio)	3.69%	2.76%	0.93%	14.03%	15.61%	-1.58%	14.03%	15.61%	-1.58%	11.71%	10.99%	0.72%	n/ a		
Shares	3.71%	2.76%	0.96%	15.21%	15.61%	-0.40%	15.21%	15.61%	-0.40%	12.65%	10.99%	1.66%	n/ a		
Liquidity	1.76%			-8.53%			-8.53%			-3.24%			n/ a		
Forsyth Barr (portfolio)	3.30%	2.76%	0.54%	10.42%	15.61%	-5.19%	10.42%	15.61%	-5.19%	14.10%	10.99%	3.11%	n/ a		
Shares	3.44%	2.76%	0.69%	10.78%	15.61%	-4.83%	10.78%	15.61%	-4.83%	14.36%	10.99%	3.37%	n/ a		
Liquidity	-0.99%			4.62%			4.62%			1.42%			n/ a		
Pioneer Capital Partners	n/ a			n/ a			n/ a			n/ a			n/ a		
Waterman Capital	n/ a			n/ a			n/ a			n/ a			n/ a		
Morison & Co	n/ a			n/ a			n/ a			n/ a			n/ a		
NZ bonds - Self-managed	0.87%	0.61%	0.26%	4.16%	3.13%	1.02%	4.16%	3.13%	1.02%	6.48%	5.86%	0.61%	6.21%	5.37%	0.84%
OS bonds - Pimco	0.20%	-0.16%	0.36%	5.23%	2.62%	2.61%	5.23%	2.62%	2.61%	6.92%	4.56%	2.36%	6.62%	5.70%	0.92%
Self-managed - cash	0.24%	0.14%	0.10%	2.97%	2.19%	0.78%	2.97%	2.19%	0.78%	3.52%	2.87%	0.65%	3.67%	2.74%	0.93%

Note: Details of the benchmark indices are on page 36.

Overall Trust returns shown over 5 years (actual and benchmark) include all earlier overseas share arrangements.



31 March 2017

Listed shares portfolio

Elevation Capital - Christopher Swasbrook

Forsyth Barr - Richard Burton

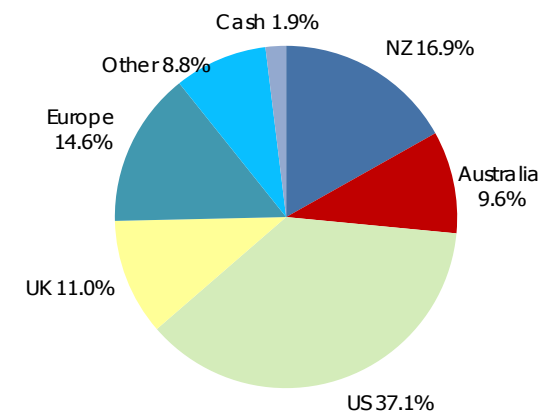
The objective of the portfolio is to provide:

- an income stream of 4.0% of the value of the adjusted 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.

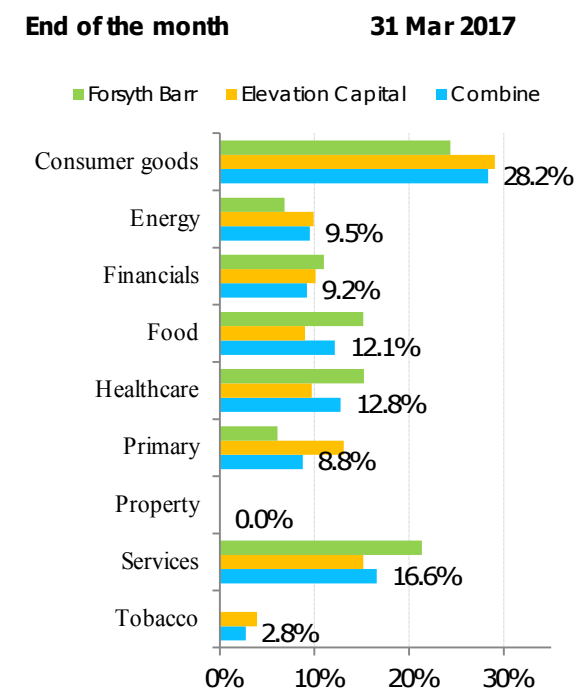
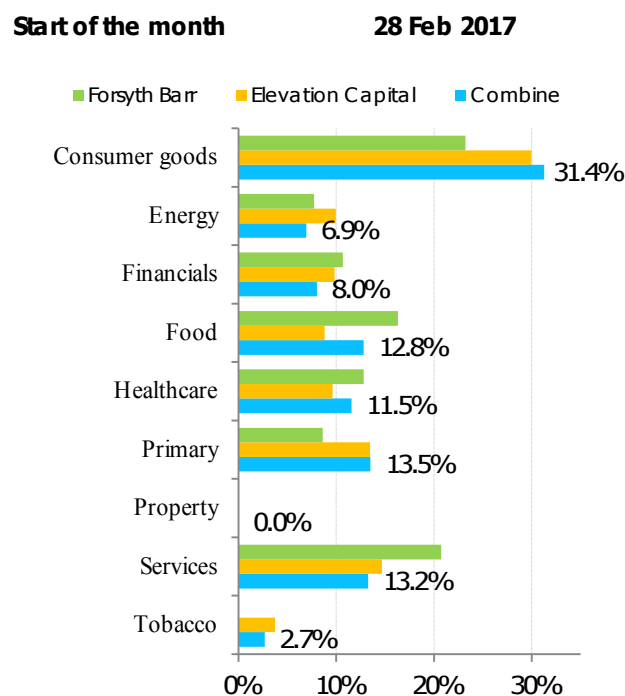
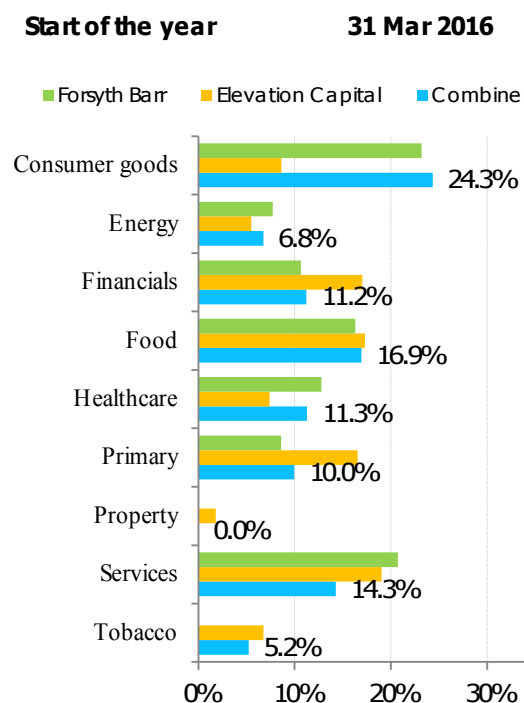
31 March 2017

Geographic split

Country of listing	No. of holdings			Value of holdings			%
	EC	FB	Total	EC	FB	Total	
NZ	6	11	17	7,128,300	11,633,540	18,761,840	16.9%
Australia	5	6	11	5,160,579	5,563,620	10,724,200	9.6%
US	15	26	41	16,751,293	24,507,802	41,259,095	37.1%
UK	8	3	11	9,258,833	2,973,110	12,231,943	11.0%
Europe	5	10	15	5,745,450	10,523,913	16,269,363	14.6%
Other	7	3	10	6,887,669	2,894,579	9,782,248	8.8%
Shares	46	59	105	50,932,124	58,096,565	109,028,689	98.1%
Cash				909,960	1,230,752	2,140,711	1.9%
Total				51,842,084	59,327,316	111,169,400	100.0%



Industry split

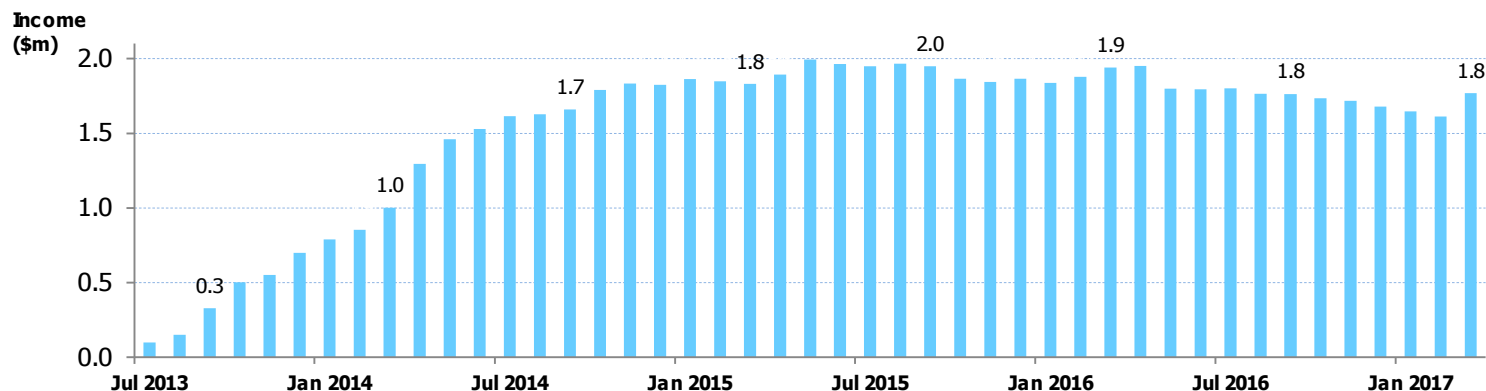


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Summary of income & growth in portfolio

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

Elevation Capital

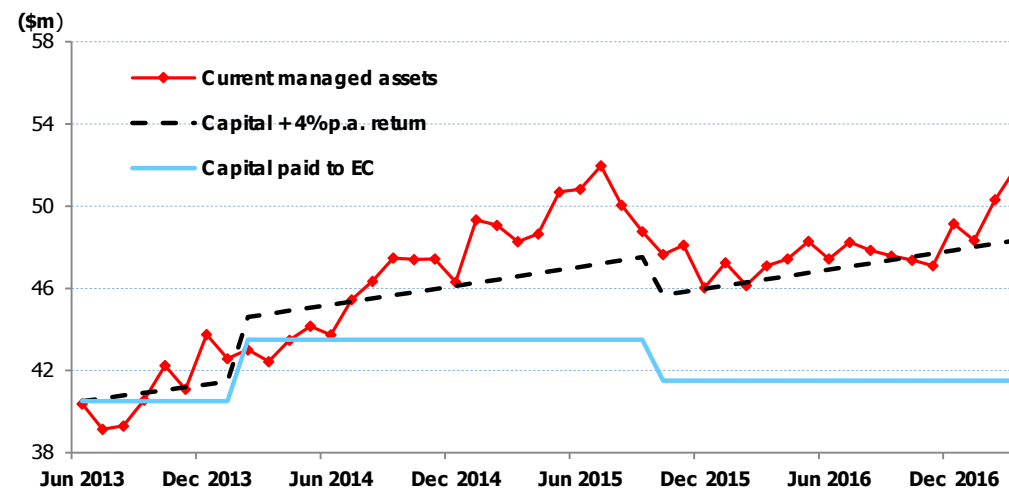


Assets	\$51,842,084
Distributions paid out since appointment	\$6,285,174

The target dividend level for the 2016/ 17 year is \$1,857,271.

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	Financial year to date	Since appointment
Value start of the year	\$47,088,884	
New capital given to manager		\$43,500,000
Capital withdrawals		(\$2,000,000)
Dividends received/ earned	\$1,767,863	\$6,537,134
Distributions paid to Trust	(\$1,793,914)	(\$6,285,174)
Market movement	\$6,839,358	\$9,808,142
Currency movement	(\$2,060,109)	\$281,982
Value at 31 Mar 2017	\$51,842,084	\$51,842,084

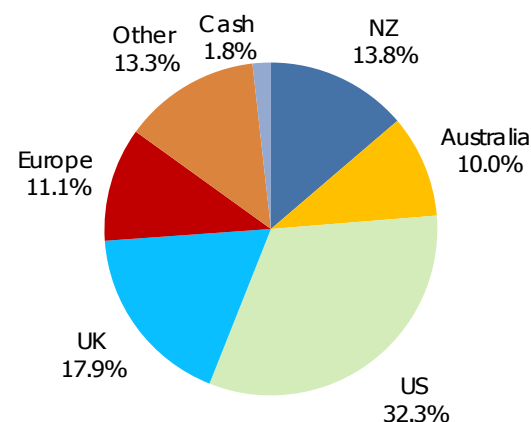


The difference between dividends & interest earned, and what was paid out, relates to the exchange rates at time of receipt versus payment used. Dividends received and paid to the Trust include both dividend and interest income on the investments.

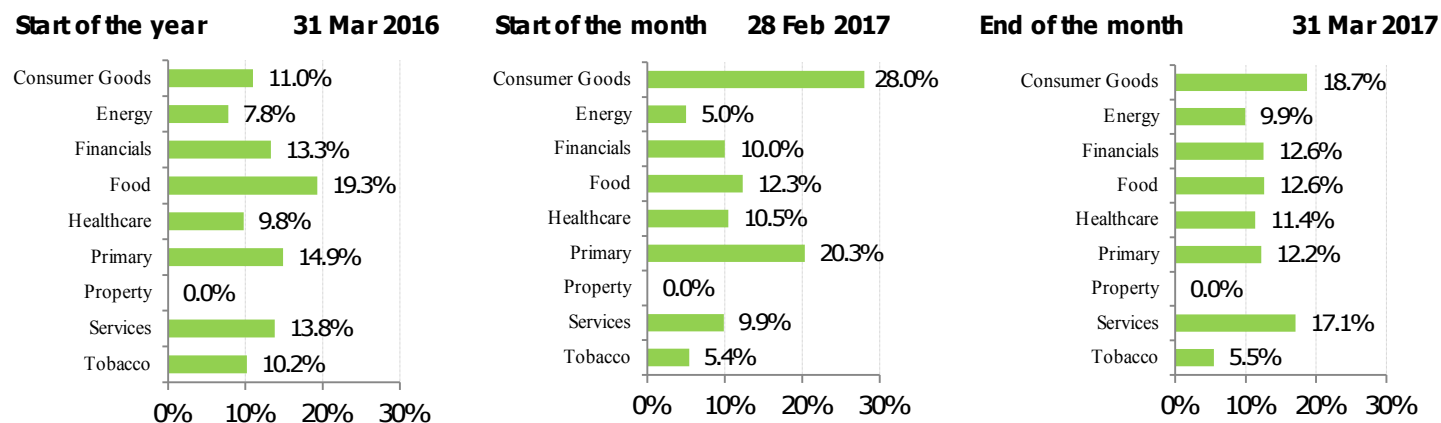
31 March 2017

Geographic split

Country of listing	No. of holdings	\$	%
NZ	6 shares	7,128,300	13.8%
Australia	5 shares	5,160,579	10.0%
US	15 shares	16,751,293	32.3%
UK	8 shares	9,258,833	17.9%
Europe	5 shares	5,745,450	11.1%
Other	7 shares	6,887,669	13.3%
Shares	46 shares	50,932,124	98.2%
Cash		909,960	1.8%
Total		51,842,084	100.0%



Industry split



Market returns (NZ\$)

	Last 1 year	Last 3 years	Last 5 years
Consumer goods	10.3%	15.4%	15.8%
Energy	13.2%	0.0%	2.2%
Financials	24.3%	13.1%	13.9%
Food	2.9%	15.3%	13.4%
Healthcare	7.2%	14.2%	17.2%
Primary	24.0%	8.7%	5.2%
Services	8.7%	14.5%	13.5%
Overall MSCI	13.5%	13.3%	12.8%

Concentration risks:

Shares that are 20% or more above the "equal weighting target" of \$1,101,708

Pental Limited Clorox Co Johnson & Johnson GlaxoSmithkline PLC

Shares that are 20% or less below the "equal weighting target" of \$1,101,708

BHP Billiton Asaleo Care Ltd L Brands Incorporated HSBC Holdings British American Tobacco MK Novartis SA

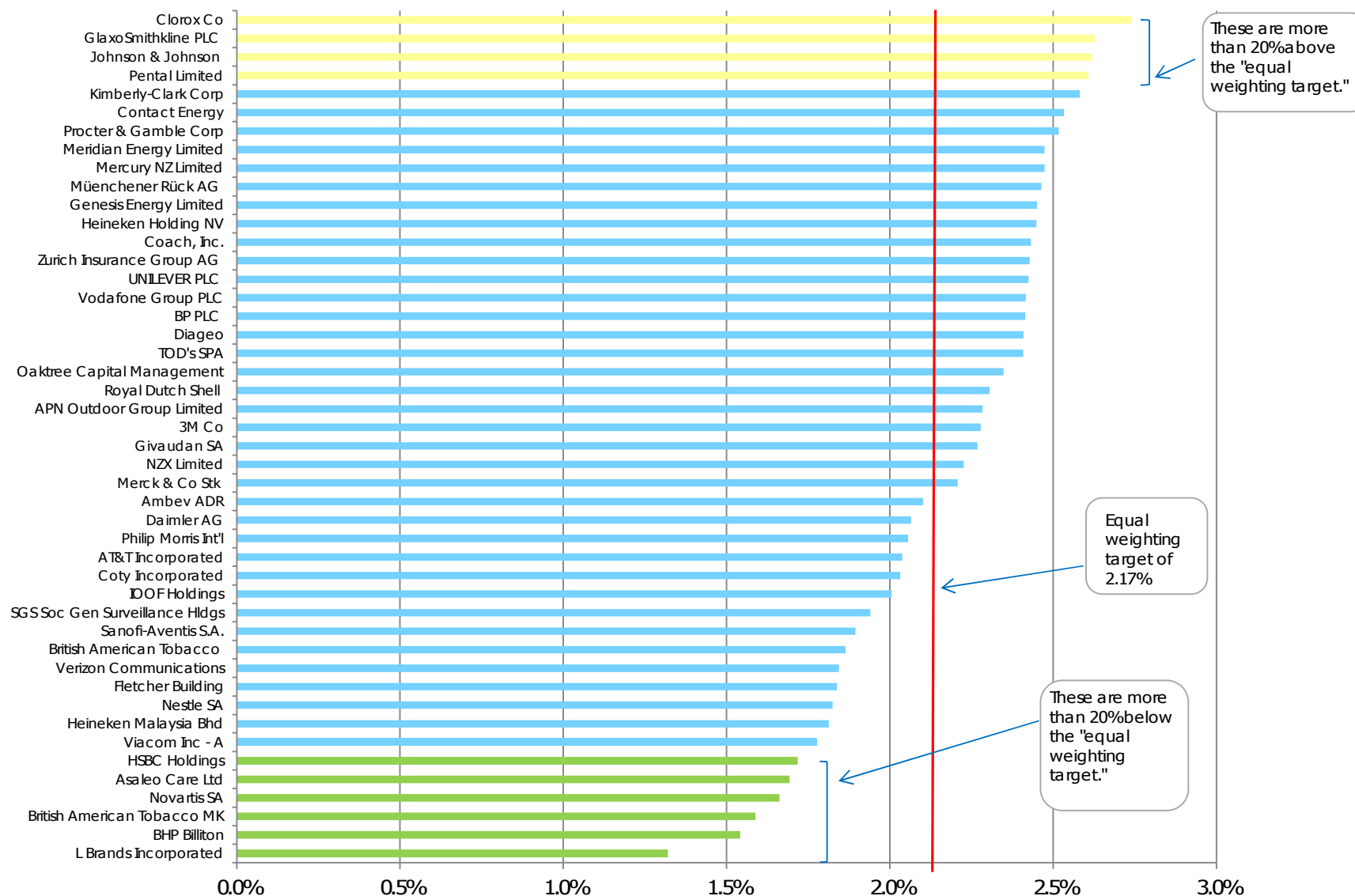
New shares

Nil

Exits

Platinum Asset Management

Portfolio weightings



Note: The following table is extracted from the next tables, with figures shown in dollars.

	During the year						
	Values			Gain/loss		Values	
	Start	Buys	Sells	Market	Currency	End	Net dividend
Overall shares	44,413,103	22,461,332	-20,870,704	6,988,501	-2,060,109	50,932,124	1,767,863
Liquidity (cash)	2,675,781	-	-1,501,613	-212,316	-51,893	909,960	12,558
Overall asset	47,088,884	22,461,332	-22,372,316	6,776,185	-2,112,001	51,842,084	1,780,422

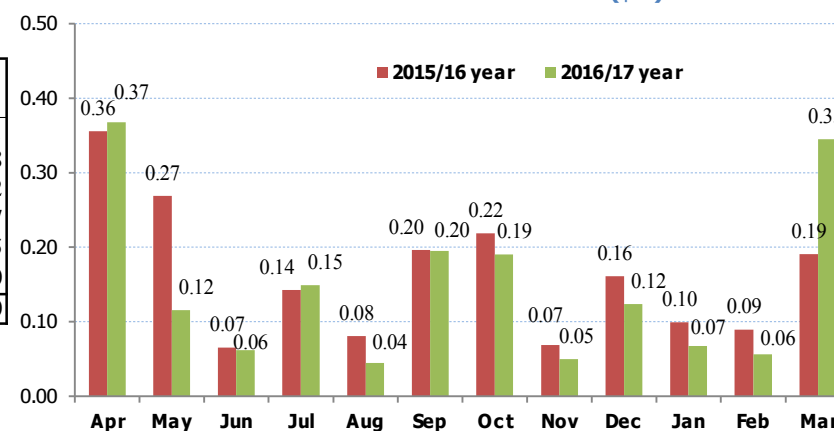
	During the month						
	Values			Gain/loss		Values	
	Start	Buys	Sells	Market movement	Currency	End	Net dividend
NZ	7,220,700	-	-	-92,400	-	7,128,300	59,550
AUST	5,687,590	118,571	-720,088	-51,703	126,211	5,160,579	123,064
US	16,274,358	-	-	45,355	431,580	16,751,293	26,680
UK	8,748,227	-	-	148,029	362,577	9,258,833	49,332
Europe	5,318,707	-	-	239,157	187,586	5,745,450	-
Other	6,789,658	-	-	-100,630	198,641	6,887,669	86,506
Overall shares	50,039,240	118,571	-720,088	187,808	1,306,595	50,932,124	345,132
Liquidity (cash)	271,872	-	628,375	-9,488	19,200	909,960	592
Overall asset	50,311,112	118,571	-91,713	178,320	1,325,794	51,842,084	345,724

Returns		
Month	Year-to-date	Since Inception
-0.5%	14.9%	14.7%
3.7%	25.9%	7.7%
3.1%	16.0%	13.1%
6.4%	15.7%	6.8%
8.0%	19.6%	13.3%
2.7%	2.2%	1.7%
3.7%	15.2%	9.1%
1.8%	-8.5%	-1.8%
3.7%	14.0%	8.8%

Cash holdings

Currencies	Ex rate 28 Feb 17	Start values (local)	End values (local)	Ex rate 31 Mar 17	Currency gain/loss	End values (NZ\$)
New Zealand dollars	1.0000	50,059	72,021	1.0000	-	72,021
Australian dollars	0.9392	130,807	686,467	0.9186	16,393	747,338
Swiss Franc	0.7234	-8	-8	0.7029	-0	-12
Euro	0.6800	45,321	45,297	0.6578	2,248	68,867
Pound Sterling	0.5809	-14	-14	0.5582	-1	-25
US dollars	0.7192	11,444	15,255	0.7007	560	21,770
					19,200	909,960

Year-to-date income (\$m)



31 March 2017

Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values				Net dividend
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency		Month	Ytd	Since Inception	
New Zealand																	
CEN	Contact Energy	Energy	4.77	200,000	255,000	5.00	5.06	1,000,000	255,943	-	34,357	-	1,290,300	58,050	5.8%	7.3%	9.5%
FBU	Fletcher Building	Primary	8.11	125,000	112,500	7.89	8.32	986,250	-	-135,489	85,239	-	936,000	48,750	-13.9%	10.5%	4.2%
GNE	Genesis Energy Limited	Energy	1.80	525,000	600,000	2.06	2.08	1,081,500	161,629	-	4,871	-	1,248,000	86,100	-0.7%	9.2%	20.7%
NZX	NZX Limited	Financials	1.04	-	1,050,000	-	1.08	-	1,096,777	-	37,223	-	1,134,000	31,500	0.9%	6.1%	6.1%
MCY	Mercury NZ Limited	Energy	2.62	349,982	400,000	2.92	3.15	1,021,947	152,933	-	85,120	-	1,260,000	44,098	0.0%	12.6%	25.0%
MEL	Meridian Energy Limited	Energy	2.57	-	450,000	-	2.80	-	1,158,160	-	101,841	-	1,260,000	-	3.7%	9.9%	9.9%
NZ subtotal in \$ooo's			6 shares					4,090	2,825	-135	349	-	7,128	268	-0.5%	14.9%	14.7%

Australia																	
ANZ	ANZ Banking	Financials	32.46	32,500	-	25.99	-	844,539	-	-1,002,789	214,428	-56,178	-	54,409		22.6%	3.1%
AHY	Asaleo Care Ltd	Consumer Goods	1.51	-	450,000	-	1.92	-	681,509	-	150,890	29,829	862,229	28,292	13.2%	30.9%	30.9%
BHP	BHP Billiton	Primary	36.55	30,000	30,000	18.68	26.17	560,257	-	-	229,443	-4,550	785,151	23,212	0.5%	44.5%	-5.3%
CCL	Coca-Cola Amatil	Food	14.09	75,000	-	9.79	-	734,382	-	-749,200	62,905	-48,087	-	25,452		5.6%	-7.6%
CYB	CYBG Plc	Financials	4.28	7,375	-	4.36	-	32,186	-	-36,884	6,086	-1,387	-	-		14.6%	16.9%
IFL	IOOF Holdings	Financials	9.48	85,000	110,000	9.82	9.29	835,124	1,034,043	-823,441	-36,820	12,596	1,021,501	57,542	3.8%	3.7%	4.8%
MTS	MetCash	Food	4.14	250,000	-	1.93	-	481,834	-	-478,669	28,094	-31,260	-	-		-0.7%	-18.5%
NAB	National Australia Bank	Financials	34.80	29,500	-	29.07	-	857,421	-	-900,706	97,873	-54,589	-	61,116		9.2%	2.6%
PTL	Pental Limited	Consumer goods	0.05	1,650,090	2,000,000	0.79	0.66	1,306,839	209,011	-	-178,932	-8,738	1,328,180	58,881	4.2%	-11.1%	11.6%
PTM	Platinum Asset Management	Financials	5.20	-	130,000	-	5.54	-	675,642	-720,088	16,173	28,273	-	21,229	0.0%	6.6%	6.6%
APO	APN Outdoor Group Limited	Primary	5.23	-	187,500	-	6.21	-	1,398,814	-488,741	188,233	65,212	1,163,519	-	-1.7%	27.0%	27.0%
S32	South 32 Limited	Primary	2.48	25,000	-	1.62	-	40,568	-	-41,917	3,022	-1,673	-	-		3.3%	-30.4%
AUST subtotal in \$ooo's			5 shares		ex-rate	0.9028	0.9186	5,693	3,999	-5,242	781	-71	5,161	330	3.7%	25.9%	7.7%

Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend	Returns		
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception
United States																	
MMM	3M Co	Consumer goods	222.67	4,250	4,250	240.93	273.06	1,023,970	-	-	148,857	-12,341	1,160,486	22,953	5.9%	15.8%	15.5%
AMB	Ambev ADR	Consumer goods	7.41	-	130,000	-	8.23	-	963,427	-	66,905	40,169	1,070,501	-	4.0%	11.1%	11.1%
T	AT&T Incorporated	Services	57.47	-	17,500	-	59.30	-	1,005,675	-	-6,536	38,573	1,037,712	-	2.1%	3.2%	3.2%
MO	Altria Group Inc	Tobacco	44.51	10,000	-	90.60	-	906,015	-	-973,679	121,594	-53,931	-	27,890		9.9%	28.2%
ARCO	Arcos Dorados Holdings Inc	Food	11.06	91,000	-	5.42	-	493,421	-	-731,440	270,108	-32,090	-	-		48.2%	-13.0%
BPT	BP Prudhoe Bay Royalty Trust	Primary	110.77	8,250	-	20.39	-	168,197	-	-231,874	74,313	-10,635	-	11,571		42.2%	-29.3%
CLX	Clorox Co	Primary	120.72	4,850	7,250	182.27	192.42	884,024	440,393	-44,285	112,151	2,776	1,395,059	19,571	1.2%	8.4%	20.2%
COTY	Coty Incorporated	Consumer goods	26.40	-	40,000	-	25.87	-	1,188,186	-130,508	-40,509	17,796	1,034,965	6,065	-0.3%	-1.6%	-1.6%
COH	Coach, Inc.	Services	49.61	21,000	21,000	57.97	58.98	1,217,308	-	-	41,234	-19,880	1,238,661	25,021	11.4%	4.1%	12.5%
KO	The Coca-Cola Company	Food	63.13	15,000	-	67.08	-	1,006,145	-	-851,148	-117,364	-37,633	-	35,773		-12.0%	-3.5%
CVX	Chevron Corp	Energy	136.13	7,500	-	137.94	-	1,034,558	-	-1,080,988	88,301	-41,870	-	18,922		8.1%	7.3%
CHK	Chesapeake Energy Corp	Energy	17.45	55,000	-	5.96	-	327,646	-	-591,526	280,609	-16,730	-	-		80.5%	-23.8%
FCX	Freeport Mcmoran C&G	Primary	31.64	31,500	-	14.95	-	470,951	-	-696,006	247,186	-22,132	-	-		47.8%	-10.1%
HSY	The Hershey Company	Food	139.24	6,400	-	133.16	-	852,192	-	-994,508	179,258	-36,942	-	4,446		17.3%	13.9%
JNJ	Johnson & Johnson	Healthcare	114.81	6,500	7,500	156.45	177.75	1,016,917	155,361	-	169,120	-8,267	1,333,131	25,902	5.2%	16.8%	17.6%
KHC	The Kraft Heinz Company	Food	110.67	7,500	-	113.59	-	851,938	-	-896,876	80,523	-35,585	-	10,341		6.5%	9.2%
KMB	Kimberly-Clark Corp	Services	131.67	5,450	7,000	194.49	187.86	1,059,976	336,901	-82,511	9,899	-9,280	1,314,985	23,811	1.9%	-1.3%	15.8%
LB	L Brands Incorporated	Consumer goods	83.73	-	10,000	-	67.20	-	1,151,298	-306,726	-183,327	10,797	672,042	7,278	-7.2%	-18.0%	-18.0%
MDLZ	Mondelez International Inc	Food	68.42	15,000	-	58.01	-	870,156	-	-951,877	112,426	-30,705	-	6,115		9.8%	-7.0%
MRK	Merck & Co Stk	Healthcare	62.43	12,400	12,400	76.50	90.68	948,647	-	-	188,241	-12,446	1,124,441	27,232	-1.0%	21.8%	14.7%
OAK	Oaktree Capital Management	Financials	64.37	14,000	18,500	71.33	64.65	998,583	259,064	-	-57,115	-4,513	1,196,018	50,986	4.0%	-4.8%	5.4%
PAYX	Paychex Inc.	Services	47.23	12,750	-	78.09	-	995,702	-	-1,045,805	116,212	-66,109	-	27,576		7.2%	19.5%
PM	Philip Morris Int'l	Tobacco	113.25	7,500	6,500	141.86	161.12	1,063,946	-	-130,710	133,170	-19,096	1,047,310	43,026	6.0%	17.2%	14.4%
PG	Procter & Gamble Corp	Consumer goods	102.47	10,000	10,000	119.01	128.23	1,190,139	-	-	107,897	-15,746	1,282,289	32,210	1.3%	10.7%	10.2%
RAI	Reynolds American, Inc.	Tobacco	64.57	13,000	-	72.74	-	945,677	99,051	-1,192,331	208,993	-61,389	-	27,981		16.7%	24.1%
TIF	Tiffany & Co.	Consumer goods	82.30	-	-	-	-	-	699,517	-958,738	254,097	5,125	-	8,993		37.8%	37.8%
VIA	Viacom Inc - A	Services	84.35	12,000	13,000	65.50	69.57	786,003	54,526	-	75,432	-11,508	904,453	17,153	9.9%	9.0%	-4.6%
VZ	Verizon Communications	Services	67.97	13,500	13,500	78.20	69.57	1,055,639	-	-	-98,072	-18,327	939,239	37,098	0.8%	-7.5%	5.6%
US subtotal in \$ooo's		15 shares		ex-rate		0.6916	0.7007	20,168	6,353	-11,892	2,584	-462	16,751	518	3.1%	16.0%	13.1%

31 March 2017

Code	Company	Industry	Average purchase cost	During the year										Returns				
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend	Returns			
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception	
United Kingdom																		
BP	BP PLC	Primary	8.74	110,000	150,000	7.28	8.20	800,291	328,945	-	234,912	-134,506	1,229,643	65,553	6.9%	19.4%	3.2%	
BAT	British American Tobacco	Tobacco	69.75	10,250	10,000	84.97	94.96	870,936	-	-20,864	244,742	-145,249	949,566	32,316	8.6%	15.7%	13.4%	
DGE	Diageo	Food	36.84	20,000	30,000	39.09	40.91	781,760	370,998	-	182,042	-107,442	1,227,358	22,003	4.8%	8.4%	8.1%	
GSK	GlaxoSmithkline PLC	Healthcare	30.25	30,000	45,000	29.33	29.73	880,025	399,548	-	181,502	-123,129	1,337,947	57,052	4.8%	8.9%	2.7%	
RDSB	Royal Dutch Shell	Primary	42.04	22,500	30,000	35.32	39.14	794,640	291,573	-	215,272	-127,339	1,174,147	62,773	6.4%	17.9%	3.6%	
ULVR	Unilever Plc.	Consumer goods	52.31	14,000	17,500	65.49	70.58	916,900	195,478	-	259,406	-136,610	1,235,174	28,902	8.1%	11.6%	12.1%	
HSBA	HSBC Holdings	Financials	12.57	75,000	75,000	9.01	11.66	676,067	-	-	303,383	-104,820	874,630	54,569	4.8%	39.4%	3.1%	
IB	Imperial Brands PLC	Tobacco	61.12	-	-	-	-	-	305,596	-317,177	12,141	-561	-	-		3.8%	3.8%	
VOD.UK	Vodafone Group PLC	Services	3.66	-	330,000	-	3.73	-	1,207,866	-	-3,127	25,630	1,230,368	10,805	7.3%	-6.5%	-6.5%	
UK subtotal in \$ooo's			8 shares		ex-rate	0.4814	0.5582	5,721	3,100	-338	1,630	-854	9,259	334	6.4%	15.7%	6.8%	

Europe																	
DEC	JC Decaux SA	Services	37.30	-	-	-	-	-	932,548	-1,106,936	189,498	-15,109	-	-		20.2%	20.2%
ABI	Anheuser-Busch InBev	Food	118.83	5,150	-	179.79	-	925,924	-	-909,317	57,836	-74,443	-	13,897		-1.7%	16.3%
DAI	Daimler AG	Services	84.13	-	10,000	-	105.21	-	1,051,657	-268,316	295,797	-27,066	1,052,071	-	4.2%	26.3%	26.3%
HEIO	Heineken Holding NV	Food	105.38	-	11,000	-	113.37	-	1,159,169	-	74,816	13,099	1,247,085	-	7.7%	4.0%	4.0%
LUX	Luxottica Group	Services	63.48	-	-	-	-	-	444,363	-542,560	112,538	-14,341	-	-		22.1%	22.1%
MUV	Münchener Rück AG	Financials	243.50	3,000	4,500	294.17	278.83	882,498	387,820	-	28,361	-43,947	1,254,732	34,086	6.3%	-1.1%	7.8%
SAN	Sanofi-Aventis S.A.	Healthcare	135.95	7,500	7,500	116.61	128.65	874,599	-	-	156,117	-65,836	964,880	25,319	8.0%	13.4%	0.5%
TOD	TOD's SPA	Consumer Goods	82.66	-	11,000	-	111.52	-	991,899	-92,013	366,795	-39,998	1,226,682	-	13.9%	34.9%	34.9%
Europe subtotal in \$ooo's					ex-rate	0.6077	0.6578	2,683	4,967	-2,919	1,282	-268	5,745	73	8.0%	19.6%	13.3%

31 March 2017

Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values				Net dividend
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency		Month	Ytd	Since Inception	
Other																	
ROTH.MK	British American Tobacco MK	Tobacco	21.12	37,500	55,000	20.01	14.71	750,556	245,294	-	-99,722	-87,344	808,784	41,547	-0.6%	-21.9%	-7.7%
GIN	Givaudan SA	Primary	2,535.10	245	450	2,835.24	2,566.69	694,633	507,044	-	-23,898	-22,767	1,155,012	23,305	3.9%	-6.3%	3.4%
NESN	Nestle SA	Food	84.78	7,500	8,500	108.01	109.34	810,095	94,439	-	66,690	-41,830	929,395	21,432	6.5%	4.5%	9.3%
ZURN	Zurich Insurance Group AG	Financials	352.99	2,500	3,250	335.69	380.45	839,221	294,840	-	141,691	-39,287	1,236,466	63,490	-0.8%	22.0%	9.1%
NOVN	Novartis SA	Healthcare	142.24	7,750	8,000	104.78	105.78	812,049	24,869	-	56,308	-46,958	846,269	20,346	-0.1%	3.5%	-16.4%
HEIM.MK	Heineken Malaysia Bhd	Food	6.16	150,000	160,000	5.19	5.77	778,889	49,525	-	191,302	-96,128	923,588	44,929	5.6%	17.7%	2.4%
SCCC.TB	Siam City Cement	Primary	16.01	30,000	-	12.69	-	380,639	-	-344,058	-21,020	-15,560	-	7,952		-7.7%	-12.5%
SGSN	SGS Soc Gen Surveillance Hldgs	Services	2,790.11	325	325	2,951.54	3,040.48	992,784	-	-	51,468	-56,097	988,155	21,039	5.3%	1.7%	12.2%
Other subtotal in \$ooo's		7 shares						6,059	1,216	-344	363	-406	6,888	244	2.7%	2.2%	1.7%
Overall shares in \$ooo's		46 shares		4,302	6,930			44,413	22,461	-20,871	6,989	-2,060	50,932	1,768	3.7%	15.2%	9.9%
Liquidity in \$ooo's								2,676	-	-1,502	-212	-52	910	13	1.8%	-8.5%	-1.8%
Overall asset in \$ooo's								47,089	22,461	-22,372	6,776	-2,112	51,842	1,780	3.7%	14.0%	8.8%

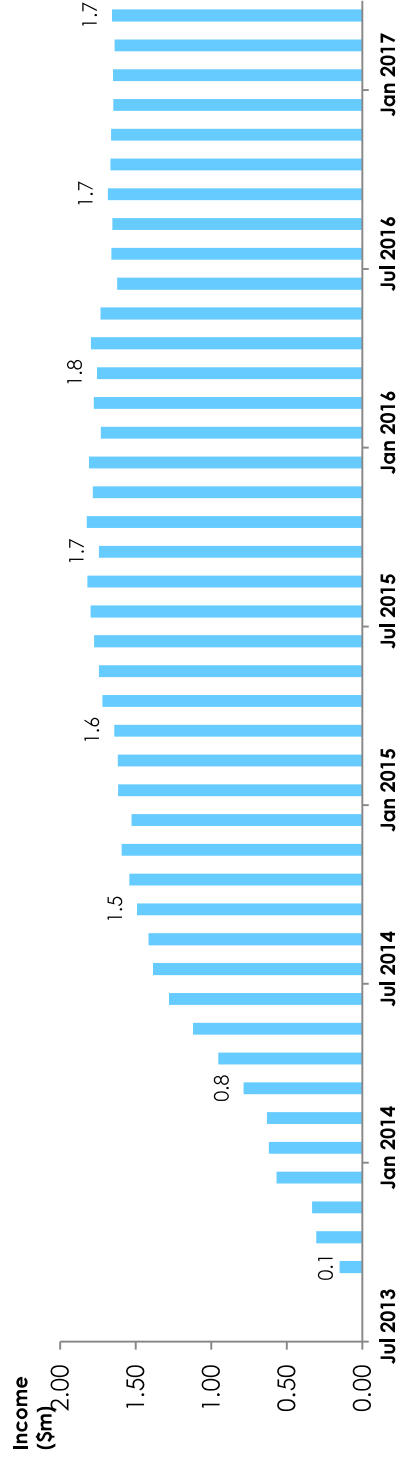
Note: ¹ "Average purchase cost" figures are since inception.

² Shares in South32 Ltd were received as a spin off from BHP Billiton Limited in May 2015. They were since sold in May 2016.

Summary of income & growth in portfolio

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

Forsyth Barr



Assets	\$59,327,316
Distributions paid out since appointment	\$5,828,093

The target dividend level for the 2016/17 year is \$1,921,124

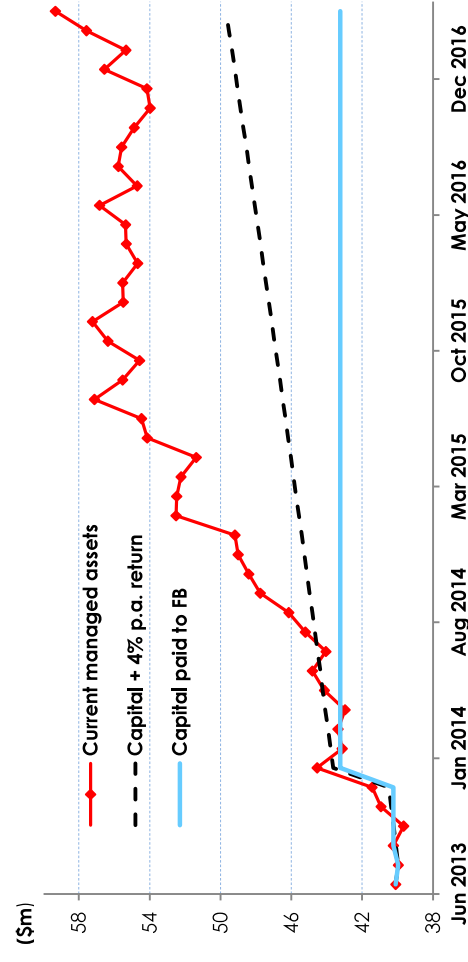
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Financial year to date

Value start of the year	\$55,320,546
New capital given to manager	
Capital withdrawals	\$43,235,832
Dividends received/earned	\$5,912,166
Distributions paid to Trust	(\$5,828,093)
Market movement	\$14,227,732
Currency movement	(\$1,436,703)

Value at 31 Mar 2017 **\$59,327,316**

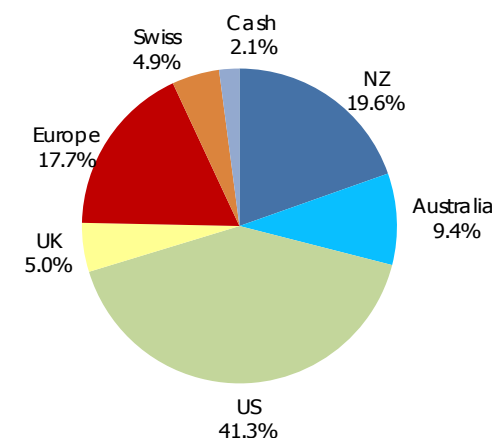
Value at 31 Mar 2017 **\$59,327,316**



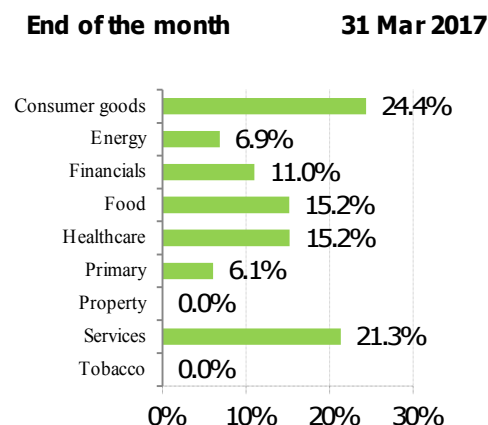
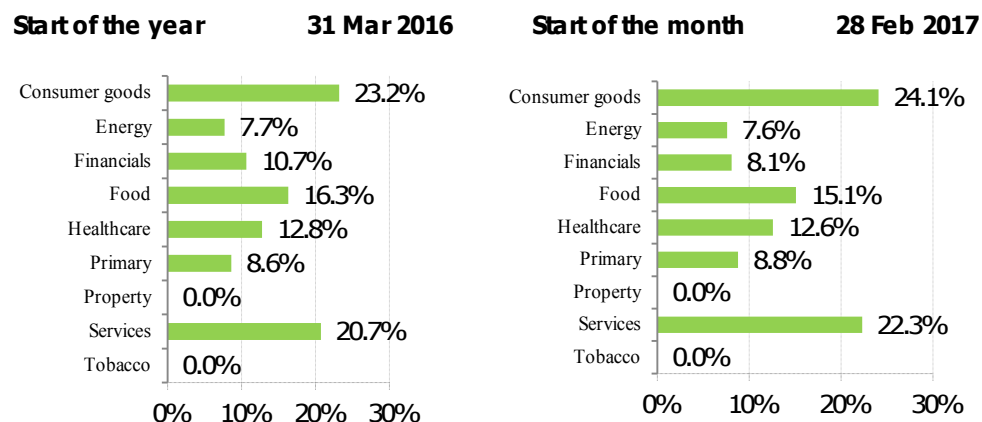
The difference between dividends & interest earned, and what was paid out, relates to the exchange rates at time of receipt versus payment used. Dividends received and paid to the Trust include both dividend and interest income on the investments.

Geographic split

Country of listing	No. of holdings	\$	%
NZ	11 shares	11,633,540	19.6%
Australia	6 shares	5,563,620	9.4%
US	26 shares	24,507,802	41.3%
UK	3 shares	2,973,110	5.0%
Europe	10 shares	10,523,913	17.7%
Swiss	3 shares	2,894,579	4.9%
Shares	59 shares	58,096,565	97.9%
Cash		1,230,752	2.1%
Total		59,327,316	100.0%



Industry split



	Market returns (NZ\$)		
	Last 1 year	Last 3 years	Last 5 years
Consumer goods	10.3%	15.4%	15.8%
Energy	13.2%	0.0%	2.2%
Financials	24.3%	13.1%	13.9%
Food	2.9%	15.3%	13.4%
Healthcare	7.2%	14.2%	17.2%
Primary	24.0%	8.7%	5.2%
Services	8.7%	14.5%	13.5%
Overall MSCI	13.5%	13.3%	12.8%

Concentration risks:

Shares that are 20% or more above the "equal weighting target" of \$1,022,885

Allianz SE

Shares that are 20% or less below the "equal weighting target" of \$1,022,885

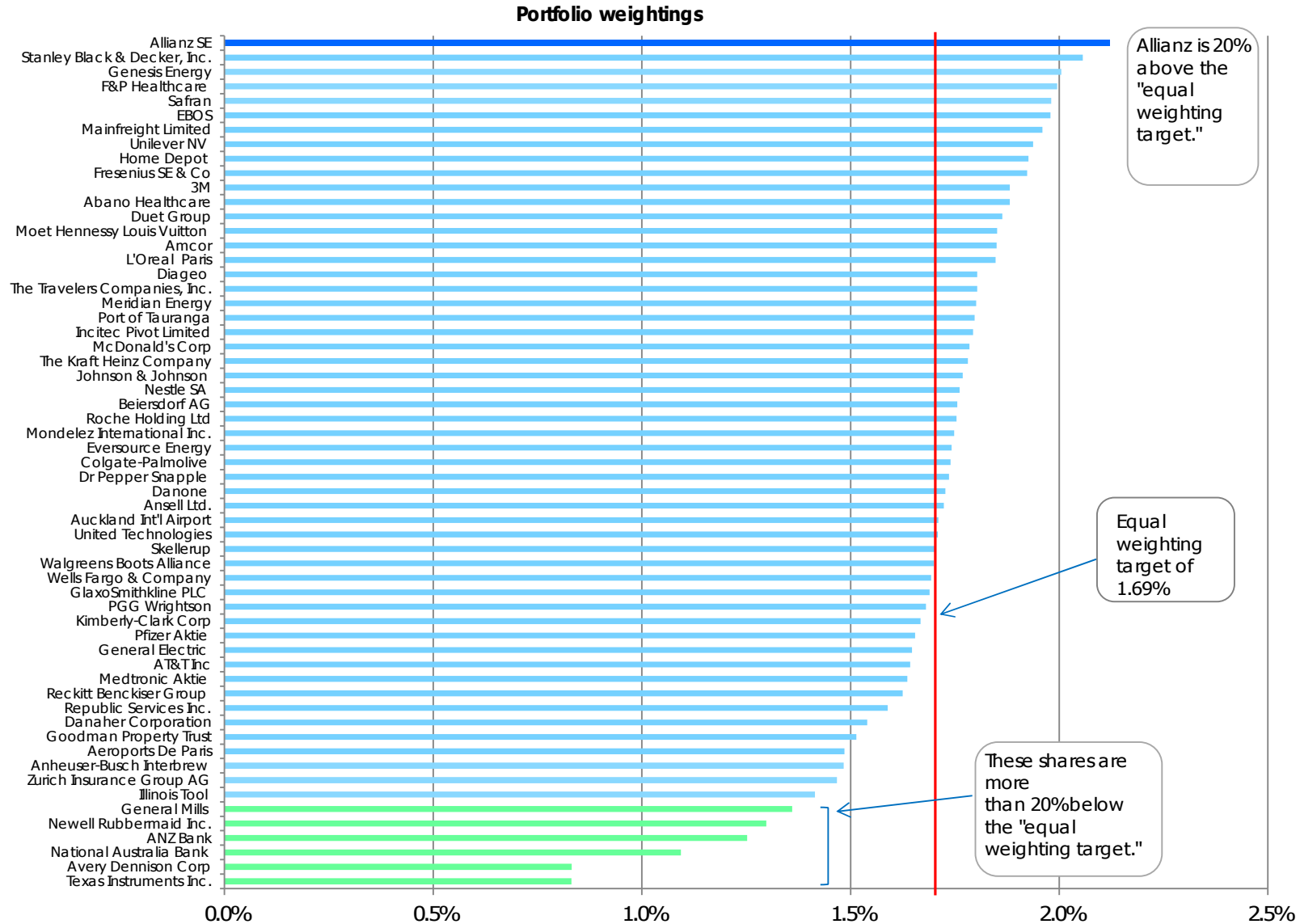
ANZ Bank National Australia Bank Texas Instruments Inc. Newell Rubbermaid Inc. General Mills Avery Dennison Corp

New shares

Texas Instruments, Avery Dennison Corp, Roche, Zurich Insurance

Exits

Coca-Cola, Fortive Corp, Brambles



Manager: Forsyth Barr - Richard Burton

Note: The following table is extracted from the next tables, with figures shown in dollars.

	During the year						
	Values			Gain/loss		Values	
	Start	Buys	Sells	Market	Currency	End	Net dividend
Overall shares	53,761,434	12,200,408	-11,833,764	5,405,190	-1,436,703	58,096,565	1,657,112
Liquidity (cash)	1,559,112	-	-312,425	7,824	-23,759	1,230,752	17,898
Overall asset	55,320,546	12,200,408	-12,146,189	5,413,014	-1,460,463	59,327,316	1,675,010

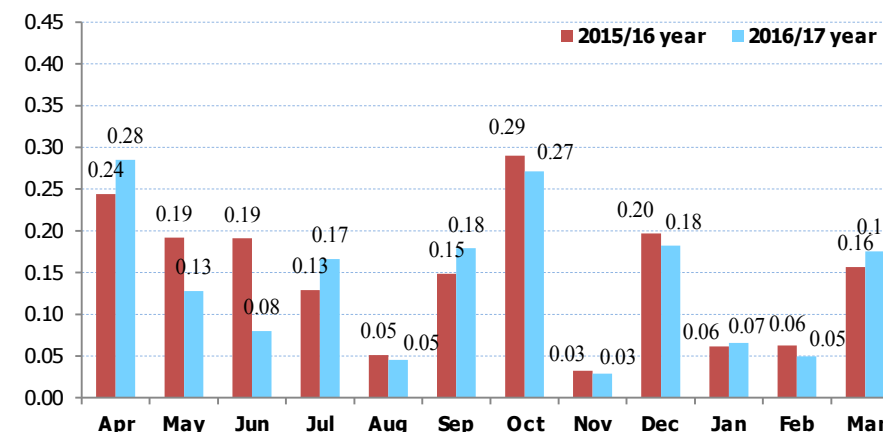
	During the month						
	Values			Gain/loss		Values	
	Start	Buys	Sells	Market	Currency	End	Net dividend
NZ	11,534,453	202,421	-	-103,335	-	11,633,540	47,721
AUST	5,897,109	-	-726,028	250,504	142,036	5,563,620	29,245
US	24,066,196	957,852	-1,166,066	14,978	634,843	24,507,802	70,627
UK	2,846,417	-	-	10,256	116,437	2,973,110	-
Europe	9,808,444	-	-	371,654	343,815	10,523,913	6,573
Swiss	960,677	1,974,292	-	-341,976	301,587	2,894,579	21,234
Overall shares	55,113,296	3,134,565	-1,892,094	202,081	1,538,717	58,096,565	175,400
Liquidity (cash)	2,459,814	-	-1,208,386	-21,472	795	1,230,752	2,309
Overall asset	57,573,110	3,134,565	-3,100,480	180,609	1,539,512	59,327,316	177,708

Returns		
Month	Year-to-date	Since Inception
-0.5%	18.6%	17.4%
7.6%	17.3%	7.7%
3.0%	8.7%	13.6%
4.5%	3.5%	6.7%
7.4%	7.5%	7.6%
-1.0%	-3.0%	6.4%
3.4%	10.8%	11.7%
-1.0%	4.6%	1.5%
3.3%	10.4%	11.5%

Year-to-date income (\$m)

Cash holdings

Currencies	Ex rate 28 Feb 17	Start values (local)	End values (local)	Ex rate 31 Mar 17	Currency gain/loss	End values (NZ\$)
New Zealand dollars	1.0000	2,424,387	1,194,493	1.0000	-	1,194,493
Australian dollars	0.9392	32,040	32,066	0.9186	766	34,910
Swiss Franc	0.7075	-	-	0.7029	-	-
Euro	0.6800	-4	-4	0.6578	-0	-6
Pound Sterling	0.5809	115	115	0.5582	-	206
US dollars	0.7192	805	805	0.7007	30	1,149
					795	1,230,752



31 March 2017

Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend	Returns		
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception
New Zealand																	
ABA	Abano Healthcare	Services	6.05	134,246	127,128	7.19	8.60	965,229	-	-55,894	183,966	-	1,093,301	45,990	-3.4%	24.8%	14.9%
AIA	Auckland Int'l Airport	Services	2.97	168,000	147,000	6.43	6.76	1,080,240	-	-133,211	46,691	-	993,720	27,510	-7.9%	7.9%	26.6%
CEN	Contact Energy	Energy	4.95	217,000	-	5.00	-	1,085,000	-	-1,153,876	68,876	-	-	-		6.5%	9.5%
EBO	EBOS	Consumer goods	8.73	63,000	63,000	17.20	18.25	1,083,600	-	-	66,150	-	1,149,750	36,855	-1.4%	9.8%	27.1%
FRE	Freightways	Services	4.48	-	-	-	-	-	-	-	-	-	-	10,073			
FPH	F&P Healthcare	Healthcare	3.90	112,000	119,462	9.80	9.70	1,097,600	220,761	-197,492	37,912	-	1,158,781	21,056	6.5%	1.9%	35.7%
GNE	Genesis Energy	Energy	2.16	-	559,860	-	2.08	-	1,210,014	-	-45,505	-	1,164,509	38,137	-1.1%	-0.4%	-0.4%
GMT	Goodman Property Trust	Property	1.34	-	730,000	-	1.21	-	977,575	-	-97,925	-	879,650	36,409	-2.7%	-6.4%	-6.4%
HBV	Hellaby Holdings	Financials	2.76	322,000	-	2.65	-	853,300	105,251	-1,292,388	333,838	-	-	74,480		46.7%	14.4%
MFT	Mainfreight Limited	Services	15.54	61,600	50,400	15.86	22.59	976,976	-	-221,992	383,552	-	1,138,536	22,736	5.6%	46.3%	23.8%
MEL	Meridian Energy	Energy	2.25	404,005	373,709	2.62	2.80	1,058,493	-	-80,872	68,764	-	1,046,385	70,972	3.7%	14.5%	17.5%
NPX	Nuplex Industries Limited	Primary	4.69	-	-	-	-	-	-	-	-	-	-	14,280			
PGW	PGG Wrightson	Services	0.51	-	1,841,998	-	0.53	-	939,178	-	37,081	-	976,259	-	-1.9%	6.4%	6.4%
POT	Port of Tauranga	Primary	3.29	-	250,390	-	4.17	-	988,517	-	55,609	-	1,044,126	40,062	-3.0%	9.9%	9.9%
SKL	Skellerup	Consumer goods	1.34	732,515	659,015	1.28	1.50	937,619	100,528	-227,457	177,832	-	988,523	67,781	0.3%	25.4%	10.3%
VCT	Vector	Energy	2.83	300,993	-	3.28	-	987,257	-	-1,013,253	25,996	-	-	23,327		5.1%	11.0%
NZ subtotal in \$ooo's			11 shares			-	-	10,125	4,542	-4,376	1,343	-	11,634	530	-0.5%	18.6%	17.4%

Note: During October 2016, there was a POT 5-for-1 stock split whereby 50,078 shares became 250,390.

31 March 2017

Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend	Returns		
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception
Australia																	
AMC	Amcor	Services	11.68	59,220	65,548	15.89	16.40	941,302	96,942	-	52,470	-16,028	1,074,686	37,999	11.6%	7.7%	18.2%
ANZ	ANZ Bank	Financials	31.63	42,000	21,000	25.99	34.64	1,091,405	-	-570,254	228,966	-22,644	727,473	52,863	5.3%	46.8%	6.8%
ANN	Ansell Ltd.	Primary	25.96	42,000	38,220	19.15	26.20	804,364	165,677	-294,234	336,982	-11,259	1,001,530	27,300	17.0%	43.3%	0.9%
AHG	Automotive Holdings Group Ltd.	Services	4.62	-	-	-	-	-	-	-	-	-	-	10,350			
DUE	Duet Group	Energy	2.81	-	356,482	-	3.04	-	1,000,756	-	63,354	18,668	1,082,777	30,748	3.7%	11.4%	11.4%
BXB	Brambles Limited	Primary	11.65	81,200	-	13.42	-	1,090,102	-	-835,138	-222,537	-32,427	-	24,111	0.2%	-24.2%	-6.3%
NAB	National Australia Bank	Financials	33.89	35,000	17,500	29.07	36.30	1,017,280	-	-490,191	130,057	-21,960	635,186	54,515	6.6%	38.5%	8.3%
IPL	Incitec Pivot Limited	Primary	3.88	231,000	254,548	3.53	4.09	816,227	292,750	-241,574	178,914	-4,348	1,041,969	25,185	4.7%	16.8%	1.5%
AUST subtotal in \$ooo's			6 shares		ex-rate	0.9028	0.9186	5,761	1,556	-2,431	768	-90	5,564	263	7.6%	17.3%	7.7%

31 March 2017

Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend	Returns		
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception
United States																	
MMM	3M	Consumer goods	150.11	4,004	4,004	240.93	273.06	964,700	-	-	140,241	-11,627	1,093,314	21,625	5.9%	15.8%	21.1%
AVY	Avery Dennison Corp	Consumer goods	112.85	-	4,200	-	115.03	-	473,987	-	7,445	1,685	483,117	-	1.9%	1.9%	1.9%
T	AT&T Inc	Services	57.75	16,100	16,100	56.64	59.30	911,852	-	-	61,141	-18,298	954,695	37,370	2.1%	9.1%	6.4%
KO	Coca-Cola	Food	51.02	14,490	-	67.08	-	971,936	-	-863,818	-90,463	-17,655	-	24,394	2.2%	-8.6%	6.1%
CL	Colgate-Palmolive	Consumer goods	76.81	9,674	9,674	102.15	104.45	988,242	-	-	34,029	-11,796	1,010,475	18,152	2.9%	4.2%	11.4%
DHR	Danaher Corporation	Primary	124.05	7,329	7,329	137.16	122.06	1,005,247	-	-247,286	157,953	-21,309	894,604	4,966	2.6%	16.8%	16.0%
DPS	Dr Pepper Snapple	Food	63.72	7,217	7,217	129.29	139.75	933,118	-	-	90,476	-15,047	1,008,547	18,165	7.6%	10.2%	26.8%
ES	Eversource Energy	Energy	53.46	12,068	12,068	84.36	83.89	1,017,998	-	-	9,975	-15,617	1,012,355	26,187	3.6%	2.2%	15.8%
FTV	Fortive Corporation	Financials	67.49	-	-	-	-	-	247,286	-302,248	49,844	5,118	-	924	2.9%	22.5%	22.5%
GE	General Electric	Consumer goods	31.44	22,498	22,498	45.97	42.53	1,034,140	-	-	-62,318	-15,007	956,815	24,822	2.6%	-5.1%	12.5%
GIS	General Mills	Food	66.06	11,298	9,380	91.60	84.22	1,034,888	-	-194,328	-24,907	-25,709	789,944	23,614	0.3%	-5.3%	10.7%
HD	Home Depot	Services	104.64	5,341	5,341	192.93	209.55	1,030,436	-	-	99,466	-10,709	1,119,194	18,965	4.5%	10.7%	23.6%
ITW	Illinois Tool	Consumer goods	92.74	6,678	4,347	148.12	189.05	989,147	-	-408,488	250,431	-9,274	821,817	18,008	3.0%	29.6%	23.6%
JNJ	Johnson & Johnson	Healthcare	114.49	6,419	5,782	156.45	177.75	1,004,245	-	-109,740	149,271	-16,020	1,027,755	22,785	5.2%	16.3%	16.5%
KHC	The Kraft Heinz Company	Food	117.21	8,680	7,987	113.59	129.60	985,976	-	-86,462	151,335	-15,741	1,035,107	29,341	2.4%	17.7%	8.2%
KMB	Kimberly-Clark Corp	Consumer goods	129.56	5,159	5,159	194.49	187.86	1,003,379	-	-	-16,909	-17,326	969,144	22,069	1.9%	-1.0%	15.0%
LB	L Brands	Consumer goods	122.43	7,210	-	126.95	-	915,324	-	-711,598	-216,694	12,968	-	-	-	-22.3%	-13.7%
MAT	Mattel Aktie	Consumer goods	-	-	-	-	-	-	-	-	-	-	-	1,328			
MCD	McDonald's Corp	Services	129.13	5,607	5,607	181.72	184.97	1,018,924	-	-	29,304	-11,089	1,037,139	24,609	4.9%	4.4%	13.4%
MDT	Medtronic Aktie	Healthcare	70.86	8,701	8,267	108.44	114.97	943,573	-	-53,750	79,935	-19,295	950,463	19,690	2.2%	8.3%	17.4%
MRK	Merck and Co.	Healthcare	78.73	-	-	-	-	-	-	-	50	-50	-	5,886			
MDLZ	Mondelez International Inc.	Food	58.93	16,520	16,520	58.01	61.48	958,332	-	-	73,017	-15,677	1,015,672	14,114	0.7%	7.5%	4.3%
NWL	Newell Rubbermaid Inc.	Consumer goods	70.24	-	11,200	-	67.32	-	786,658	-	-28,099	-4,592	753,966	7,667	-0.9%	-3.2%	3.6%
PFE	Pfizer Aktie	Healthcare	37.67	21,875	19,691	42.86	48.82	937,500	-	-112,264	152,055	-15,925	961,366	29,581	3.7%	17.7%	11.0%
PG	Procter & Gamble Corp	Consumer goods	100.14	7,896	-	119.01	-	939,734	-	-959,542	33,986	-14,178	-	6,644		2.8%	8.7%
RSG	Republic Services Inc.	Services	67.38	14,500	10,297	68.90	89.64	999,024	-	-340,492	275,562	-11,082	923,012	20,585	4.1%	33.1%	4.1%
SWK	Stanley Black & Decker, Inc.	Primary	167.53	-	6,300	-	189.62	-	1,055,441	-	168,322	-29,128	1,194,635	16,835	7.7%	14.5%	14.5%
TI	Texas Instruments Inc.	Consumer goods	115.21	-	4,200	-	114.97	-	483,864	-	-2,442	1,455	482,877	-	-0.2%	-0.2%	-0.2%
TRV	The Travelers Companies, Inc.	Financials	159.26	6,090	6,090	168.75	172.03	1,027,710	-	-	34,017	-14,077	1,047,650	19,563	1.7%	3.9%	7.3%
UTX	United Technologies	Services	154.24	7,210	6,202	144.74	160.14	1,043,553	-	-155,526	121,368	-16,207	993,187	22,008	2.8%	13.0%	3.3%
WFC	Wells Fargo & Company	Financials	58.76	13,762	12,383	69.92	79.43	962,305	-	-109,807	138,784	-7,641	983,642	24,438	-0.7%	17.1%	14.9%
WBA	Walgreens Boots Alliance	Healthcare	117.06	8,330	8,330	121.80	118.52	1,014,632	-	-	-14,206	-13,117	987,308	14,828	-0.9%	-1.2%	2.7%
US subtotal in \$ooo's		26 shares		ex-rate		0.6916	0.7007	24,636	3,047	-4,655	1,852	-372	24,508	539	3.0%	8.7%	13.6%

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Code	Company	Industry	Average purchase cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend			
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception
United Kingdom																	
DGE	Diageo	Food	38.22	24,878	25,613	39.09	40.91	972,431	102,182	-74,589	216,666	-168,812	1,047,878	25,842	4.8%	7.7%	4.0%
GSK	GlaxoSmithkline PLC	Healthcare	32.06	33,005	33,005	29.33	29.73	968,174	-	-	169,753	-156,618	981,310	58,352	4.8%	7.7%	1.5%
RB	Reckitt Benckiser Group	Consumer goods	97.76	7,231	7,231	139.82	130.54	1,011,003	-	-	90,160	-157,240	943,923	21,225	3.7%	-4.6%	12.3%
UK subtotal in \$ooo's			3 shares		ex-rate	0.4814	0.5582	2,952	102	-75	477	-483	2,973	105	4.5%	3.5%	6.7%

Europe																	
ADP	Aeroports De Paris	Services	177.98	4,900	4,900	178.80	176.13	876,138	-	-	42,601	-55,698	863,041	13,832	11.9%	0.3%	1.1%
ALV	Allianz SE	Financials	227.48	3,290	4,669	235.25	264.01	773,974	302,142	-	217,701	-61,173	1,232,644	29,105	9.3%	16.4%	7.8%
ABI	Anheuser-Busch Interbrew	Food	125.52	5,509	5,509	179.79	156.44	990,469	-	-	-53,236	-75,391	861,841	24,212	3.0%	-10.7%	9.8%
BEI	Beiersdorf AG	Consumer goods	137.67	7,560	7,560	130.57	134.90	987,098	-	-	108,782	-76,042	1,019,839	6,399	6.5%	4.0%	-1.5%
BN	Danone	Food	94.23	8,855	10,353	102.87	96.94	910,929	151,015	-	13,365	-71,726	1,003,584	16,324	5.4%	-4.2%	1.8%
FRE	Fresenius SE & Co	Healthcare	62.76	8,596	9,758	105.67	114.53	908,334	120,585	-	162,162	-73,528	1,117,552	5,729	3.8%	9.5%	23.3%
OR	L'Oreal Paris	Consumer goods	267.13	3,920	3,920	259.11	273.89	1,015,723	-	-	137,236	-79,317	1,073,642	14,001	6.1%	7.1%	1.7%
MC	Moet Hennessy Louis Vuitton	Consumer goods	222.07	3,647	3,437	247.68	312.96	903,272	201,363	-296,000	341,637	-74,626	1,075,646	15,932	12.3%	27.4%	13.8%
SAF	Safran	Consumer goods	99.60	8,708	10,808	101.18	106.47	881,046	203,643	-	135,916	-69,889	1,150,717	15,727	7.8%	7.2%	4.0%
UNAR	Unilever NV rights	Consumer goods	-	-	15,890	-	-	-	-	-	28	-28	-	-			
UNA	Unilever NV	Consumer goods	53.69	15,890	15,890	64.82	70.82	1,030,045	-	-	169,161	-73,801	1,125,406	26,517	8.6%	12.2%	11.3%
Europe subtotal in \$ooo's			10 shares		ex-rate	0.6077	0.6578	9,277	979	-296	1,275	-711	10,524	168	7.4%	7.5%	7.6%

Code	Company	Industry	Average purcha se cost	During the year										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values	Net dividend	Returns		
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency			Month	Ytd	Since Inception
Swiss																	
NESN	Nestle SA	Food	89.50	9,359	9,359	108.01	109.34	1,010,890	-	-	66,981	-54,553	1,023,318	25,821	6.5%	3.9%	8.4%
NOVN	Novartis A.G.	Healthcare									42	-42		4,959			
ROG	Roche Holding Ltd	Healthcare	374.40	-	2,800	-	363.95	-	1,048,316	-	-18,313	-10,952	1,019,051	21,234	-2.8%	-2.8%	-2.8%
ZURN	Zurich Insurance Group AG	Financials	413.38	-	2,240	-	380.45	-	925,976	-	-357,303	283,537	852,210	-	-8.0%	-8.0%	-8.0%
Swiss subtotal in \$ooo's			3 shares		ex-rate	0.6652	0.7029	1,011	1,974	-	-309	218	2,895	52	-1.0%	-3.0%	6.4%
Overall shares in \$ooo's		59 shares						53,761	12,200	-11,834	5,405	-1,437	58,097	1,657	3.4%	10.8%	11.7%
Liquidity in \$ooo's								1,559	-	-312	8	-24	1,231	18	-1.0%	4.6%	1.5%
Overall asset in \$ooo's								55,321	12,200	-12,146	5,413	-1,460	59,327	1,675	3.3%	10.4%	11.5%

Note: ¹ "Average purchase cost" figures are for since inception period.

² Fortive Corporation shares were received as 2:1 spin-off from Danaher Corporation in July 2016.

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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	June 2013 & Dec 2016, Feb 2016, Mar 2016, Dec 2016	Pioneer Capital Partners, Waterman Capital, Morrison & Co., Direct Capital.
Listed shares	May 2013	Elevation Capital & Forsyth Barr listed shares.
OS bonds	May 2013	Pimco.
NZ bonds	Nov 2002	Self-managed through Forsyth Barr (Phil Williams).
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	S&P/ NZX call rate.

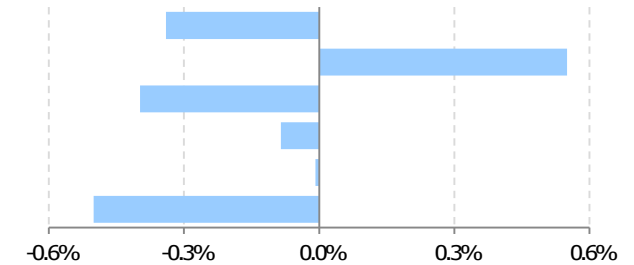
31 March 2017

Environment and market statistics

90-day bank bill rates

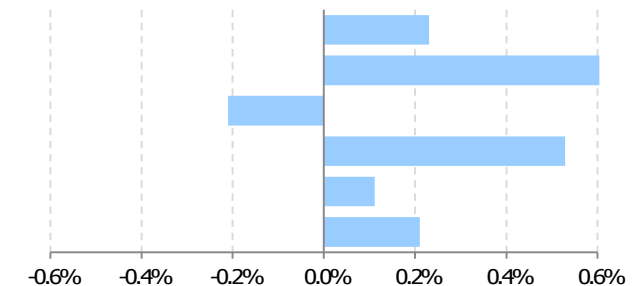
	Start of year 1 Apr 2016	Start of period 1 Mar 2017	End of period 31 Mar 2017	Movement	
				Month	Year-to-date
NZ	2.3%	2.0%	2.0%	0.0%	(0.3%)
US	0.2%	0.5%	0.8%	0.2%	0.6%
UK	0.5%	0.0%	0.1%	0.0%	(0.4%)
Euro	(0.2%)	(0.3%)	(0.3%)	0.0%	(0.1%)
Japan	(0.1%)	(0.1%)	(0.1%)	(0.0%)	(0.0%)
Australia	2.3%	1.8%	1.8%	0.0%	(0.5%)

Year-to-date (change)



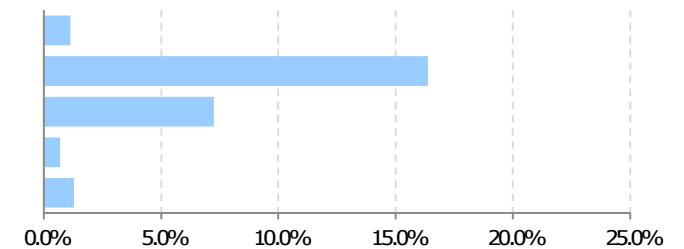
10 year government bond yields

	Start of year 1 Apr 2016	Start of period 1 Mar 2017	End of period 31 Mar 2017	Movement	
				Month	Year-to-date
NZ	3.0%	3.2%	3.2%	0.1%	0.2%
US	1.8%	2.4%	2.4%	0.0%	0.6%
UK	1.5%	1.3%	1.3%	0.0%	(0.2%)
Euro	0.9%	1.4%	1.5%	0.0%	0.5%
Japan	(0.0%)	0.1%	0.1%	0.0%	0.1%
Australia	2.5%	2.7%	2.7%	(0.0%)	0.2%



Exchange rates

	Start of year 1 Apr 2016	Start of period 1 Mar 2017	End of period 31 Mar 2017	Movement	
				Month	Year-to-date
US	0.6913	0.7182	0.6991	(2.7%)	1.1%
UK	0.4812	0.5778	0.5600	(3.1%)	16.4%
Euro	0.6101	0.6788	0.6543	(3.6%)	7.2%
Yen	77.82	80.88	78.3600	(3.1%)	0.7%
Australia	0.9027	0.9361	0.9142	(2.3%)	1.3%



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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.)
US (S&P 500)	(0.0%)	14.7%	14.7%	8.1%	10.9%
Japan (Nikkei 225)	(1.1%)	12.8%	12.8%	8.4%	13.4%
UK (FTSE 100)	0.8%	18.6%	18.6%	3.5%	4.9%
Germany (DAX)	4.0%	23.6%	23.6%	8.8%	12.1%
France (CAC 40)	5.4%	16.8%	16.8%	5.3%	8.4%
Australia (ASX 200)	3.3%	20.5%	20.5%	7.5%	11.1%
NZ (S&P/NZX 50)	0.4%	6.6%	6.6%	11.9%	15.4%
MSCINet div unhedged	4.6%	14.0%	14.0%	13.4%	12.9%
MSCINet div 50%hedged	2.8%	16.8%	16.8%	12.5%	13.6%
MSCINet div 100%hedged	1.1%	19.5%	19.5%	11.3%	14.0%

Note:

1. Year-to-date is the period since 1 April 2016.
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.

MCA NZ Limited

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**Eastern & Central Community
Trust Inc**

**Monthly Report for
March 2017**

Transaction Summary

Eastern & Central Community Trust Inc

The bond purchases over the period were as follows:

Issuer	Maturity Date	Face Value	Cost ^{1,3}	Yield
Meridian Energy	20-Mar-2024	\$840,000	\$840,847.50	4.86%

The bond sales over the period were as follows:

Issuer	Maturity Date	Face Value	Proceeds ²	Yield
--------	---------------	------------	-----------------------	-------

The bond maturities over the period were as follows:

Issuer	Maturity Date	Face Value	Coupon
Meridian Energy	16-Mar-2017	\$1,000,000	7.55%

The cash purchases over the period were as follows:

Issuer	Maturity Date	Face Value	Cost ^{1,3}	Yield
--------	---------------	------------	---------------------	-------

Nil

¹ Cost includes brokerage, if any

² Proceeds are less brokerage, if any

³ Cost will be different to that shown on the portfolio valuation – the difference being accrued interest.

Compliance Report

Eastern & Central Community Trust Inc

We confirm that we hold title, in the name of Forsyth Barr Custodians Limited, for all the bond securities listed in this report.

We confirm that all cash at call is held in trust for the Eastern & Central Community Trust Incorporated.

Current Exposures (Face Value):

Security Type	Portfolio	Mandate Limit
Hybrid:	\$9.678 m	\$8.0 m
Perpetual*:	\$3.275 m	\$2.0 m

* All of the perpetual securities are also hybrid securities and are excluded from the hybrid total.

Commentary

During **March** the following occurred:

- We purchased \$840,000 of the new issue of senior bonds from **Meridian Energy**, maturing in March 2024, at a net yield of 4.86%
- \$1m of **Meridian Energy** bonds matured
- The **Reserve Bank of New Zealand** (RBNZ) has found a technical breach in **Kiwibank's** two loss absorbing issues, KCF010 and KCFHA. The RBNZ believe that the Kiwibank Bonds do not comply with certain requirements of its Capital Adequacy Framework. It should be noted that the RBNZ provided a non-objection letter when these securities were issued. Kiwibank's three shareholders, NZ Post, ACC and NZ Superannuation Fund provided a statement clarifying that if the RBNZ deem the Capital securities do not provide the necessary capital, the shareholders will ensure that Kiwibank's capital will be in no worse position than if the RBNZ had not changed the treatment of capital.

During **April** the following will occur:

- Nil.

Key Portfolio Information

Eastern & Central Community Trust Inc

Bond Maturity Analysis:

Maturity Date ¹	Portfolio Holding	
	\$ Face Value	%
2017 ²	\$5,276,000	15%
2018	\$1,958,000	6%
2019	\$4,375,000	13%
2020	\$2,000,000	6%
2021	\$7,800,000	23%
2022	\$2,475,000	7%
2023	\$6,270,000	18%
2024	\$2,710,000	8%
2025	\$0	0%
2026	\$0	0%
Perpetual	\$1,275,000	4%
	\$34,139,000	100%

¹ Includes perpetual's where we believe an earlier redemption date is likely.

² Excludes cash

Bond Credit Analysis:

Long-Term Credit Rating	Portfolio Holding	
	\$ Face Value	%
AAA	\$0	0.0%
AA+	\$0	0.0%
AA	\$0	0.0%
AA-	\$0	0.0%
A+	\$0	0.0%
A	\$0	0.0%
A-	\$2,000,000	5.9%
BBB+	\$11,340,000	33.2%
BBB	\$3,800,000	11.1%
BBB-	\$1,000,000	2.9%
BB+	\$6,104,000	17.9%
BB	\$0	0.0%
BB-	\$0	0.0%
Not Rated	\$9,895,000	29.0%
	\$34,139,000	100%
Average Weighted Credit:		BBB-



Portfolio Summary

Eastern & Central Community Trust Inc
31 March 2017

Account Number: 1870575

Advisor Name: Philip Williams

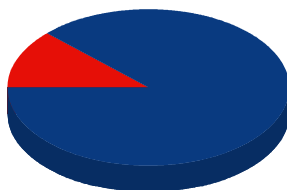
Premium Advisory Service

Your Forsyth Barr Advisor will provide you with advice in relation to this portfolio, while you, the investor, will determine the investments held and any changes to those investments by instructing us on each and every transaction. You will then receive the relevant contract note or acknowledgement, to confirm the details of the transaction.

Our understanding of the basis of provision of advice to you is as follows:

You request our advice on each of the securities in your portfolio and to receive recommendations for other securities or opportunities that you may wish to consider.

Asset Allocation¹

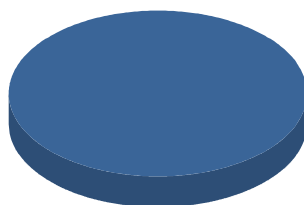


■ On Call to 90 Days ■ Fixed Interest

	NZ Dollar Value	Portfolio %
On Call to 90 Days	4,577,514.64	12.2
Fixed Interest	32,915,218.96	87.8
TOTAL	\$37,492,733.60	100.0

1. Underlying sectors in which the portfolio is invested

Portfolio Valuation²



■ New Zealand Dollar

Assets by Currency		Exch Rate	NZ Dollar Value
New Zealand Dollar	37,492,733.60	1.0000	37,492,733.60
TOTAL			\$37,492,733.60

2. Currency of market on which the security trades

This report is interim only and some of the figures included may be subject to change due to some data being unprocessed at the time this report is created. This report is not intended to replace your regular 'full' quarterly report. The information shown in this report is obtained from various sources believed to be reliable. While every effort has been made to ensure accuracy, no liability is accepted for any errors or omissions. If you are unsure of the appropriate tax treatment of your investments, you should consult your tax advisor. The foreign exchange (FX) rates reported are the closing rates as at the close of business on the relevant transaction date. Actual transaction FX rates may differ.

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
31 March 2017

Account Number: 1870575

Advisor Name: Philip Williams

New Zealand Dollar		Local Currency			
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value % Asset (1)
Cash					
At Call					
	Forsyth Barr Cash Management		2,606,744.56		2,606,744.56 7.0%
	Distributions Receivable (2)				7,206.25 0.02%
Maturing within 90 Days					
1,926,000	Vector Limited 15/06/2017 7.00% (Bond)	1.01	1,943,434.57	0.999	1,924,303.06 5.2%
	Accrued Interest				39,260.77 0.1 %
			4,550,179.13		4,577,514.64 12.2%
Fixed Interest					
Direct					
1,250,000	Powerco Limited 28/09/2017 6.74% (Bond)	0.93	1,158,448.47	1.019	1,274,280.67 3.4%
600,000	KiwiBank Limited 15/12/2017 5.80% (Bond)	1.00	600,000.00	1.009	605,575.30 1.6%
500,000	Infratil Limited 15/11/2018 6.85% (Bond)	1.04	520,291.58	1.037	518,316.52 1.4%
500,000	Fletcher Building Industries Limited 15/03/2019 6.45% (Bond)	1.00	500,000.00	1.040	519,953.58 1.4%
1,375,000	Contact Energy Limited 15/05/2019 5.80% (Bond)	1.00	1,375,000.00	1.049	1,442,397.78 3.9%
2,000,000	ASB Bank Limited Subordinated Notes 15/06/2024 6.65% (Bond)	1.00	2,000,000.00	1.041	2,081,262.25 5.6%
1,870,000	Mercury NZ Limited 11/07/2044 6.90% (Bond)	1.00	1,870,000.00	1.041	1,946,109.30 5.3%
250,000	Kiwi Capital Funding Limited 15/07/2024 6.61% (Bond)	1.00	250,000.00	1.030	257,501.51 0.7%
250,000	Trustpower Limited 15/09/2019 6.75% (Bond)	1.00	250,000.00	1.057	264,203.27 0.7%
1,500,000	Fletcher Building Industries Limited 15/03/2021 4.75% (Bond)	1.00	1,500,000.00	1.014	1,521,563.81 4.1%
250,000	Sky Network Television Limited 31/03/2021 6.25% (Bond)	1.00	250,000.00	1.055	263,681.38 0.7%
700,000	Chorus Limited 06/05/2021 4.12 % (Bond)	1.00	700,000.00	1.005	703,154.04 1.9%
600,000	Wellington International Airport Limited 15/05/2021 6.25% (Bond)	1.00	600,000.00	1.079	647,277.71 1.8%

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
31 March 2017

Account Number: 1870575

Advisor Name: Philip Williams

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
750,000	Kiwi Property Group Limited 20/08/2021 6.15% (Bond)	1.00	750,000.00	1.069	801,862.06	2.2%
2,000,000	Westpac Banking Corporation Subordinated Notes 01/09/2026 4.695% (Bond)	1.00	2,000,000.00	0.990	1,979,839.29	5.3%
2,000,000	Christchurch International Airport Limited 04/10/2021 6.25% (Bond)	1.01	2,014,084.40	1.091	2,181,854.22	6.0%
475,000	Contact Energy Limited 15/11/2022 4.63% (Bond)	1.00	475,482.50	1.014	481,598.65	1.3%
2,000,000	Trustpower Limited 15/12/2022 4.01% (Bond)	1.00	2,000,000.00	0.968	1,936,151.20	5.2%
2,000,000	Spark Finance Limited 10/03/2023 4.51% (Bond)	1.02	2,045,201.92	1.023	2,045,161.42	5.5%
1,400,000	Wellington International Airport Limited 12/05/2023 4.25% (Bond)	1.01	1,415,283.97	0.992	1,388,788.12	3.8%
870,000	Kiwi Property Group 07/09/2023 4.00% (Bond)	1.00	870,000.00	0.967	841,186.52	2.2%
2,000,000	Z Energy Limited Bonds 01/11/2023 4.32% (Bond)	1.00	2,000,000.00	0.970	1,940,507.46	5.2%
840,000	MEL 20/03/2024 4.88% Meridian Energy Ltd Bonds (Bond)	1.00	840,847.50	1.021	857,392.32	2.3%
2,000,000	Bank of New Zealand Subordinated 17/12/2025 5.314% (Bond)	1.00	2,000,000.00	1.022	2,044,111.22	5.5%
958,000	Genesis Energy Limited 15/07/2041 6.19% (Bond)	1.07	1,022,535.58	1.030	986,740.00	2.6%
	Accrued Interest				215,611.86	0.6 %
Perpetuals						
500,000	ANZ Bank New Zealand Limited Perpetual 5.28% (Perpetual Bond)	1.00	500,000.00	1.031	515,600.00	1.4%
500,000	Credit Agricole Perpetual Deeply Subordinated Notes 5.04% (Perpetual Bond)	1.00	500,000.00	0.910	455,000.00	1.2%
12,750	Nufarm Finance NZ Limited Preference Shares 6.355% (Perpetual Bond)	115.74	1,475,694.44	96.450	1,229,737.50	3.3%
1,000,000	Rabobank Nederland Perpetual 2.8825% (Perpetual Bond)	1.00	1,000,000.00	0.969	968,800.00	2.6%



Interim Only

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
31 March 2017

Account Number: 1870575

Advisor Name: Philip Williams

New Zealand Dollar		Local Currency			
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value % Asset (1)
			32,482,870.36		32,915,218.96 87.8%
Total			37,033,049.49		37,492,733.60 100.0%
<p>Exchange rate to New Zealand Dollar (FX = 1.0000)</p> <p>New Zealand Dollar Market Value of New Zealand Dollar assets:</p> <p>\$37,492,733.60</p>					

Securities traded in this market are held by Forsyth Barr Custodians Ltd, New Zealand, with the exception of cash which is held by Forsyth Barr Cash Management Nominees Ltd, New Zealand.



Caren J Rangi & Mark T Kilmister ATF Eastern&Central
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Page

1 of 1

Date

04 April 2017

Investor Name

Caren J Rangi & Mark T Kilmister ATF
Eastern&Central Community Trust

Investor Number

500101332

TFN/ABN Status

Tax Exempt

Financial Adviser

Default

Duplicate Copy

Your client recently received the following correspondence.

Transaction Statement 01 Mar 2017 to 31 Mar 2017

Dear Sir / Madam,

Set out below are the details of your investment and a transaction history for the period. Please keep this statement for future reference.

Investment Summary - 31 Mar 2017

Date	Investment Fund	Price	Units Held	Market Value	%
31/03/2017	PIMCO NZD Hedged Global Strategy Fund	\$942.8369	18,732.0910	\$17,661,306.61	100.00
31/03/2017	Total Investments			\$17,661,306.61	

Fund Transactions

PIMCO NZD Hedged Global Strategy Fund

Date	Transactions	Unit Price (\$)	Transaction Units	Amount (\$)	Unit Balance
01/03/2017	Opening Balance	941.2326		17,631,254.72	18,732.0910
31/03/2017	Closing Balance	942.8369		17,661,306.61	18,732.0910

If you have any questions about your investment, please contact your adviser, or call us on 1300 113 547.

Regards,

PIMCO Investor Services.