



Eastern & Central
**COMMUNITY
TRUST**

Helping fund a better community

EXECUTIVE MEETING
Wednesday 24th June 2015
Commencing at 3:00 p.m.

AGENDA PAPERS

**AGENDA FOR A MEETING OF THE EXECUTIVE COMMITTEE OF THE
EASTERN AND CENTRAL COMMUNITY TRUST INC.,
TO BE HELD IN THE BOARD ROOM, 1ST FLOOR, WESTERMAN'S BUILDING,
102-104 RUSSELL STREET SOUTH, HASTINGS,
ON WEDNESDAY 24TH JUNE 2015, 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 BOARD ADMINISTRATION ITEMS

1. Apologies:
2. Draft Minutes of the Executive Committee Meeting held 29th April 2015: [pages 3-6](#)
3. Matters arising and action items: [pages 7-8](#)

OPERATIONAL REPORTS TO THE EXECUTIVE

4. General Manager's Report to the Committee: [page 9](#)

FINANCIAL INFORMATION PAPERS

5. Financial Report to 31st May 2015: [pages 10-12](#)
6. Summarised Financial Position & Financial Performance YTD: [pages 13-23](#)
7. Asset Allocation & Summarised Fund Manager reports: [pages 24-51](#)
8. MCA May 2015 Monthly Report: [pages 52-92](#)

EXECUTIVE DECISIONS

9. Discretionary Donation Approvals: [page 93](#)

EXECUTIVE/BOARD INFORMATION PAPERS

10. Hedging Reports: [pages 94-96](#)
11. Investment Commentaries & Market Reviews: [pages 97-102](#)
12. General Business

Report type:	Secretarial and Board Administration Items
Recommendation:	The Executive considers the Minutes of the Executive Meeting held on 29 th April 2015 and approves as a true and accurate record of the meeting.
Agenda item no:	2
Subject:	Minutes of the Executive Committee Meeting held on 29 th April 2015
Responsible for the report:	General Manager

Purpose of report:	To record the recommendations of the Executive from the Executive Meeting, including decisions taken, and to approve the minutes from 29 th April 2015 as a true and accurate record of the meeting.
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**MINUTES FOR THE MEETING OF THE EXECUTIVE COMMITTEE OF THE
EASTERN AND CENTRAL COMMUNITY TRUST INC.,
HELD IN THE MEETING ROOM, 1ST FLOOR, WESTERMAN'S BUILDING,
102-104 RUSSELL STREET SOUTH, HASTINGS,
ON WEDNESDAY 29TH APRIL 2015, COMMENCING AT 3.00 PM.**

PRESENT:

Via Teleconference: Bruce Mills (Committee Chair), Anna Hansen, Geoff Milner, Kaye McAulay (Committee Members)

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

ABSENT:

Stephen Kerr (Committee Member)

SECRETARIAL AND ADMINISTRATION ITEMS

1. Apologies

None

2. Draft Minutes of the Executive Committee Meeting held on 26th February 2015

The Executive considered the draft minutes included in the Agenda Papers for approval.

2.1 RESOLUTION

The Executive resolved to approve the minutes of the meeting held on 26th February 2015 as a true and accurate record of the meeting.

A Hansen/G Milner

CARRIED

3. Matters Arising and Action Items

No matters arising.

Action Items:

- Andrew Hunt Presentation was fantastic; K McAulay provided slides to the GM to be put on the website under Trustee Login. **ACTION ITEM**
- Elevation Capital Interest rate: 3.5% on call; same as ECCT's on call rate but we could get 4.3% on 3 month TD; The GM suggests we not bring funds in house at this time, but need larger discussion in June re Chris Swasbrook's management of the portfolio; Two year review is June or July – need to pose the question because sitting on the cash has an opportunity cost.
- Capital Base figure: expect paper at the May Trust meeting followed by larger discussion at the Investment Retreat in June.

OPERATIONAL REPORTS TO THE COMMITTEE

4. General Manager's Report to the Committee

Noted:

- Significant learning from the recent Hedging experience.
- The GM circulated an e-mail from Michael Chamberlain on Hedging – this should have been included in the Agenda Papers.
- The GM requested feedback on whether his report is detailed enough, also the role of the Committee – is the main focus on the Financials? The Committee responded – yes focus is on Financials, but also to be informed of any concerns that need to be raised before the next Trust Meeting.

FINANCIAL INFORMATION PAPERS

5. Financial Report to 31st March 2015

The Trust's Financial Position and Financial Performance to March were included in the Agenda Papers.

Noted:

- Good financial result for the year.
- Page 11: Depreciation (and Amortisation of TKP) is a non-cash expense, but should be included in the Budget. The GM to amend the Budget and notify the Board in the May Agenda Papers. **ACTION ITEM**
- Page 12: Question raised about whether we should be covering the full cost of Pool Reviews – the GM reiterated that the reports can have a direct financial benefit to ECCT resulting in reduced donation needs.

6. Summarised Financial Position & Financial Performance YTD

Noted:

- Page 15: Negative expenses are a red flag for Trustees – please include a note on any negative expenses in the future. **ACTION ITEM**
- Page 16: \$13.6M of \$14M bottom line is due to unrealised income – in a market downturn we could lose this – discussion for Investment Retreat on whether we realise some of it and if yes, how.
- Page 19: Credit card includes \$1,800 for Bev Watkins farewell dinner.
- Page 20:
 - Ricochet Trampoline Club will be requesting a six month extension.
 - Te Mata Park Trust Board is pulling the plug on the Education Centre; The GM expects we will receive a new application once the dust settles; Trustees commissioned an independent report, which suggested they would be able to raise the development funds, but not manage ongoing operating and maintenance costs – the GM to ask for this report as it could be a good resource for future large projects. **ACTION ITEM.**
- Page 21: Total is overstated by \$9,337 due to error in posting write-back, will be corrected. G Milner – would be good to have a note attached to any from 2013 detailing ECCT communications with the organisation. **ACTION ITEM**

7. Asset Allocation & Summarised Fund Managers Reports

Noted:

- Page 32: PIMCO is doing well – returning good income and growth. Per the GM – Michael Chamberlain believes we should consider investing more in overseas bonds.
- Page 40: Still need a decision re how to deal with gap in 5-10-year maturities – likely won't be included in the May Agenda, but decision needs to be made in June.
ACTION ITEM

8. MCA March 2015 Monthly Report

Nothing noted.

EXECUTIVE DECISIONS

9. Discretionary Donations

None.

EXECUTIVE / BOARD INFORMATION PAPERS

10. Hedging Reports

Noted the e-mail from Michael Chamberlain dated Wednesday 29th April and decision required on upcoming hedging rollover.

10.1 RESOLUTION

The Executive resolved to make a recommendation to the Board via e-mail to maintain the current positions of 50% hedging against the Euro and Pound and nil against the Australian dollar per recommendation 9 in Michael Chamberlain's e-mail dated Wednesday 29th April. Also to follow Michael Chamberlain's recommendation 11 by reviewing our US dollar position after tomorrow's RBNZ announcement and to follow up with a recommendation to the Board via e-mail to either maintain hedging of nil against the US dollar or move to 25%.

B Mills/K McAulay

CARRIED

11. Investment Commentaries and Market Reviews

Nothing noted.

GENERAL BUSINESS

12. General Business Items

Noted:

- The GM is collating reports from the Philanthropy NZ Conference. G Milner to send out a reminder to Trustees to submit reports by Friday 15th May, so the GM can circulate with May 21st Agenda Papers. **ACTION ITEM**
- Michael Chamberlain recently sold the SuperLife segment of his business, but this is separate to MCA, so no impact on ECCT.

13. Next Executive meeting will be held on Thursday 25th June at 9am.

14. Close of Executive Committee Meeting

There being no further business, B Mills closed the meeting at 3.38pm.

Report type:	Secretarial and Board Administration Items
Recommendation:	The Executive receives the Action Plan from the previous Executive Meeting dated 29 th April 2015.
Agenda item no:	3
Subject:	Executive action items and matters arising progress report
Responsible for the report:	General Manager

Purpose of report:	To ensure that assigned tasks are monitored and completed.
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EXECUTIVE COMMITTEE ACTION PLAN

Meeting Date; 29th April 2015

#	ACTION	WHO	WHEN	STATUS
1	Add amended Trustee exit interview strategy to plan and charter	Jonathan	At Governance Charter Review	Pending
2	Portfolio Allocation – Discuss mandate with Michael Chamberlain and include in March meeting	Jonathan	March	To be discussed in June Strategic Retreat
3	Upload NIKKO slides onto Trustee Login on Website	Jonathan	ASAP	Completed
4	Amend Budget and add depreciation and amortisation	Jonathan	May	Pending – Need to discuss with TKP
5	Negative expenses need to be noted in comments	Jonathan	ASAP	Noted
6	Te Mata Peak Trust – Request for report from consultant	Jonathan	June	This report is not completed yet
7	Note on donations back to 2013 detailing communications with them	Jonathan	June	Completed
8	NZ Bonds – Gap in maturity of future bonds may cause cashflow issues – Strategic discussion	Trustees	June	Pending
9	PNZ Reports from trustees to be sent to GM for collation and summary, Chair to remind	Chair	ASAP	Completed – in June Agenda Papers

Report type:	Operational Reports to the Executive
Recommendation:	The Executive receives and accepts <ol style="list-style-type: none">1. The Financial Report for the period to 31st May 2015.2. The General Manager's report for the period to 19th June 2015.
Agenda item no:	4
Subject:	General Manager's Report to the Executive Committee
Responsible for the report:	Jonathan Bell

Purpose of report:	To inform the Executive of progress and/or exceptions to the achievement of the 2015/16 Annual Plan (inclusive of key Financial performance measures to 31 st May), and other KPI's to 19 th June 2015. To flag any items of risk for the Executive and to flag any other items of significance to the Executive.
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1.0 Financial Performance

1.1 Financial Position & Financial Performance

With only two months into the financial year it is still too early to determine any trends or issues. My comments after the dashboard summarise the main points. Please note that the rebalancing of the Forsyth Barr portfolio means that Brokerage Fees are well over budget for the year.

1.2 Balance Sheet – Strong growth in the equity portfolios has increased our asset base by some \$4.5 mill during the past month.

1.3 Hedging Report – The hedging report as end of May is included. This shows a negative of \$359k. All currencies have taken a pounding over the last month.

2 Risk Register

There is nothing which has happened in the past month which needs to be brought to the attention of the Executive or the Trustees.

3 HR













Nothing to report.

Jonathan Bell
General Manager
June 19th 2015






Report type:	Financial Information Papers
Recommendation:	The Executive notes the financial position, financial performance, asset allocation, and summarized fund manager reports as at 31 st May 2015.
Agenda item no:	5 to 7
Subject:	Financial Reports
Responsible for the report:	General Manager

Purpose of report:	To inform the Executive of where the funds of the Board are invested, the overall performance of the diversified investment portfolio and the current asset allocation and compare performance against budget and agreed benchmarks.
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ECCT MONTHLY FINANCIAL REPORTING DASHBOARD

Month End	Comparison Current Month to Budget			Comparison YTD to Budget		
	31st May 2015			31st May 2015		
	Actual (000's)	Budget (000's)		Actual (000's)	Budget (000's)	
Gross Realised Income	\$ 0.998	\$ 0.708		\$ 2.186	\$ 1.760	
Expenses	\$ 0.186	\$ 0.139		\$ 0.369	\$ 0.285	
Net Realised Income	\$ 0.812	\$ 0.569		\$ 1.817	\$ 1.475	
Donations	\$ 1.051	\$ 0.960		\$ 1.036	\$ 0.963	
Profit/Loss	-\$ 0.239	-\$ 0.391		\$ 0.781	\$ 0.512	
Hedging Gain/Loss	\$ 0.251			\$ 0.251		

Investments

	Apr 30 Value	May 31 Value	
Equity F Barr	51,361	54,145	
Equity E Capital	48,639	50,689	
NZ Bonds	40,370	40,642	
O'Seas Bonds	15,088	15,063	
Own Cash	5,500	5,500	
Total		166,039	


YTD Change




	(000's)	
	1,918	
	2,423	
	519	
-	430	
-		
Total		

March 31st 2015 Value

	(000's)
	52,227
	48,266
	40,123
	15,493
	5,500
Total	161,609

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

GM Commentary

	With only two months information it is difficult to assess where our income and expenses are sitting for likely YE results.
Income	Realised income for the month was ahead of budget by \$290k, and is ahead YTD by \$710k partly due to the hedging realisation of \$251k Elevation Capital income is well ahead of budget while FBARR is slightly behind. This will be monitored
Expenses	Overall expenses for the month were \$186k against a budget of \$139k, a difference of \$47k. Monthly expenses were higher in : <ul style="list-style-type: none">Promotion; Extra costs incurred in Gisborne Funding clinic and meetingComputer Expenses; TKP charges budgeted for in June rather than MayBrokerage Fees; Richard Burton is rebalancing the portfolio, more so than I budgeted for YTD Expenses with a greater than 5% variance against budget : <ul style="list-style-type: none">Computer Services; Timing issueFund Managers Fees; Well below budgetBrokerage Fees; As noted above
	Overall we are \$269k ahead of budget YTD for realised income
Donations	Approved donations are slightly ahead of budget by \$91k
Balance Sheet	Good gains in the Two Equities portfolios for the month NZ Bonds made a modest gain and PIMCO have reduced slightly, Term Deposits remain the same Total net assets have increased by \$4.4m from the beginning of the Financial Year

Eastern & Central Community Trust
Statement of Financial Position
As at 31 May, 2015

	Actual	Last Year
Trust Funds		
Surplus Income	3,631,299	14,085,026
General Reserves	148,247,703	148,247,703
Revaluation Reserves	14,085,026	-
Total Trust Funds	165,964,028	162,332,729
Current Assets		
Petty Cash	5	5
Current	10,716	387,548
Imprest	523	661
Call	1,896,781	883,957
Conference Current 2015	-	15,826
Sundry Debtors	42,647	34,538
Prepayment of fees	9,210	-
Total Current Assets	1,959,882	1,322,535
Investment Assets		
New Zealand		
Shares Forsyth Barr	54,144,580	52,227,000
Shares Elevation Capital	50,688,907	48,266,473
Hedging Contracts NZ	(356,982)	804,112
Cash Self Term Deposits	5,500,000	5,500,000
Bonds Self	40,642,227	40,123,905
Te Kete Putea Ltd Partnership	72,525	72,525
Private Equity Pioneer Capital	674,547	674,547
Total New Zealand Investments	151,365,803	147,668,562
Overseas		
Bonds Pimco	15,063,633	15,493,498
Total Overseas Investments	15,063,633	15,493,498
Total Current and Investment Assets	168,389,318	164,484,595
Fixed Assets		
Fixed Assets at Cost	188,447	188,447
Accumulated Depreciation	(157,297)	(154,986)
Total Fixed Assets	31,150	33,461
Total Assets	168,420,468	164,518,056
Current Liabilities		
Donation Creditors	2,312,683	1,939,042
Trade Creditors	83,727	167,639
Creditor Accruals	60,029	78,646
Total Current Liabilities	2,456,440	2,185,327
Net Assets	165,964,028	162,332,729

Eastern & Central Community Trust
Statement of Financial Performance
For The 2 Periods Ending 31 May, 2015



	Current Month			Year to date			Full year	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
Income								
Realised Investment Income								
New Zealand								
Shares FBarr Interest	7,673	300	232	16,018	1,800	2,079	7,000	16,585
Shares FBarr Dividend	191,634	200,000	167,072	431,371	500,000	437,410	1,968,750	1,753,015
Shares ECap Interest	3,244	500	5,613	7,292	1,000	11,047	7,000	55,278
Shares ECap Dividend	268,955	160,000	167,056	617,706	490,000	536,138	1,848,750	1,930,085
Hedging gain/loss	251,093	-	1,369,493	251,093	-	1,369,493	-	(323,160)
Bonds Self Interest	250,317	320,000	320,411	465,090	500,000	495,337	2,400,000	2,538,995
Bonds Self Disposal gain/loss	-	-	-	-	-	-	-	(2,079)
Cash Self Realised Income	24,598	27,000	49,249	48,397	55,000	126,537	336,000	387,870
Sundry income	-	-	-	-	-	-	170	170
	997,513	707,800	2,079,126	1,836,968	1,547,800	2,978,039	6,567,670	6,356,759
Overseas								
Shares SSGA Dividend	-	-	-	-	-	3,825	-	7,823
Bonds Pimco Interest	-	-	-	348,604	212,500	241,543	850,000	999,679
	-	-	-	348,604	212,500	245,368	850,000	1,007,503
Total Realised Income	997,513	707,800	2,079,126	2,185,572	1,760,300	3,223,407	7,417,670	7,364,261
Unrealised Investment Income								
New Zealand								
Shares FBarr change in Currency	2,561,600	-	305,010	2,738,131	-	682,993	-	1,606,016
Shares FBarr change in Value	257,477	-	344,375	(727,931)	-	1,116,034	-	6,488,180
Shares ECap change in Currency	2,550,096	-	405,303	2,703,419	-	767,906	-	2,248,373
Shares ECap change in Value	(560,644)	-	297,952	(340,457)	-	1,007,870	-	2,457,131
Hedging change in Value	(991,405)	-	(1,296,033)	(1,161,094)	-	(1,716,874)	-	(548,878)
Bonds Self change in Interest	(64,806)	-	86,987	(42,776)	-	127,023	-	676,872
Bonds Self change in Value	85,887	-	193,787	105,384	-	311,988	-	208,884
	3,838,204	-	337,382	3,274,675	-	2,296,939	-	13,136,577
Overseas								
Bonds Pimco change in Value	(19,776)	-	172,219	(425,260)	-	65,890	-	466,343
	(19,776)	-	172,219	(425,260)	-	65,890	-	466,343
Total Unrealised Income	3,818,428	-	509,601	2,849,416	-	2,362,829	-	13,602,920
Total Investment Income	4,815,942	707,800	2,588,727	5,034,987	1,760,300	5,586,236	7,417,670	20,967,182

Eastern & Central Community Trust
Statement of Financial Performance
For The 2 Periods Ending 31 May, 2015



Expenses	Current Month			Year to date			Full year	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
Administrative Expenses								
Advertising - Statutory	-	-	-	-	-	(18,000)	17,000	13,411
Promotion	7,703	3,000	3,028	15,136	13,000	3,773	70,000	54,513
Rent & Services	7,742	9,000	7,978	15,800	18,000	15,929	115,000	109,577
Telephone	1,227	900	960	2,372	2,200	2,284	14,000	14,030
Postage	151	200	122	385	500	409	4,000	3,536
KiwiSaver net Contributions	1,257	1,350	1,331	2,486	2,700	2,589	17,000	18,431
Printing & Stationery	650	1,500	1,609	1,378	2,000	2,194	14,000	11,884
Insurance	-	3,000	3,087	-	3,000	3,087	6,000	7,851
General Expenses	154	200	312	233	500	9	4,000	4,720
Computer Services	9,670	400	414	21,137	12,500	12,583	80,000	67,252
Staff Remuneration	33,689	32,500	33,336	71,258	68,000	69,743	450,000	482,611
Staff Training	-	-	-	1,139	650	-	8,000	2,034
Staff Travel	2,426	3,500	2,996	3,050	5,300	4,201	30,000	18,728
ACC Levies	-	-	-	-	-	(2,025)	1,500	(544)
Total Administrative Expenses	64,668	55,550	55,173	134,372	128,350	96,776	830,500	808,035
Trustees Expenses								
Trustees Remuneration	13,177	13,400	13,177	26,354	26,800	26,354	175,000	171,300
Meeting Expenses	6,226	5,000	4,752	10,206	6,000	5,145	58,000	53,873
Trustee Training	49	-	-	962	-	-	12,000	1,731
Liability Insurance	-	-	-	-	-	-	10,000	9,537
Total Trustee Expenses	19,452	18,400	17,929	37,522	32,800	31,499	255,000	236,440
Fee Expenses								
Affiliation Fees	-	-	-	-	-	-	7,500	6,325
Conference Fees	893	-	-	16,719	-	-	20,000	(960)
Donation Expenses	-	1,000	-	-	2,500	1,150	30,000	24,015
Professional Expenses	5,934	7,000	10,375	7,737	21,000	8,250	90,000	89,841
Audit Fees	1,719	7,000	11,885	3,519	7,000	-	20,000	29,205
Brokerage Fees	64,637	-	282	99,072	10,000	1,833	25,000	57,894
Custodian Fees	734	3,800	5,896	5,444	3,800	5,825	41,000	49,050
Fund Managers Fees	27,059	46,000	44,081	61,401	80,000	76,859	370,000	379,101
Total Fee Expenses	100,975	64,800	72,320	193,891	124,300	93,917	603,500	634,471
Depreciation	1,156	-	1,673	2,311	-	3,328	-	17,289
Amortisation	-	-	-	-	-	-	-	18,131
Profit/Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	248
Total Expenses	186,250	138,750	147,095	368,096	285,450	225,521	1,689,000	1,714,615

Eastern & Central Community Trust
Statement of Financial Performance
For The 2 Periods Ending 31 May, 2015



	Current Month			Year to date			Full year	
	Actual	Budget	Last Year	Actual	Budget	Last Year	Budget	Last Year
Donations								
Community Donations								
Special Donations	357,500	350,000	368,000	357,500	350,000	368,000	2,970,000	2,607,349
Standard Donations	350,020	340,000	359,215	350,020	340,000	359,215	1,900,000	2,040,973
Discretionary Donations	-	-	-	-	3,000	3,500	20,000	25,143
Education Initiatives	93,500	20,000	92,500	93,500	20,000	92,500	200,000	92,500
Sport Trusts	-	-	-	-	-	-	340,000	320,000
Summer Reading Programme	250,000	250,000	230,000	250,000	250,000	230,000	250,000	230,000
Total Donations Approved	1,051,020	960,000	1,049,715	1,051,020	963,000	1,053,215	5,680,000	5,315,965
Less Donations Written Back	(428)	-	(4,000)	(15,428)	-	(40,275)	-	(148,424)
Total Community Donations	1,050,592	960,000	1,045,715	1,035,592	963,000	1,012,940	5,680,000	5,167,541
Surplus Income	3,579,100	(390,950)	1,395,916	3,631,299	511,850	4,347,776	48,670	14,085,026

EASTERN & CENTRAL COMMUNITY TRUST

CASHFLOW REPORT

FOR THE MONTH ENDING 31 MAY 2015

Westpac Call Account

Opening Statement Balance	1,597,590
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CASH OUTFLOWS:

Transfer to Current Account	240,000
Monthly Interest to Current Account	
Purchase Term Deposit	

Total cash outflows	240,000
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CASH INFLOWS:

Transfer From Current Account	535,000
Interest	4,191
Maturing Term Deposits	

Total cash inflows	539,191
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Closing Statement Balance	1,896,781
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EASTERN & CENTRAL COMMUNITY TRUST

CASHFLOW & PAYMENT AUTHORISATION REPORT

FOR THE MONTH ENDING 31 MAY 2015

Westpac Current Account

Opening Statement Balance	11,027	0
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CASH OUTFLOWS:

Payments to creditors	100,330	}
Other expenses & Wages	40,462	
Donations	209,399	
Purchase of fixed asset	0	
Capital Items		
-Purchase of Term Deposit	1,000,000	
-Fee expenses	0	
-Transfer to call a/c	535,000	
-Transfer to imp a/c	1,000	
-Transfer to Elevation Capital	0	
-Transfer to Forsyth Barr	0	
-Transfer to Pioneer Capital	0	
Hedging Close Out	0	
PIMCO	0	
Total cash outflows	1,886,191	

CASH INFLOWS:

Interest Received (Current & Term Deposits)	10,442
Dividends & Interest (Investment Managers)	383,232
Debtors	684
BNZ Hedge roll	251,093
Donations Written Back	428
Sale of fixed assets	0
Capital Items	
-Maturing Term Deposits	1,000,000
-Transfer from Pimco	0
-Transfer from Forsyth Barr	0
-Transfer from call a/c	240,000
-Transfer from imp a/c	0

Total cash inflows	1,885,879
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Closing Statement Balance	10,715
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Unpresented Cheques	0
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Closing Cashbook Balance	10,715
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SCHEDULE OF PAYMENTS FROM THE CURRENT ACCOUNT FOR THE MONTH

For the month of May 2015

The following creditor payments were accounted for in the previous month.

CREDITORS	PURPOSE	Payment Method	AMOUNT
AAA Services	Cleaning	dc	\$668.84
Aspire	Milk	dc	\$28.11
Clansman Motel	Trustees' Accommodation	dc	\$0.00
Contact Energy	Power	dd	\$575.17
Corporate Trustee Services	custody fee	dc	\$4,709.86
Credit card purchases		dd	\$1,483.85
Elevation Capital	fees	dc	\$12,687.50
Evaluation Consult NZ Ltd	Outcomes Monitoring System	dc	\$11,500.00
Forsyth Barr	advisory fees	dc	\$12,279.17
Foundation North	FAN meeting costs	dc	\$892.88
Greg Kelly Law	Amendments to Trust Deed	dc	\$1,019.00
Grow Human Resources	Performance review template	dc	\$575.00
Grow Ltd	course (RA) Evaluating Community ch	dc	\$454.25
Hatmar Holdings	Parking	AP	\$552.00
Hatmar Holdings	Rent	AP	\$4,821.72
Hatmar Holdings	Boardroom / rates	dc	\$1,429.79
HB Office Products	stationery	dc	\$644.00
HB Technologies	computer support/photocopy charge	dc	\$1,509.29
HSM	alarm monitoring / callouts	dc	\$143.49
Inland Revenue Department	PAYE	dc	\$13,996.00
Mobile Finance Manager	Andy Arcus	dc	\$2,587.50
Nilsson & Watson (House of Travel)	conference expenses	dc	\$913.00
Nilsson & Watson (House of Travel)	G Milner - Auckland	dc	\$49.20
NZ Post	Postage	dc	\$197.20
OK Media	Donation articles	dc	\$583.05
Pitney Bowes	Monthly lease for franking	AP	\$30.48
TPK	database/help desk	dc	\$28,546.36
Telecom	Telephone costs	DD	\$1,230.32
Tracta	Advertising	dc	\$398.48
Warehouse Stationery	Stationery	dc	\$121.35
Write Limited	Business writing course (JB)	dc	\$684.25
Xplore.Net Solutions	Website	dc	\$57.50
Trf to imprest			\$1,000.00
			\$106,368.61
<u>REMUNERATION (includes reimbursement of travel)</u>			
Staff & Trustees	Remuneration (net) paid 11.5.2015	dc	\$17,586.46
Staff & Trustees	Remuneration (net) paid 25.5.2014	dc	\$17,501.92
<u>DONATION PAYMENTS</u>			
Donations		dc	\$209,399.00
TOTAL PAYMENTS FOR THE MONTH			\$350,855.99

Key to Payment Method

AP	Automatic Payment
dc	Direct Credit
DD	Direct Debit
CHQ	Cheque
TT	Telegraphic Transfer

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				
895	Ricochet Trampoline Club	22779	23-May-13	9,500.00
7,442	Te Ara Tika Trust	22855	25-Jul-13	4,000.00
4,403	Feilding & District Steam Rail Society Inc	22877	25-Jul-13	25,000.00
2,437	Te Mata Park Trust Board	22780	26-Sep-13	200,000.00
7,038	Te Whare Whai Matauranga o Turanga Literacy House	22780	23-Jan-14	4,000.00
1,826	Pahiatua Railcar Society Inc	23338	23-Jan-14	20,000.00
451	Hastings Boys' High School	23497	22-May-14	11,000.00
6,296	Matapuna Trust	23515	22-May-14	20,000.00
6,554	Pahiatua On Track Inc	23516	22-May-14	15,000.00
331	Feilding Playcentre	23544	22-May-14	3,500.00
1,463	Gisborne Hospital Child Care Society Inc	23545	22-May-14	3,500.00
1,593	Marotiri Kohango Reo	23553	22-May-14	3,500.00
6,099	Taokotaianga Apii Kuki Airani Hastings Inc	23601	22-May-14	3,500.00
7,544	Hinemihī Marae	23677	24-Jul-14	44,000.00
7,339	Parent Teachers Association Feilding High School	23763	24-Jul-14	1,000.00
3,815	Wairarapa Sports Artificial Surface Trust Inc	23340	25-Sep-14	20,000.00
1,377	Eskdale School	23685	25-Sep-14	49,000.00
4,924	Eketahuna Golf Club Inc	23824	25-Sep-14	6,000.00
297	South City Playcentre	23844	25-Sep-14	3,500.00
1,126	Waimarama Surf Life Saving Club	23777	27-Nov-14	30,000.00
7,576	Cross Creek Railway Society Incorporated	23802	27-Nov-14	15,000.00
1,664	Manawatu District Council	23889	27-Nov-14	200,000.00
6,906	Hospice Wairarapa Community Trust Board	23982	27-Nov-14	20,000.00
6,512	Hawke's Bay Regional Sports Park Trust	23986	27-Nov-14	60,000.00
7,604	Clifton County Cricket Club	24001	27-Nov-14	30,000.00
7,321	Wings Over Wairarapa Community Trust	24107	27-Nov-14	20,000.00
6,450	Pukaha Mount Bruce Board	23978	29-Jan-15	120,000.00
963	Sherwood School	24090	29-Jan-15	10,000.00
6,056	Manawatu Estuary Trust	24095	29-Jan-15	3,000.00
850	Pirinoa School	24105	29-Jan-15	5,000.00
1,669	Central Hawke's Bay Settlers Museum Inc	24114	29-Jan-15	10,000.00
4,867	Mahia Boating and Fishing Club Inc	24132	29-Jan-15	10,000.00
7,637	Young at Heart Parent Support Group	24154	29-Jan-15	2,000.00
4,321	South Wairarapa District Council	24151	26-Mar-15	200,000.00
4,170	Ross Intermediate School	24173	26-Mar-15	10,000.00
2,210	Waipukurau Bowling Club Inc	24180	26-Mar-15	40,000.00
7,403	New Zealand Red Cross	24182	26-Mar-15	6,000.00
7,381	JTD Solutions Limited	24185	26-Mar-15	4,000.00
4,191	Porangahau Country Club Inc	24189	26-Mar-15	20,000.00
2,314	Anglican Parish of Gisborne	24205	26-Mar-15	6,600.00
6,462	Legacy Centre	24217	26-Mar-15	4,000.00
780	Onga Onga School	24085	28-May-15	20,000.00
1,200	Young Men's Christian Assn - Gisborne Inc	24176	28-May-15	20,000.00
3,666	Tamatea Rugby & Sports Club Inc	24194	28-May-15	17,000.00
7,667	Wairarapa & Ruahine Aero Club Inc	24216	28-May-15	1,800.00
7,535	Connecting for Youth Employment Trust	24225	28-May-15	4,000.00
6,658	Horowhenua Kids Teens & Family Trust	24226	28-May-15	4,000.00
818	Palmerston Nth Boys' High School	24227	28-May-15	30,000.00
6,043	Springhill District Society Inc	24228	28-May-15	3,100.00
6,277	Tu Toa Project Charitable Trust	24229	28-May-15	15,000.00

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
4,886	Maraenui Golf Club Inc	24301	28-May-15	9,000.00
6,274	Totara Trust - Horowhenua	24302	28-May-15	4,000.00
3,778	Wainui Surf Life Saving Club	24303	28-May-15	20,000.00
1,843	Parent to Parent - Manawatu	24304	28-May-15	4,000.00
1,012	St Vincent de Paul Society - Hastings	24305	28-May-15	4,000.00
6,244	Waipawa Sports Club Inc	24306	28-May-15	4,000.00
2,940	Aubyn Live Theatre Incorporated	24307	28-May-15	4,000.00
540	Holyoake Kindergarten	24309	28-May-15	1,500.00
5,068	Manawatu Savage Club Inc	24310	28-May-15	4,000.00
813	Pahiatua Toy Library Inc	24311	28-May-15	1,700.00
3,467	Phoenix Inc. - Palmerston North	24312	28-May-15	4,000.00
7,284	Taekwondo Manawatu	24313	28-May-15	3,300.00
3,659	Takapau School	24314	28-May-15	4,000.00
5,137	Waipapu Anglican Social Services Trust Board	24315	28-May-15	40,000.00
3,711	Te Kohanga Reo O Te Reo Tupua O Awapuni	24317	28-May-15	520.00
4,164	Kahungunu Health Services Charitable Trust	24318	28-May-15	3,500.00
6,752	Palmerston Nth Marist Football Club Inc	24319	28-May-15	4,000.00
7,677	Passionart New Zealand Incorporated	24320	28-May-15	4,000.00
1,493	Creative Hastings Incorporated	24321	28-May-15	24,500.00
7,675	Connected Media Charitable Trust	24322	28-May-15	15,000.00
5,610	Palmerston Nth Golf Club	24323	28-May-15	3,000.00
284	Disability Resource Centre Hawke's Bay Inc	24324	28-May-15	4,000.00
4,394	Netball Manawatu Centre Inc	24327	28-May-15	4,000.00
6,422	Number 4 District Federation of NZ Soccer Incorporated	24328	28-May-15	3,000.00
6,777	Tangata Whenua Community & Voluntary Sector Resource Inc.	24329	28-May-15	4,000.00
5,991	Waiohiki Community Charitable Trust	24330	28-May-15	2,000.00
1,157	Wairarapa Women's Centre Inc	24331	28-May-15	4,000.00
227	Citizens Advice Bureau - Hastings	24333	28-May-15	4,000.00
2,943	Hastings Blue Light Ventures Inc	24334	28-May-15	4,000.00
6,583	Manawatu Stewart Centre Trust	24336	28-May-15	4,000.00
889	Masterton Red Star Rugby Club	24337	28-May-15	4,000.00
811	Pahiatua Junior Football Club	24338	28-May-15	4,000.00
5,758	Wairarapa Stars Trust	24339	28-May-15	4,000.00
7,319	Wairarapa Health History Group	24340	28-May-15	4,000.00
2,816	Financial Freedom Trust	24341	28-May-15	4,000.00
2,118	Wairarapa Rural Education Activities Programme	24236	29-May-15	93,500.00
4,847	Summer Reading Programme	24239	29-May-15	250,000.00
Total for Eastern And Central				2,322,620.00

Report Totals

2,322,620.00

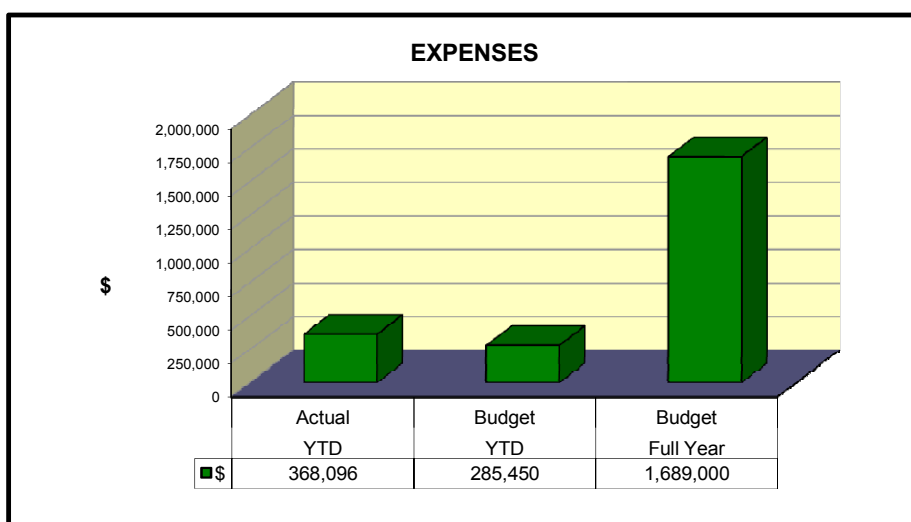
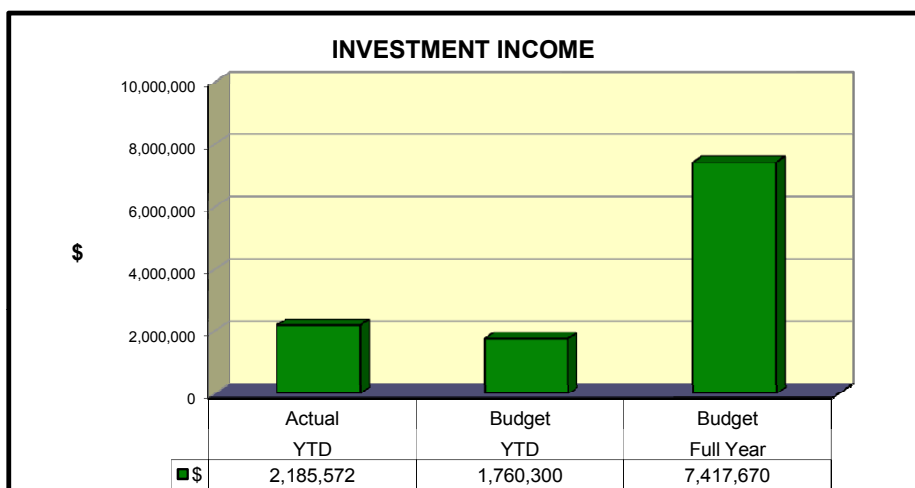
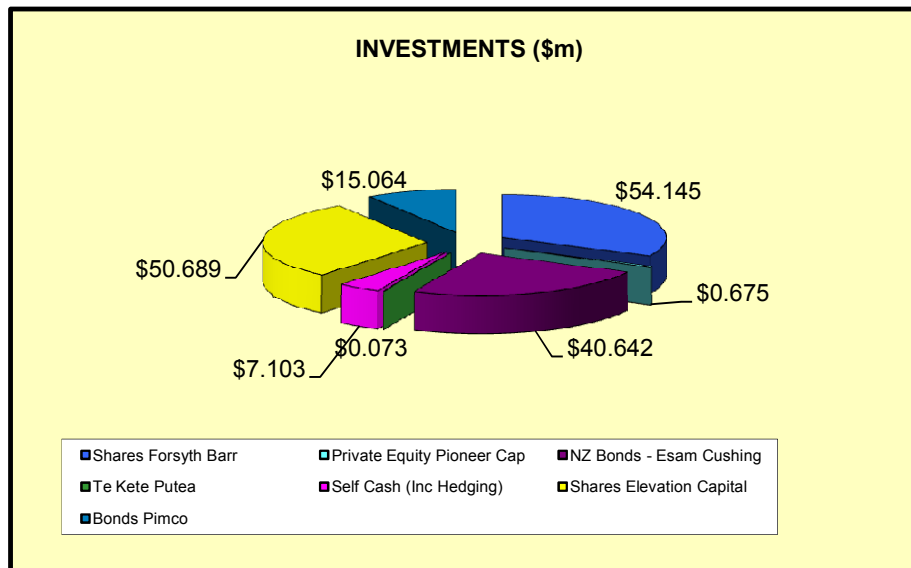
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Variance

9937

Donation Recipients Communications Updates – 2013 approvals

Organisation	Value	Contact/Action	Date
Ricochet Trampoline Club	\$9,500	Extension Granted- six months	Meeting March 2015
Te Ara Tika Trust	\$4,000	Letters sent	March 16 th 2015
Feilding & District Steam Rail Society	\$25,000	Letters sent	March 16 th 2015
Te Mata Trust board	\$200,000	Met with Trustees and they are withdrawing application	June 2nd
Bay View Bowling Club	\$15,000	Letter	Written back 10/04/2015
Makirikiri Marae	\$30,000	Paid	May 2015



E&CCT ASSET ALLOCATION

[back to agenda](#)

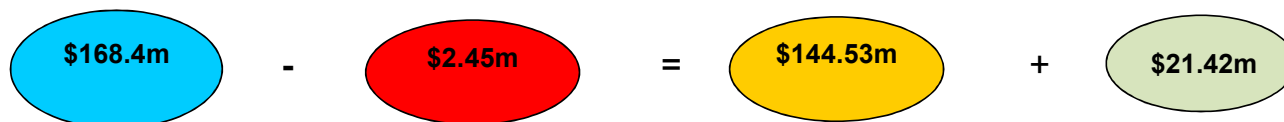
AS AT 31st MAY 2015

CURRENT ASSETS

LIABILITIES

CAPITAL BASE

RESERVES

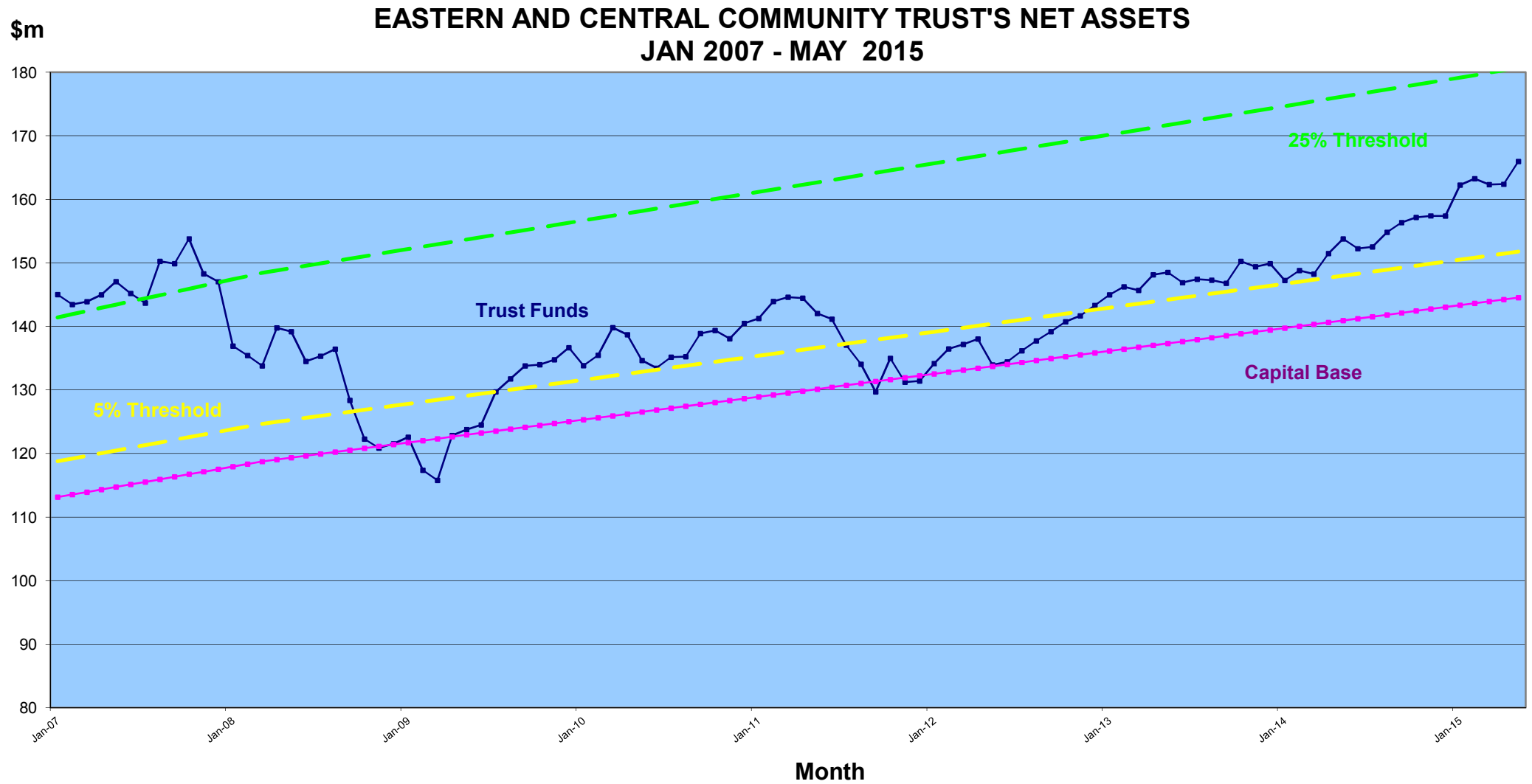


Benchmark (For Capital Base + maximum 25% in reserves)		Allowable Range	Tactical Target Updated 25th January 2013	Actual Value \$m	Percentage of Current Assets	Percentage Variance from target	Variance from tactical target
60%	GROWTH ASSETS	50 - 65%	60%	\$105.5	62.7%	2.7%	\$4.5
30.0%	Shares Forsyth Barr	22.5% - 37.5%	30.0%	\$54.1	32.2%	2.2%	\$3.6
30.0%	Shares Elevation Capital	22.5% - 37.5%	30.0%	\$50.7	30.1%	0.1%	\$0.2
0%	Private Equity	0% - 0%	0%	\$0.7	0.4%	0.4%	\$0.7
35%	INCOME ASSETS	25 - 45%	35%	\$55.7	33.1%	-1.9%	-\$3.2
27.5%	NZ Bonds	20 - 35%	27.5%	\$40.6	24.1%	-3.4%	-\$5.7
7.5%	Overseas Bonds	5% - 10%	7.5%	\$15.1	8.9%	1.4%	\$2.4
5%	LIQUID ASSETS	2 - 10%	5%	\$6.8	4.0%	-1.0%	-\$1.2
5%	Self-managed Cash (Incl Hedges & TKP)	2 - 10%	5%	\$7.2	4.3%	-0.7%	-\$1.2
100%	TOTAL		100%	\$168.4	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%.



AS AT 4th JUNE 2015

TERM DEPOSITS

<u>Value</u>	<u>Bank</u>	<u>Date Invested</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 2,000,000	Westpac	7-Apr-15	91	4.39%	7/07/2015
\$ 1,000,000	BNZ	5-May-15	92	4.32%	5/08/2015
\$ 2,500,000	BNZ	4-Jun-15	91	4.16%	3/09/2015
\$ 5,500,000	TOTAL				

CURRENT ASSETS

As at 31st March

<u>Bank</u>	<u>Cashbook</u>	<u>Statement</u>
Westpac Call Account	\$1,896,781.09	
Westpac Current	\$11,027.00	\$0.00
Westpac Imprest	\$318.86	
Petty Cash	\$18.30	
	\$1,908,145.25	

INVESTMENTS WITH NZ BANKS

Policy check - Maximum allowable exposure to any one Bank is the higher of either \$6 million or 40% of current assets when current assets are over \$15 million.

ASB	\$ -	0.0%
BNZ	\$ 1,000,000.00	13.5%
ANZ	\$ -	0.0%
Kiwibank	\$ -	0.0%
Westpac	\$ 4,500,000.00	60.7%
HBS	\$ -	0.0%

TOTAL CURRENT ASSETS **\$7,408,145.25** (excludes accrued interest owed)

QUOTES FOR TERM DEPOSITS TRUST

DATE Of Investment 5-Jun-15

If TD maturing, confirm arrangements and enter deposit into FMIS - bank transactions, bank entry (2200 Principle and 6210 Realised Income) Give Jill copy of bank print out & batch, insert copy in deskfile. Often have notice of arrangements at maturity, but not always.

Amount to invest \$2,500,000 Confirmed \$2,500,000

Bank Accepted BNZ
Rate 4.16%
Maturity Date 3-Sep-15
Number of days 91 Ask
Account Number 03 0642 0797656 00
Dealer Chris

arranged. Finance/Authority letters/E&CCT Bank TD

ben taylor

	ASB	BNZ	ANZ	Westpac	KIWIBANK	HBS Bank
Contact Telephone	Joshua Hambly 0800 272 332 arthur	Ext 46339	Karl 830 0983	Andrew mark (2) 0800 334 020 client 650681	Mark Barton or Jon Schicker 0800 11 33 15	Kelly DD 870 9066
Rate Offered	Nil Jake	4.16% Chris	4.14% Karl	3.89% Jess	4.10% Roger & Mark	4.10% Kelly
Account to withdraw Account Number	Trust Current 03 0642 0797656 00	Trust Current 03 0642 0797656 00	Trust Current 03 0642 0797656 00	Trust Current 03 0642 0797656 00	Trust Current 03 0642 0797656 00	Trust Current 03 0642 0797656 00
				john-treasury Peter Oake 834 3738 Rachel Wilson 878 0846 or 0274299006 Virginia 878 0845	roger	Jenny Lambie 870 9066

Comments for consideration and reason for decision.

Call account balance is \$1.89 mill as at 30th May 2015
Hedging rollover due 7th August, current exposure -\$356k, other funds to cover
Next TD is Westpac \$2.0 mill on 7th July 2015.
Pioneer Capital commitment nothing likely in next 4 weeks
Presently, FBEL has \$6 million cash available if an emergency.
We have \$5.5 million on Term Deposit.
Donation Creditors stand at \$2.07 mill at 30th May 2015.
Payments approved last meeting \$1 mill
Donations Payment in June of \$300k, most other donations are conditional so payment not within the next four months
Likely income from Fund Managers of \$600k before end of June

financialmarkets@kiwibank.co.nz

Term Deposit, choose cheque, select withdrawal tab, enter GL 2200, add, save, post, go to GL batch list, print, post.

2200 Cash Self Term Deposit \$2,500,000.00

Signed

Date

Expected interest on maturity \$25,928.77

Entered to Schedule Self Managed Investments and maturity date on personal calendar.

Signed

Date

ENTER MATURITY DATE ON PERSONAL CALENDAR

PORTFOLIO RECONCILIATION
Eastern & Central Community Trust
31 May 2015

Elevation Capital

Cash Reconciliation

	Schedule		NZD
30-Apr-2015		Opening Balance	2,706,836.64
	2	Capital Invested & Withdrawn	0.00
	3	Interest (RWT exempt)	3,244.35
		Interest (RWT exempt) - paid to ECCT	(4,063.39)
	4	Dividends & Distributions	206,869.50
		Dividends & Distributions - paid to ECCT	(207,724.04)
	5	Fees, Expenses & Fee Rebates	(854.79)
		Cash Movement	
	10	Shares	(786,922.45)
	6	Cash currency m/e revaluation	92,131.82
	7	Term Deposit Maturity	0.00
		FX Transactions Gain/loss	0.00
31-May-2015		Closing cash	2,009,517.65
		Closing Bank balance	2,009,517.72
		Variance	(0.08)

Asset Valuation

	Schedule		NZD
30-Apr-2015		Opening Valuation	48,639,895.70
	2	Capital Invested & Withdrawn	0.00
	7	Term deposits (incl accrued Interest)	0.00
	8	Cash	2,009,517.72
	9	Shares Valuation*	48,679,386.01
31-May-2015		Closing Valuation	50,688,903.74
		Monthly Change	2,049,008.03

PORTFOLIO RECONCILIATION
Eastern & Central Community Trust
31 May 2015

Forsyth Barr

Cash Reconciliation

	Schedule		NZD
30-Apr-2015		Opening Valuation	4,541,783.00
	2	Capital Invested & Withdrawn	0.00
	3	Interest (RWT exempt)	7,673.23
		Interest (RWT exempt) - paid to ECCT	(8,346.15)
	4	Dividends & Distributions	191,633.92
		Dividends & Distributions - paid to ECCT	(163,098.52)
	5	Fees, Expenses & Fee Rebates	(63,782.04)
		Cash Movement	
	10	Shares	(4,353,331.41)
	7	Cash Deposits	0.00
	6	Cash currency m/e revaluation	(2,637.25)
	6	FX Transactions Gain/loss	(126.81)
31-May-2015	11	Closing cash	149,767.97
		Closing Bank balance	149,767.98
		Variance	(0.01)

Asset Valuation

	Schedule		NZD
30-Apr-2015		Opening Valuation	51,361,422.50
	2	Capital Invested & Withdrawn	0.00
	7	Term deposits (incl accrued Interest)	0.00
		Cash	149,767.98
	4	Dividends & Distributions	
	6	Shares Valuation*	53,994,812.02
31-May-2015		Closing Valuation	54,144,580.00
		Monthly Change	2,783,157.50

* Share Valuation is unaudited last trading prices at month end

Investment Characteristics

Investment Statistics	
Effective Duration	6.1
Benchmark Duration	6.7
Average Maturity	9.2
Average Coupon	3.9
Average Quality	A-
Total Carry	6.6

Quality Breakdown		
MV%		MV%
Portfolio		Benchmark
11	AAA	13
11	AA	14
28	A	40
46	BBB	34
5	Sub Inv Grade	0
100	Total	100

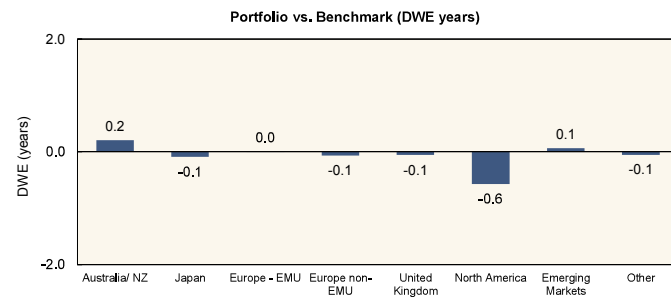
Curve Exposure				
Duration Weighted Exposure %			Duration Weighted Exposure	
Portfolio	Benchmark		Portfolio	Benchmark
0	0	0-1 years	0.0	0.0
-9	8	1-3 years	-0.5	0.5
10	13	3-5 years	0.6	0.9
25	15	5-7 years	1.5	1.0
17	7	7-8 years	1.1	0.5
13	10	8-10 years	0.8	0.7
44	47	10+ years	2.7	3.1
100	100	Total	6.1	6.7

Regional Breakdown (by currency of settlement)					
Duration Weighted Exposure %			Duration Weighted Exposure		FX Exposure
Portfolio	Benchmark		Portfolio	Benchmark	Portfolio
4.1	0.6	Australia/ NZ	0.3	0.0	98.4
9.8	10.3	Japan	0.6	0.7	-0.8
23.0	21.0	Europe - EMU	1.4	1.4	-2.6
0.0	1.0	Europe non-EMU	0.0	0.1	0.0
9.6	9.6	United Kingdom	0.6	0.6	0.1
51.9	56.0	North America	3.2	3.8	4.3
1.7	0.6	Emerging Markets	0.1	0.0	0.6
0.0	0.8	Other	0.0	0.1	0.0
100	100	Total	6.1	6.7	100.0

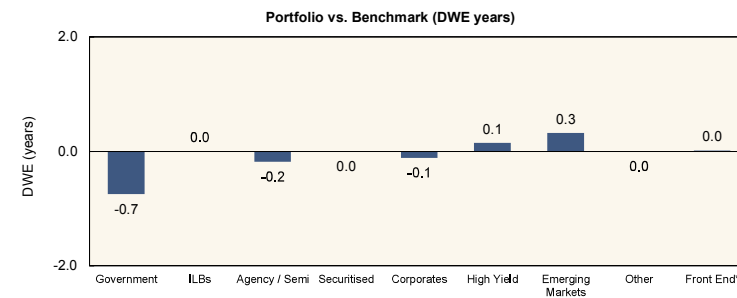
Sector Breakdown				
Duration Weighted Exposure %			Duration Weighted Exposure	
Portfolio	Benchmark		Portfolio	Benchmark
19	28	Government	1.1	1.9
0	0	ILBs	0.0	0.0
68	64	Corporates	4.2	4.3
2	0	High Yield	0.1	0.0
0	3	Agency / Semi	0.0	0.2
0	0	Securitized	0.0	0.0
0	0	Other	0.0	0.0
10	5	Emerging Markets	0.6	0.3
0	0	Front End*	0.0	0.0
100	100	Total	6.1	6.7

* Front End includes all securities that are investment grade and have a duration <= 1 year

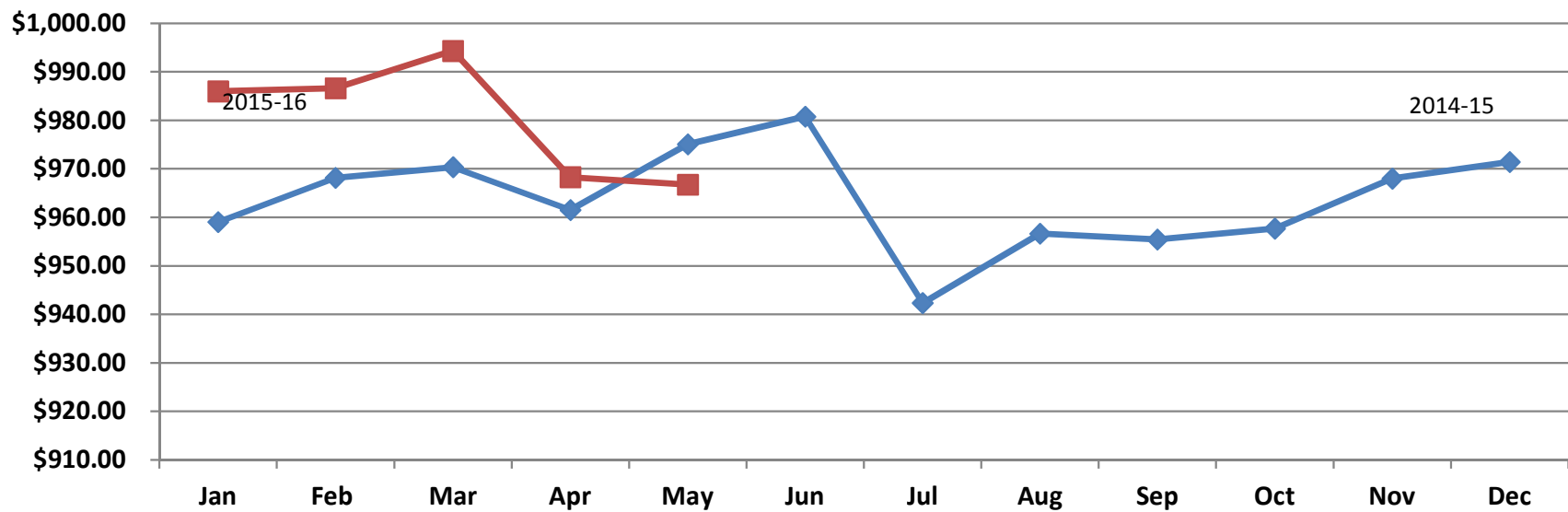
Regional Breakdown Variance



Sector Exposure Variance



PIMCO - Change in Monthly Value of Units



Summary Information

Fund Name	30/04/2015	Cash Flow	31/05/2015
	Value		Value
PIMCO NZD Hedged Global Strategy Fund	15,088,014	0	15,063,633

Performance									
	1 Month	3 Month	FYTD	1 Year	2 Year	3 Year	5 Year	10 Year	Since Inception
Fund - Net of Fees*	(0.16)	0.23	6.95	7.58	6.80				6.06
Benchmark**	(0.17)	0.25	7.58	8.15	7.42				6.86
Net of Fee Alpha	0.01	(0.02)	(0.63)	(0.57)	(0.62)				(0.80)

Base Currency: USD

Since Inception Date: 14/05/2013

Financial Year Start Date: 30/06/2014

* Fee may vary based on individual fee schedule

** The current benchmark is 70%GlobAggCorpIndx30%GlobAggGovIndxHdgNZ

Past performance is not a reliable indicator of future results.

P I M C O

Investment Characteristics

Investment Statistics	
Effective Duration	6.1
Benchmark Duration	6.7
Average Maturity	9.2
Average Coupon	3.9
Average Quality	A-
Total Carry	6.6

Quality Breakdown		
MV %		MV %
Portfolio		Benchmark
11	AAA	12
11	AA	14
28	A	40
46	BBB	34
4	Sub Inv Grade	0
100	Total	100

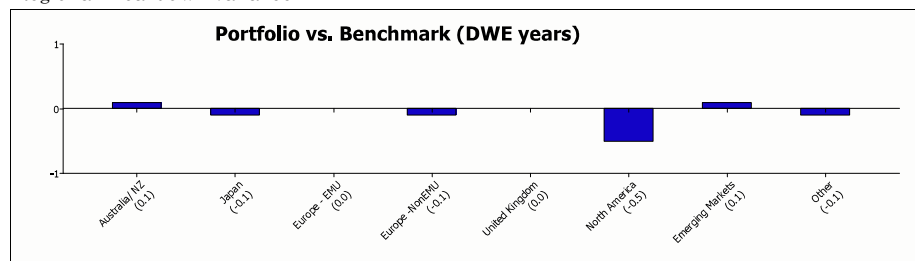
Curve Exposure				
Duration Weighted Exposure %			Duration Weighted Exposure	
Portfolio	Benchmark		Portfolio	Benchmark
0	0	0-1 years	0	0
-9	8	1-3 years	-0.6	0.5
10	13	3-5 years	0.6	0.9
25	15	5-7 years	1.5	1.0
17	7	7-8 years	1.0	0.5
13	10	8-10 years	0.8	0.7
44	47	10+ years	2.7	3.1
100	100	Total	6.1	6.7

Regional Breakdown (by currency of settlement)					
Duration Weighted Exposure %			Duration Weighted Exposure		FX Exposure
Portfolio	Benchmark		Portfolio	Benchmark	Portfolio
4.1	1.6	Australia/ NZ	0.3	0.1	98.4
9.8	10.3	Japan	0.6	0.7	-0.8
23.0	20.8	Europe - EMU	1.4	1.4	-2.6
0.0	0.9	Europe -NonEMU	0.0	0.1	0.0
9.5	9.4	United Kingdom	0.6	0.6	0.1
51.9	55.6	North America	3.2	3.7	4.3
1.7	0.6	Emerging Markets	0.1	0.0	0.6
0.0	0.8	Other	0.0	0.1	0.0
100.0	100.0	Total	6.1	6.7	100.0

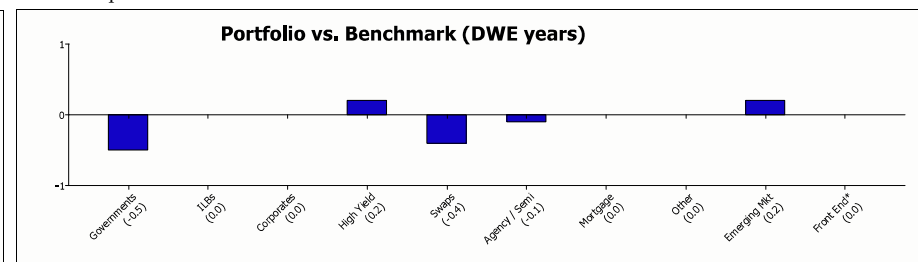
Sector Breakdown				
Duration Weighted Exposure %			Duration Weighted Exposure	
Portfolio	Benchmark		Portfolio	Benchmark
25	29	Governments	1.5	2.0
0	0	ILBs	0.0	0.0
71	65	Corporates	4.4	4.4
3	0	High Yield	0.2	0.0
-6	0	Swaps	-0.4	0.0
1	3	Agency / Semi	0.1	0.2
0	0	Mortgage	0.0	0.0
0	0	Other	0.0	0.0
6	3	Emerging Mkt	0.4	0.2
0	0	Front End*	0.0	0.0
100	100	Total	6.1	6.7

* Front End includes all securities that are investment grade and have a duration <= 1 year

Regional Breakdown Variance



Sector Exposure



For more information, please contact PIMCO Australia at 9279 1771

P I M C O

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P I M C O

**Eastern & Central Community
Trust Inc**

**Monthly Report for
May 2015**

<h2 style="text-align: center;">Transaction Summary</h2> <p style="text-align: center;">Eastern & Central Community Trust Inc</p>

The bond purchases over the period were as follows:

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

Nil

The bond sales over the period were as follows:

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

Nil

The bond maturities over the period were as follows:

Issuer	Maturity Date	Face Value	Coupon
--------	---------------	------------	--------

Nil

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.

Commentary

During **May**, the following occurred:

- The RB of Australia reduced their cash rate by 0.25% to 2% pa;
- **Nufarm Finance** (NFFHA) reset the dividend rate on its perpetual note, NFFHA. The new dividend rate is 6.1617% p.a. and will be reset again in October 2015.

During **June** the following will occur:

- \$2 million of GMT Bond Issuer Limited bonds will mature;
- \$750,000 of Powerco bonds will mature.
- We will not be seeking to replace these maturities until after the Strategic Retreat in late June.

Key Portfolio Information

Eastern & Central Community Trust Inc

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-	\$4,400,000	12.9%
BBB+	\$10,500,000	29.3%
BBB	\$3,375,000	9.9%
BBB-	\$1,500,000	4.4%
BB+	\$5,604,000	16.4%
BB	\$0	0.0%
BB-	\$0	0.0%
Not Rated	\$9,220,000	27.0%
	\$34,099,000	100%
Average Weighted Credit:		BBB-

Portfolio Summary

Eastern & Central Community Trust Inc

1870575 GPW

Sunday 31 May 2015

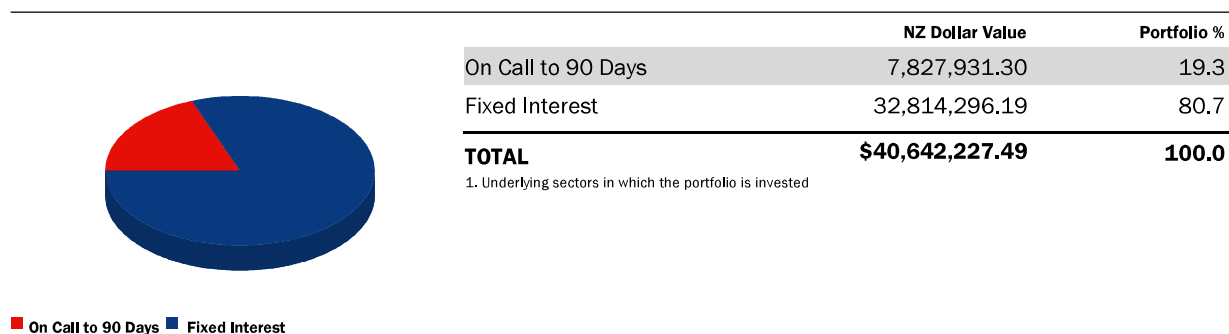
Premium Advisory Service

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 Allocation ¹



Portfolio Valuation ²



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Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
1870575 GPW

Sunday 31 May 2015

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
Cash						
At Call						
	Forsyth Barr Cash Management		4,995,154.42		4,995,154.42	12.3%
Maturing within 90 Days						
2,000,000	GMT Bond Issuer Limited 19/06/2015 7.75%	1.01	2,016,412.80	1.002	2,003,676.97	5.1%
750,000	Powerco Limited 29/06/2015 6.53%	0.95	714,584.56	1.002	751,306.26	1.9%
	Accrued Interest				77,793.65	0.2 %
			7,726,151.78		7,827,931.30	19.3%
Fixed Interest						
Direct						
500,000	Infratil Limited 15/11/2015 8.50%	1.00	500,000.00	1.014	507,159.83	1.3%
500,000	TrustPower Limited 15/12/2015 8.40%	1.00	500,000.00	1.017	508,334.01	1.3%
2,400,000	Spark Finance Limited 22/03/2016 7.04%	1.00	2,400,000.00	1.026	2,461,618.30	6.1%
1,500,000	Fletcher Building Industries Limited 15/05/2016 7.75%	1.00	1,500,000.00	1.027	1,540,129.08	3.8%
1,000,000	Genesis Energy Limited 15/09/2016 7.185%	1.01	1,005,116.20	1.039	1,039,351.91	2.6%
1,000,000	Sky Television Network Limited 16/10/2016 4.43%	1.00	995,995.00	0.994	994,000.00	2.4%
2,000,000	Auckland International Airport Limited 15/11/2016 8.00%	1.00	2,000,000.00	1.060	2,120,802.61	5.2%
1,000,000	Meridian Energy Limited 16/03/2017 7.55%	1.00	1,000,000.00	1.064	1,064,339.17	2.7%
1,926,000	Vector Limited 15/06/2017 7.00%	1.01	1,943,434.57	1.046	2,015,027.04	5.1%
1,250,000	Powerco Limited 28/09/2017 6.74%	0.93	1,158,448.47	1.051	1,314,312.23	3.3%

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
1870575 GPW

Sunday 31 May 2015

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
600,000	Kiwibank Limited 15/12/2017 5.80%	1.00	600,000.00	1.019	611,554.65	1.5%
195,000	Infratil Limited 15/11/2018 6.85%	1.00	195,000.00	1.057	206,065.70	0.5%
500,000	Fletcher Building Industries Limited 15/03/2019 6.45%	1.00	500,000.00	1.049	524,707.21	1.3%
1,375,000	Contact Energy Limited 15/05/2019 5.80%	1.00	1,375,000.00	1.051	1,444,536.85	3.6%
2,000,000	ASB Bank Limited Subordinated Notes 15/06/2024 6.65%	1.00	2,000,000.00	1.062	2,123,121.09	5.3%
1,870,000	Mighty River Power Limited Capital Bonds 11/07/2044 6.90%	1.00	1,870,000.00	1.064	1,990,541.86	4.9%
250,000	Kiwi Capital Funding Limited 15/07/2024 6.61%	1.00	250,000.00	1.046	261,500.59	0.7%
2,250,000	TrustPower Limited 15/09/2019 6.75%	1.00	2,250,000.00	1.063	2,392,227.63	6.0%
250,000	Sky Network Television Limited 31/03/2021 6.25%	1.00	250,000.00	1.062	265,589.15	0.7%
2,000,000	Wellington International Airport Limited 15/05/2021 6.25%	1.00	2,000,000.00	1.078	2,156,154.55	5.3%
750,000	Kiwi Property Group Limited 20/08/2021 6.15%	1.00	750,000.00	1.072	803,853.49	2.0%
2,000,000	Christchurch International Airport Limited 04/10/2021 6.25%	1.01	2,014,084.40	1.071	2,141,564.35	5.3%
958,000	Genesis Energy Limited 15/07/2041 6.19%	1.07	1,022,535.58	1.031	987,698.00	2.4%
	Accrued Interest				312,481.89	0.8 %
Perpetuals						
500,000	ANZ Bank New Zealand Limited Perpetual 5.28%	1.00	500,000.00	1.015	507,500.00	1.2%
500,000	Credit Agricole Perpetual Deeply Subordinated Notes 5.04%	1.00	500,000.00	0.761	380,500.00	0.9%

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
1870575 GPW

Sunday 31 May 2015

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
12,750	Nufarm Finance NZ Limited Preference Shares 6.1617%	115.74	1,475,694.44	93.500	1,192,125.00	2.9%
1,000,000	Rabobank Nederland Perpetual 4.5875%	1.00	1,000,000.00	0.948	947,500.00	2.3%
			31,555,308.66		32,814,296.19	80.7%
Total			39,281,460.44		40,642,227.49	100.0%

Exchange rate to New Zealand Dollar (FX = 1.0000)

New Zealand Dollar Market Value of New Zealand Dollar assets:

\$40,642,227.49

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
1870575 GPW

Sunday 31 May 2015

New Zealand Dollar

Quantity	Security	Local Currency			
		Unit Cost	Total Cost	Current Price	Market Value
					% Asset (1)

(1) Expressed as a percentage of the total value of the portfolio, as stated in the Portfolio Summary.

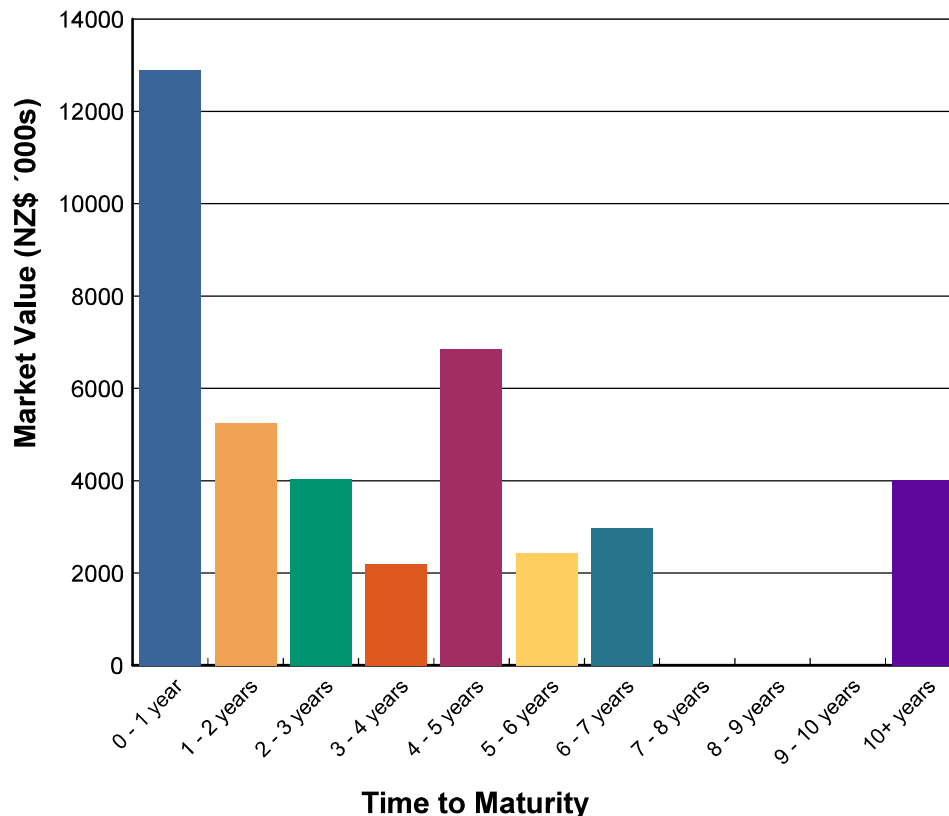
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Maturity Profile

Eastern & Central Community Trust Inc

1870575 GPW

31 May 2015



Maturity	Market Value NZS	Profile %
0 - 1 year	12,893,001.87	31.72
1 - 2 years	5,256,076.43	12.93
2 - 3 years	4,033,366.25	9.92
3 - 4 years	2,186,105.87	5.38
4 - 5 years	6,850,930.35	16.86
5 - 6 years	2,429,796.96	5.98
6 - 7 years	2,977,626.76	7.33
7 - 8 years	0.00	0.00
8 - 9 years	0.00	0.00
9 - 10 years	0.00	0.00
10+ years	4,015,323.00	9.88
Total	40,642,227.49	100.00

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Transactions

Securities listed by market on which they trade

Eastern & Central Community Trust Inc

1870575 GPW

From 1 May 2015 To 31 May 2015

				Local Currency				NZD
Transaction Date	Quantity	Security	Transaction Description	Net Unit Price	Net Amount	Transaction Cost	FX Rate	Net Amount
Transactions								
					0.00			0.00

Securities listed by market on which they trade

1870575 GPW

From 1 May 2015 To 31 May 2015

2/2

Cash Ledger

Eastern & Central Community Trust Inc

1870575 GPW

From 1 May 2015 To 31 May 2015

1. Current Cash Holdings

Currency	Amount	FX Rate	NZ Dollar Value
New Zealand Dollar			
Forsyth Barr Cash Management	4,995,154.42	1.0000	4,995,154.42
			4,995,154.42

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Cash Ledger

Eastern & Central Community Trust Inc
1870575 GPW

From 1 May 2015 To 31 May 2015

2. Cash Transactions

Date	Transaction	Value
New Zealand Dollar		
Forsyth Barr Cash Management		
	Opening Balance:	4,744,837.33
15/05/15	Transfer from Account Ledger	19,937.50
15/05/15	Transfer from Account Ledger	80,000.00
15/05/15	Transfer from Account Ledger	57,647.26
18/05/15	Transfer from Account Ledger	62,500.00
18/05/15	Transfer from Account Ledger	3,339.38
18/05/15	Transfer from Account Ledger	10,363.01
31/05/15	Interest Received - Forsyth Barr Cash Management	16,529.94
	Closing Balance:	4,995,154.42
Account Ledger		
	Opening Balance:	0.00
15/05/15	Interest Received - Auckland International Airport Limited 15/11/2016 8.00%	80,000.00
15/05/15	Interest Received - Contact Energy Limited 15/05/2019 5.80%	19,937.50
15/05/15	Interest Received - Fletcher Building Industries Limited 15/05/2016 7.75%	57,647.26
15/05/15	Transfer from Account Ledger	-19,937.50
15/05/15	Transfer from Account Ledger	-80,000.00
15/05/15	Transfer from Account Ledger	-57,647.26
18/05/15	Interest Received - Infratil Limited 15/11/2015 8.50%	10,363.01
18/05/15	Interest Received - Infratil Limited 15/11/2018 6.85%	3,339.38
18/05/15	Interest Received - Wellington International Airport Limited 15/05/2021 6.25%	62,500.00
18/05/15	Transfer from Account Ledger	-62,500.00
18/05/15	Transfer from Account Ledger	-3,339.38
18/05/15	Transfer from Account Ledger	-10,363.01
	Closing Balance:	0.00

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Cash Ledger

Eastern & Central Community Trust Inc

1870575 GPW

From 1 May 2015 To 31 May 2015

3. Foreign Exchange Transactions

Cash transactions between currencies (extracted from Cash Ledger 2. Cash Transactions)

Date	Transaction	Currency	Value	FX Rate	NZ Dollar Value

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Income Summary

Eastern & Central Community Trust Inc
1870575 GPW

Prescribed Investor Rate (PIR) 0%
Withholding Tax Rate Exempt

From 1 May 2015 to 31 May 2015

All figures are shown in New Zealand Dollars (NZD)	Gross Amount	PIE Tax	Withholding Tax	Imputation Credits	Withholding Payment Credits	Issuer Management Fees	Net Amount
Cash & At Call	16,529.94						16,529.94
Fixed Interest	233,787.15						233,787.15
New Zealand Equities							
Foreign Equities							
Total Portfolio Income	250,317.09	0.00	0.00	0.00	0.00	0.00	250,317.09

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Performance Report: portfolio valuation

Internal rate of return (IRR) for the change in total portfolio value, adjusted for contributions/withdrawals, interest/dividends etc.

Eastern & Central Community Trust Inc

1870575 GPW

From 1 May 2015 To 31 May 2015

Reporting Currency New Zealand Dollars

Opening Market Value	40,370,829.97
Net Contributions/Withdrawals	0.00
Realised Gain	0.00
Realised Price Gain	0.00
Realised FX Gain	0.00
Unrealised Gain	85,886.50
Unrealised Price Gain	85,886.50
Unrealised FX Gain	0.00
Interest	250,317.09
Dividends	0.00
Change in Accrued Interest	-64,806.07
Change in Dividends Receivable	0.00
Portfolio Fees	0.00
Closing Market Value	40,642,227.49
Price IRR for 0.08 Years	0.67%
FX IRR for 0.08 Years	0.00%
IRR for 0.08 Years	0.67%

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Report type:	Financial Information Papers
Recommendation:	The Executive notes the financial advisor's monthly report of the Trust Investment Portfolio as at 31 st May 2015.
Agenda item no:	8
Subject:	Investment Portfolio Report
Responsible for the report:	General Manager

Purpose of report:	To inform the Executive of where the funds of the Board are invested, the overall performance of the diversified investment portfolio and the current asset allocation and compare performance against budget and agreed benchmarks.
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Investment monitoring

report & analysis to 31 May 2015

Contents	Page
Summary	1
Current issues	3
Objectives	4
\$6.7m in grants	5
Income vs. Budget by sector	6
Investment movements by sector	7
Allocation of capital and investment strategy	8
Strategy by investment asset type	9
Strategy by manager & asset type	10
Investment returns & currency	11
Trust performance - current & historical	12
Currency & overseas shares returns	13
Hedging levels	14
Manager performance	15
Last 12 months performance relative to benchmark	16
Attribution analysis	17
Performance by manager	19
Listed shares portfolio summary	20
Summary of income	21
Portfolio growth	22
Geographical industry split	23
Listed share portfolios - Elevation Capital	24
- Forsyth Barr	30
Technical notes & environment and market statistics	37

31 May 2015

Overall Trust return (%)

	Month	Year (2 months)
Income return	0.61%	1.34%
Market movement	2.29%	1.65%
Total return	2.90%	3.01%

Summarised accounts (\$)

Assets at start	163,951,013	164,434,367
Net cash flow	(337,585)	(1,000,826)
Income received/ (paid)	997,514	2,196,879
Growth gains/ (losses)	3,750,113	2,730,634
Total investment gains/ (losses)	4,747,627	4,927,513
Assets at end	168,361,055	168,361,055
Income sector assets at end		63,165,742 (37.5%)
Growth sector assets at end		105,195,312 (62.5%)

Objectives

Liquidity



Income



Growth



Strategy



Trust performance



Manager performance

Cash



NZ bonds



Overseas
bonds



Total listed
shares



Elevation
Capital



Forsyth
Barr



Summary

31 May 2015

Month

In respect of the investment results to 31 May 2015, we note:

- The asset value is \$168,361,055, up \$4.41m over the month [Last month: \$163,951,013].
- The portfolio generated investment income of \$997,514 [vs monthly budget: \$638,652].
- The overall investment return for the month was positive 2.90%, i.e. \$4,747,627

Strategy

- The investment allocation to each sector is within $\pm 4.2\%$ of the benchmark asset allocation.
- Listed shares is 2.2% below the benchmark, and Cash is 4.2% above the benchmark.
- The latest hedging contract position of overseas shares was: 50% hedged to Euro and GBP; 0% hedged to USD and AUD.

Market movements

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

All markets with the exception of overseas bonds had a good month.

Investment managers' performance (relative to market indices)

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

All managers outperformed their relative indices.

Year (since 1 April 2015)

- The investment portfolio has generated \$2,196,879 of income and experienced \$2,730,634 of market movements since 1 April 2015. The total return has been \$4,927,513 or 3.01% since 1 April 2015. The income level is above budget.

Current issues

Environment

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

31 May 2015

Monthly theme

Why no inflation?

Recent years has seen a significant increase in the global money supply. The supply of M2 in the US is a good example of this.

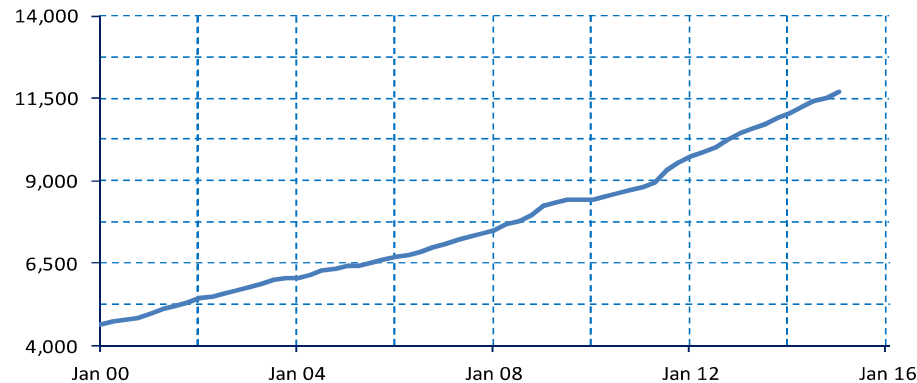
Normally, an increase in the supply of money leads to higher inflation. In the current environment this has not happened as the velocity of money has fallen such that the inflation pressures have been contained. The velocity is a measure of how frequently money changes hands.

From an economic perspective $MV=QP$:

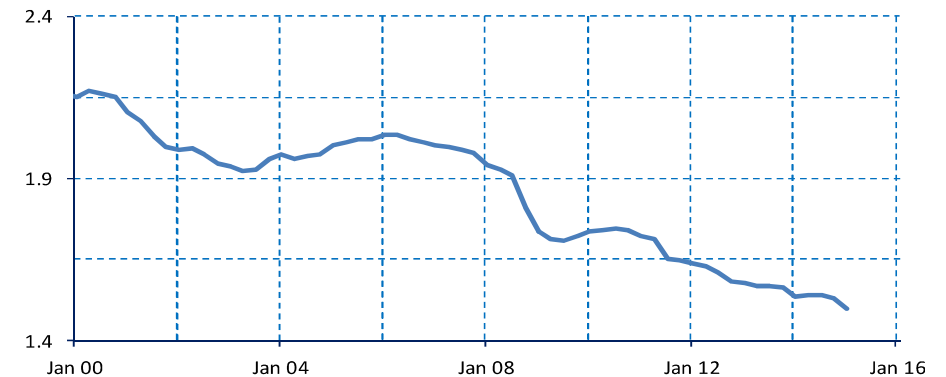
Money supply (M2) x velocity (V) = quantity of goods (Q) x price (P)

So while the supply of money has risen sharply, it has been offset by the fall in velocity and so prices have been relatively stable.

US M2 money supply

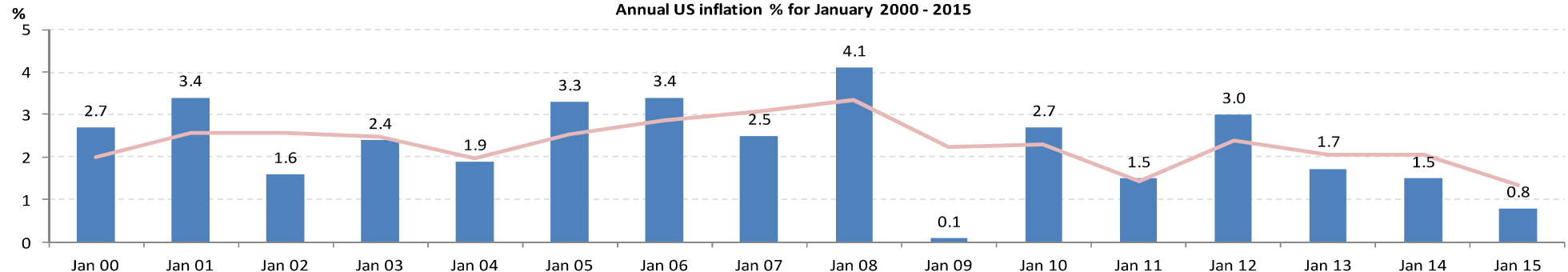


US M2 velocity



The below graph shows annual inflation in the United States over the same period, along with a 3-year moving average rate. It illustrates the containment in inflationary pressures, due to the fall in velocity described above.

Annual US inflation % for January 2000 - 2015



31 May 2015

Objectives

The investment policy objectives of the Trust are to:

Return

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

Risk

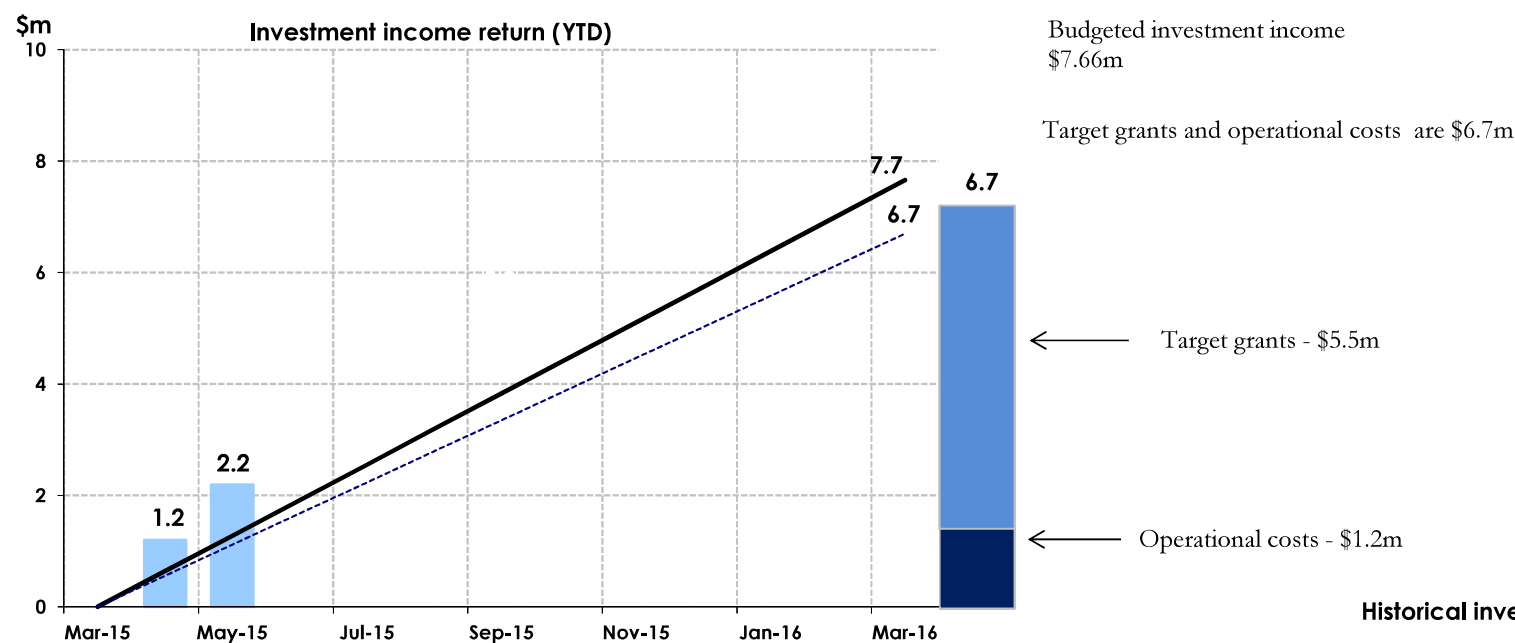
- to generate sufficient actual income each year to let the Trust donate 4% of the adjusted capital base at the start of the year and to meet the Trust's costs. \$6.7m is budgeted for 2015/ 16.

31 May 2015

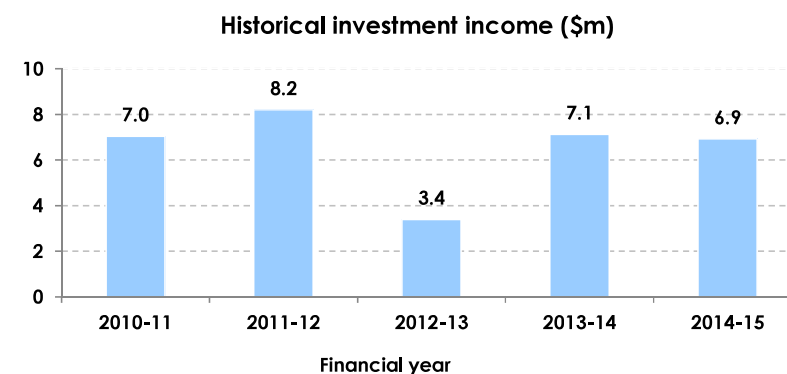
Objective - funding \$5.5m in grants + \$1.2m operation costs (\$6.7m in total)

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

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



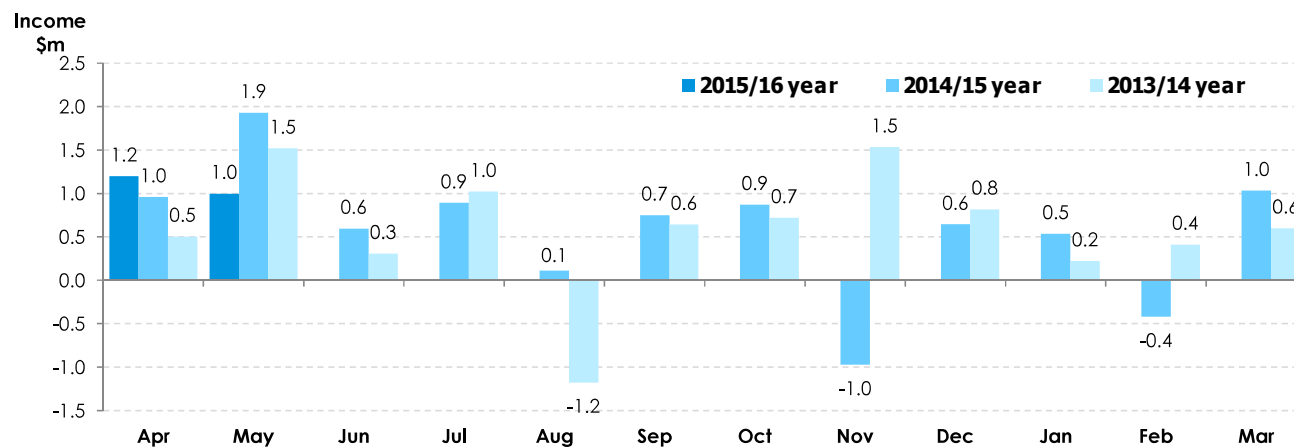
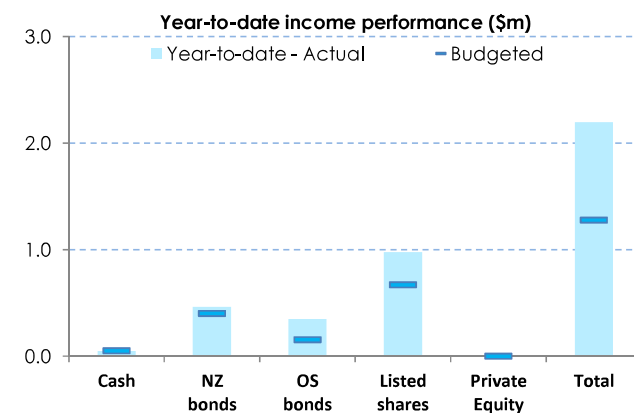
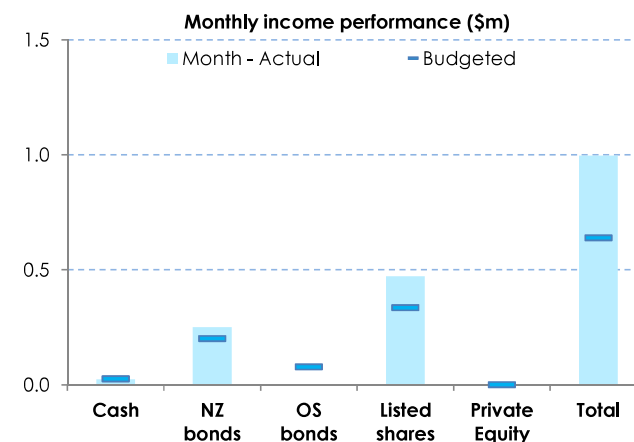
The income comes from interest, coupons, dividends and currency hedging settlements. Details of the source of the income by sector are on page 6.



31 May 2015

Objective - funding \$5.5m in grants + \$1.2m operation costs

	Cash	NZ bonds	OS bonds	Listed shares	Private equity	Currency	Total
Assets: 1 April 2015	6.82	40.12	15.49	100.49	0.70	0.80	164.43
Assets for income budget	6.82	40.12	15.49	100.49	0.70	0.00	164.43
Expected income return (%)	4.5%	6.0%	6.0%	4.0%	0.0%	0.0%	4.7%
Expected income return (\$m)	0.31	2.41	0.93	4.02	0.00	0.00	7.66
Monthly							
Actual	0.02	0.25	0.00	0.47	0.00	0.25	1.00
Budget	0.03	0.20	0.08	0.33	0.00	0.00	0.64
Year-to-date							
Actual	0.05	0.47	0.35	0.97	0.00	0.36	2.20
Budget	0.05	0.40	0.15	0.67	0.00	0.00	1.28



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

31 May 2015

Investment movement by sector

	Cash	NZ Bonds	OS Bonds	Listed shares	Private equity	Trust
Month						
Assets at 01 May 2015	7,160,044	40,370,830	15,088,014	100,635,741	696,384	163,951,013
Net investment earnings						
+ Dividends/ Coupons/ interest	24,598	250,317		722,599		997,514
+ Realised/ unrealised gains(losses)		21,080	-19,402	3,748,435		3,750,113
	24,598	271,398	-19,402	4,471,033		4,747,627
Capital movements	275,240		-4,979	-630,273	22,427	-337,585
Net change in market value	299,838	271,398	-24,381	3,840,761	22,427	4,410,042
Assets at 31 May 2015	7,459,882	40,642,227	15,063,633	104,476,501	718,811	168,361,055
Year-to-date						
Assets at 01 April 2015	6,822,535	40,124,367	15,493,498	101,297,583	696,384	164,434,367
Net investment earnings						
+ Dividends/ Coupons/ interest	48,398	465,090	348,604	1,334,787		2,196,879
+ Realised/ unrealised gains(losses)		52,770	-419,774	3,097,637		2,730,634
	48,398	517,860	-71,170	4,432,425		4,927,513
Capital movements	588,949		-358,696	-1,253,506	22,427	-1,000,826
Net change in market value	637,347	517,860	-429,866	3,178,918	22,427	3,926,687
Assets at 31 May 2015	7,459,882	40,642,227	15,063,633	104,476,501	718,811	168,361,055

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

31 May 2015

Investment strategy - by investment asset type

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



Purpose	Liquidity Certainty Short-term	Income Reduced volatility Medium-term	Inflation protection Growth Long-term	Current grants Intergenerational Equity
Benchmark (\$)	\$10.00m	\$50.00m	\$108.36m	\$168.36 m
Benchmark (%)	5.9%	29.7%	64.4%	100.0%

Current assets vs benchmark

Current assets	\$15.29 m	\$47.88 m	\$105.20 m	\$168.36 m
Benchmark assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$108.36 m</u>	<u>\$168.36 m</u>
Excess (shortfall)	\$5.29 m	-\$2.12 m	-\$3.17 m	\$0.00 m

Current assets vs capital base

Current assets	\$15.29 m	\$47.88 m	\$105.20 m	\$168.36 m
Capital base	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$84.53 m</u>	<u>\$144.53 m</u>
Excess (shortfall)	\$5.29 m	-\$2.12 m	\$20.67 m	\$23.83 m

Current assets vs 125% x capital base

Current assets	\$15.29 m	\$47.88 m	\$105.20 m	\$168.36 m
Target assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$120.66 m</u>	<u>\$180.66 m</u>
Excess (shortfall)	\$5.29 m	-\$2.12 m	-\$15.46 m	-\$12.30 m

Notes:

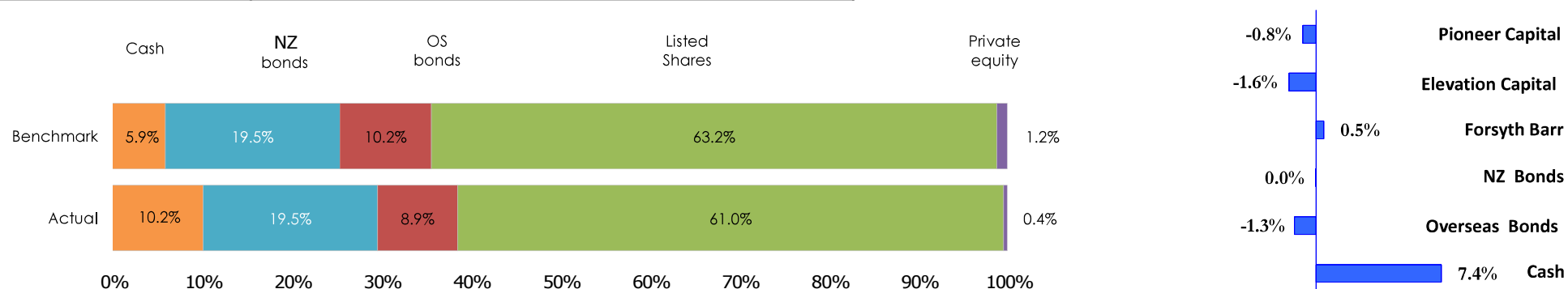
1. For the target asset levels, the cash holdings should include the undistributed distribution a/c.
2. The allocation to bonds is below the optimal level for 125% x Capital base.
3. The allocation to shares/property is below the benchmark level on each basis, reflecting the general downturn in the markets over the last 6 years.
4. The capital base (i.e. \$144.53m) 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 May 2015

Investment strategy - by manager and asset type

	Listed shares	Private equity	Bonds	Cash	Total	Actual	
						\$	%
Growth							
Listed shares							
Elevation Capital	\$48,679,386			\$2,009,518	\$50,688,904	\$50.69m	30.1%
Forsyth Barr	\$53,994,812			\$149,768	\$54,144,580	\$54.14m	32.2%
Private equity							
Pioneer Capital		\$718,811			\$718,811	\$0.72m	0.4%
						\$105.55m	62.7%
Income							
NZ bonds			\$32,814,296		\$32,814,296	\$32.81m	19.5%
Overseas bonds			\$15,063,633		\$15,063,633	\$15.06m	8.9%
						\$47.88m	28.4%
Cash							
Trust				\$7,459,882	\$7,459,882	\$7.46m	4.4%
Forsyth Barr Esam Cushing				\$7,827,931	\$7,827,931	\$7.83m	4.6%
FX Overlay1				-\$356,982	-\$356,982	-\$0.36m	-0.2%
						\$14.93m	8.9%
Total	\$102,674,198	\$718,811	\$47,877,929	\$17,090,117	\$168,361,055		
Current allocation (%)	61.0%	0.4%	28.4%	10.2%	100.0%		
Difference from benchmark	-2.2%	-0.8%	-1.3%	4.2%			
Benchmark	63.2%	1.2%	29.7%	5.9%	100.0%		
Indices used for comparison	MSCI world net div (currency unhedged)	NZX 50 index	ANZ Corp A grade/Citigroup WGBI index	NZX call index			

Position from benchmark



31 May 2015

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 May 2015

Trust performance - current year and historically

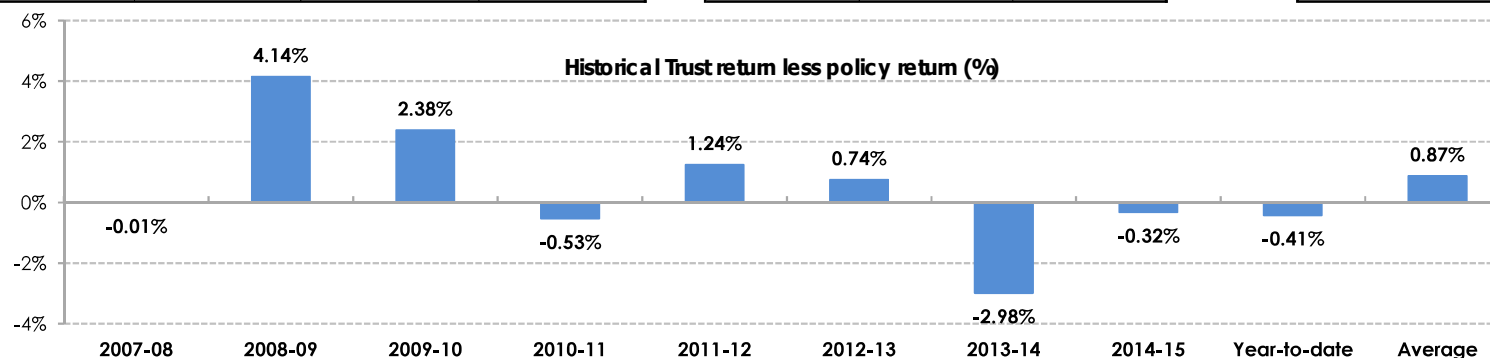
The "Trust return" is the overall performance of the Trust and includes both the income and the change in the market value of the assets. The "policy return" is the return of the Trustees' investment policies in the context of what happened in the investment markets. Details of the returns of the different investment market sectors are shown on page 19 and details of the indices are on page 37.

For the year to date, the Trust has achieved a total return of 3.01%, which was 0.41% below the policy return. The 0.41% represents a Trust return of \$0.66m, below what the policy return achieved.

	Trust return (%)	Policy return (%)	Difference (%)	Trust (\$m)	Policy (\$m)	Difference (\$m)
May-15	2.90%	2.81%	0.09%	\$4.75	\$4.61	\$0.14
Year-to-date	3.01%	3.42%	(0.41%)	\$4.93	\$5.59	(\$0.66)
March-16						
February-16						
January-16						
December-15						
November-15						
October-15						
September-15						
August-15						
July-15						
June-15						
May-15	2.90%	2.81%	0.09%	\$4.75	\$4.61	\$0.14
April-15	0.11%	0.60%	(0.49%)	\$0.18	\$0.98	(\$0.80)

Trust performance - Historical

	Trust (%)	Policy (%)	Difference (%)
Year-to-date	3.01%	3.42%	(0.41%)
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.)	7.49%	6.62%	0.87%



Note: The assumptions behind the investment policies contemplated a 2015/ 16 return of 7.01% a year, made up of income of 4.68% and growth of 2.33%.

31 May 2015

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	(\$178,362)	(\$549,324)	\$370,962
Currency movement (50% hedged)	\$2,473,980	\$1,247,123	\$1,226,857
Policy return	\$2,295,618	\$697,799	\$1,597,819
Currency management	\$1,733,668	\$917,464	\$816,203
Total return	\$4,029,286	\$1,615,264	\$2,414,023

Note:

The return on the combined Forsyth Barr and Elevation Capital managed shares for the month was \$4,769,599. This can be split between the market movement and the movement in the NZ dollar.

Market movement	(\$178,362)
Exchange rate movement	\$4,947,960
	<u>\$4,769,599</u>

The Trust's policy is to be 50% hedged, therefore the policy return for the month is \$2,295,618, i.e. the market movement and 50% of the exchange rate movement. The total return from the listed shares was \$4,029,286. Therefore the hedging management policy, to depart from the neutral position, increased \$1,733,668 over the month.

Historically, over the 2015/2016 year, the split has been:

Return from:	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD 2015/16
Share markets	(\$782,273)	(\$178,362)											(\$960,635)
Application of 50% neutral policy	\$139,582	\$2,473,980											\$2,613,562
= Benchmark return	(\$642,691)	\$2,295,618											\$1,652,927
Impact movement of policy from 50%	(\$30,108)	\$1,733,668											\$1,703,560
= Total return	(\$672,799)	\$4,029,286											\$3,356,487

31 May 2015

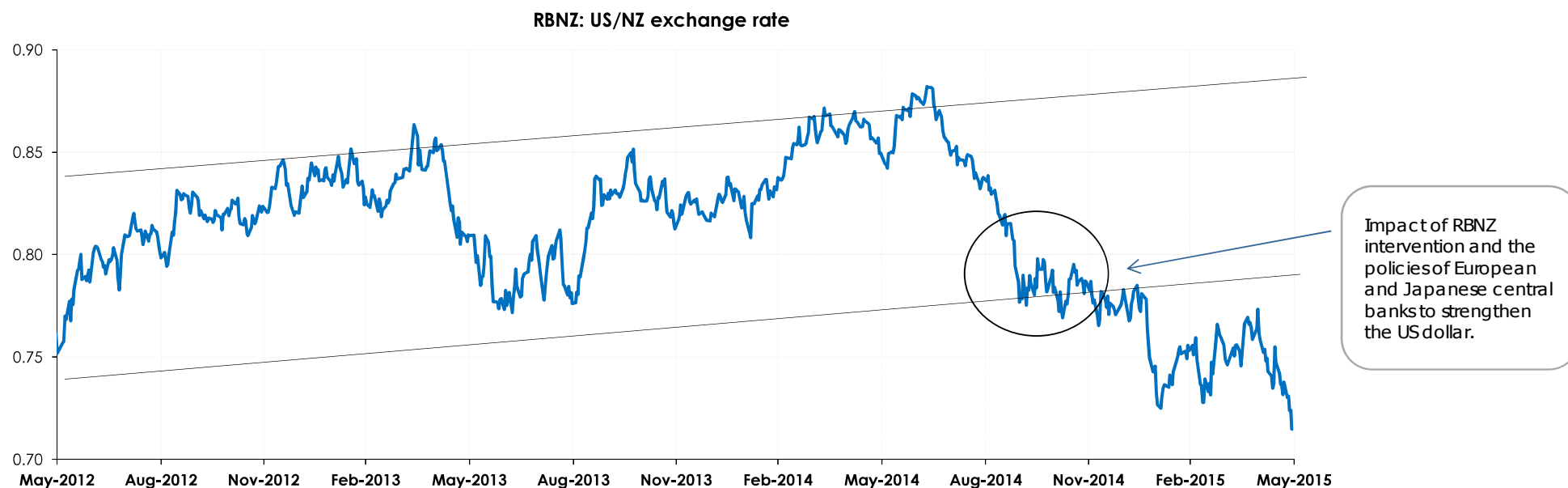
Hedging levels

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 50%. However, the individual country levels are more important. On 31 May 2015, the individual currency target hedging levels were:

	AUD	EURO	GBP	USD
Hedging level	0%	50%	50%	0%

On 31 May 2015, the RBNZ US\$/ NZ\$ exchange rate was 0.7148. Since 31 May 2012 it has been:



31 May 2015

Manager performance

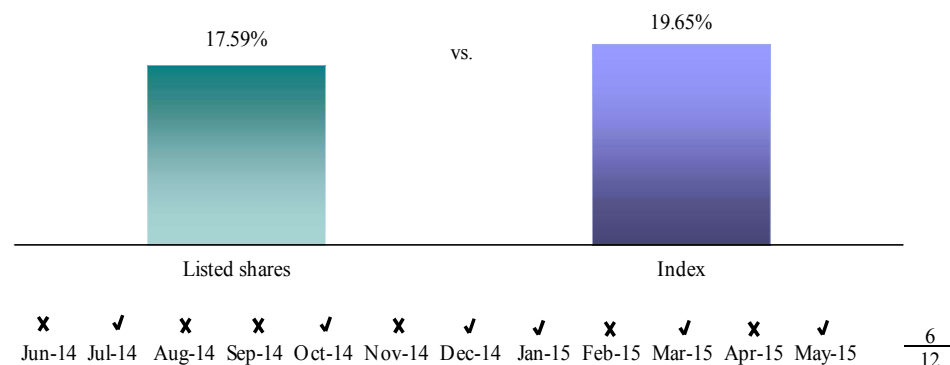
This section summarises performance by manager relative to the benchmark indices along with the attribution analysis.

31 May 2015

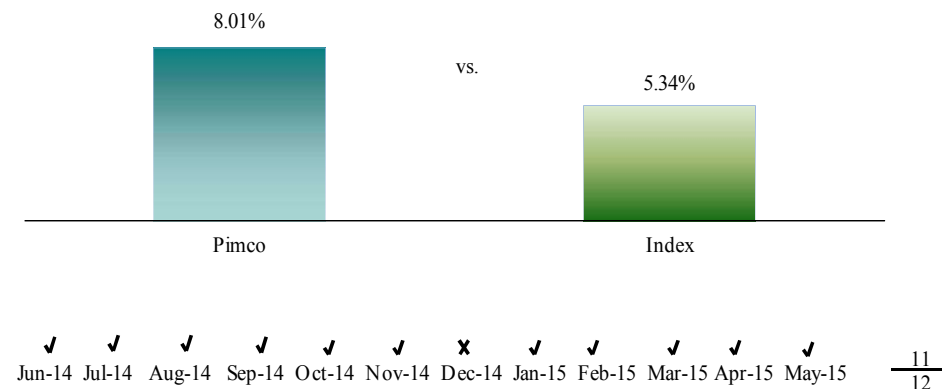
Last 12 months' performance relative to market benchmark returns

Details of the indices are on page 37.

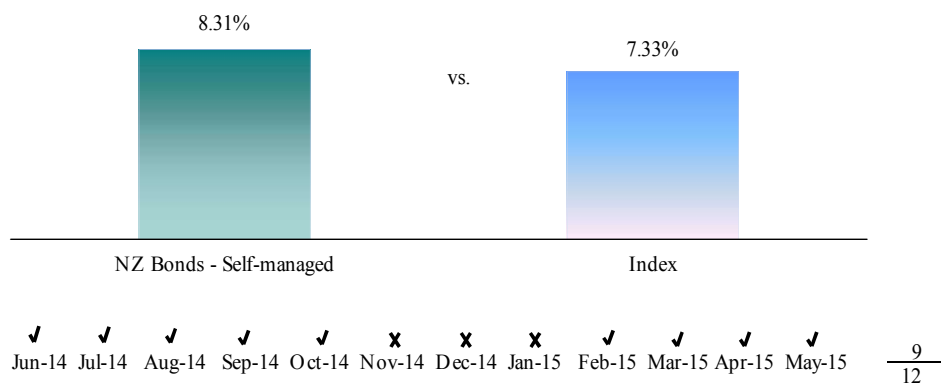
Listed shares



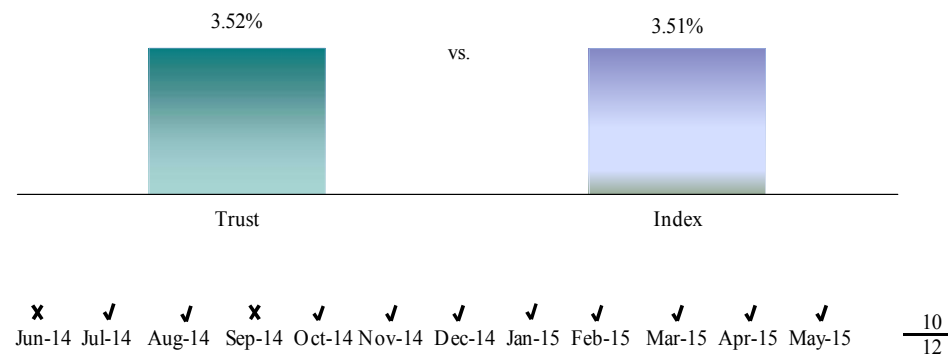
OS bonds - Pimco



NZ bonds - Self-managed



Cash - Self-managed



31 May 2015

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: -1.32%								
Benchmark return	+	Asset allocation	+	Stock selection	+	Timing effect	=	Actual return
14.85%	+	-0.07%	+	2.15%	+	-3.40%	=	13.53%

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: -0.41%								
Benchmark return	+	Asset allocation	+	Stock selection	+	Timing effect	=	Actual return
3.42%	+	-0.02%	+	-0.34%	+	-0.05%	=	3.01%

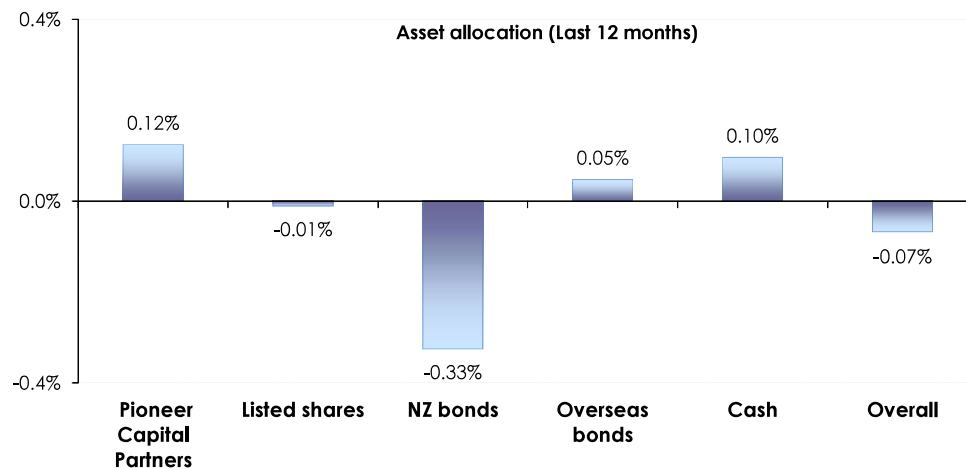
31 May 2015

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".

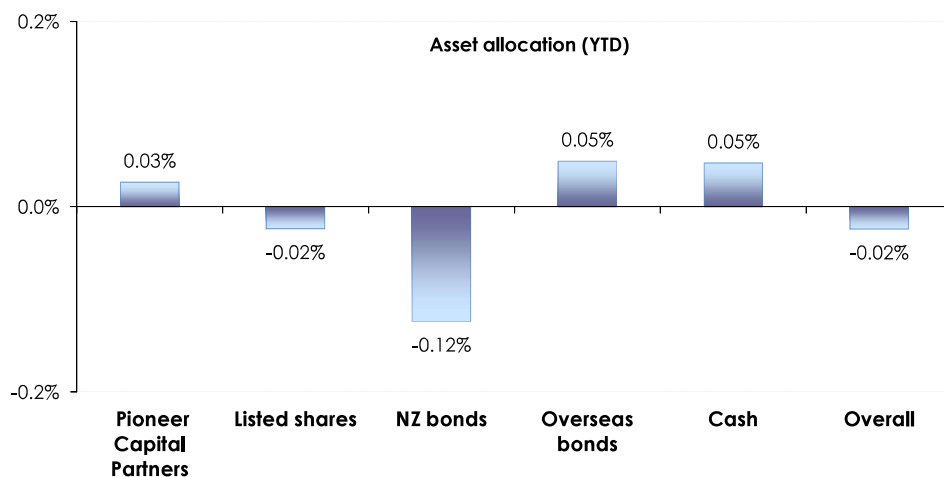
Asset allocation attribution analysis

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'

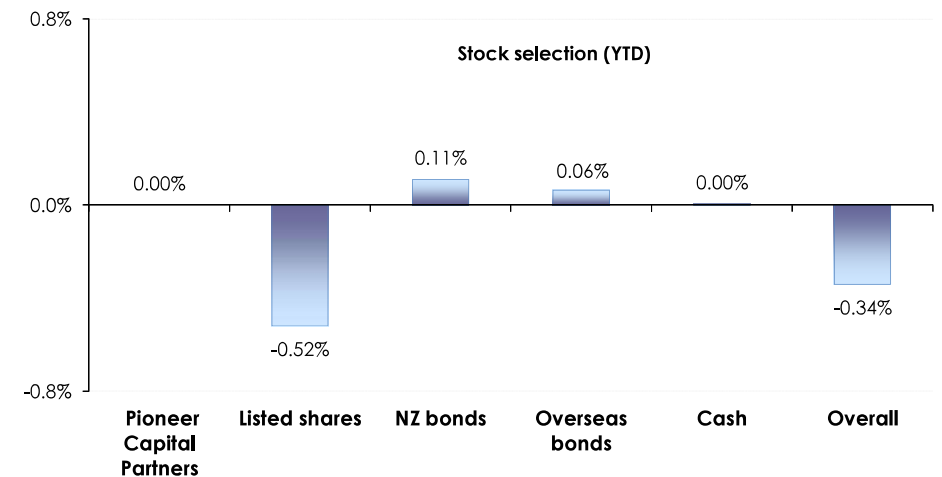
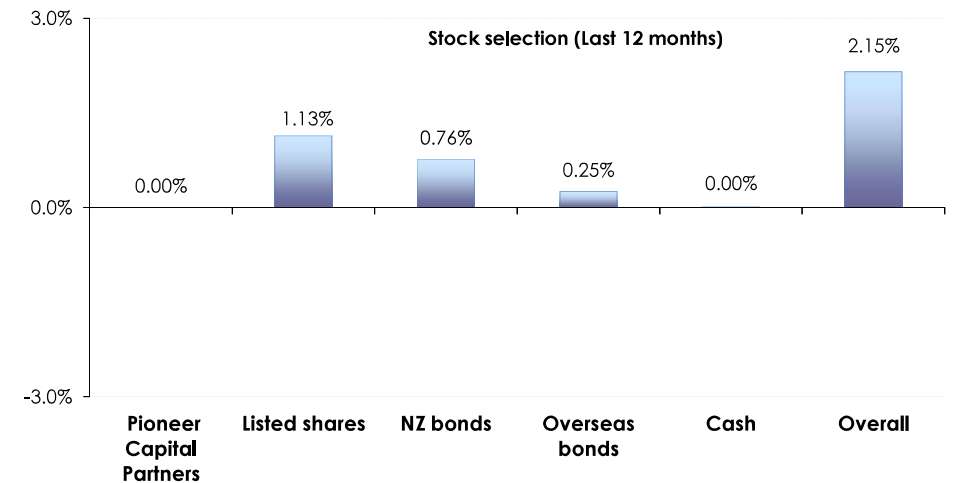


Year-to-date



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.

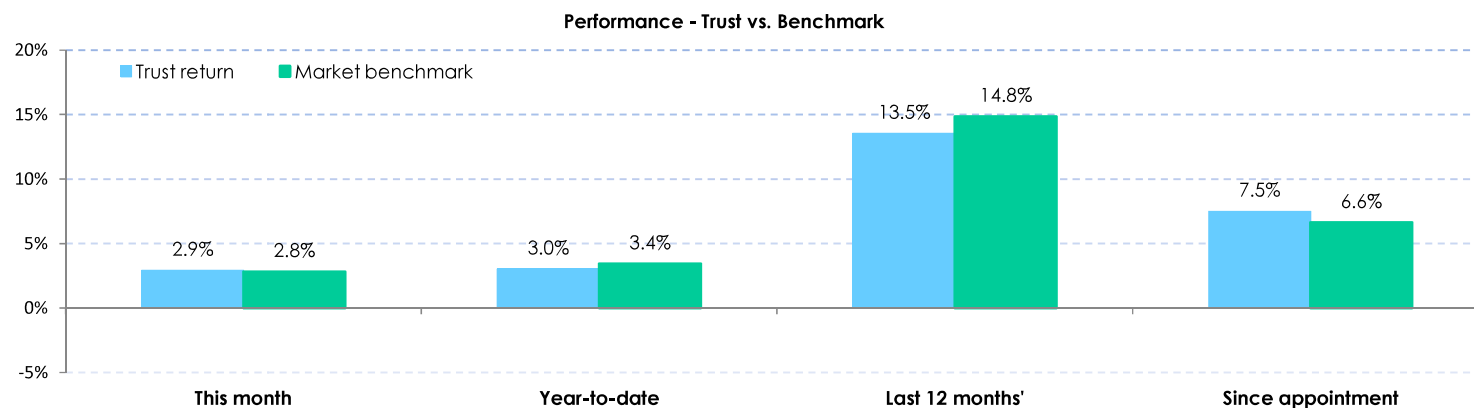


31 May 2015

Performance by manager

	This month (%)			Year-to-date (%)			Last 12 months' (%)			Since appointment (%p.a.)		
	returns			returns			returns			returns		
	Actual	Benchmark	Value added	Actual	Benchmark	Value added	Actual	Benchmark	Value added	Actual	Benchmark	Value added
Overall Trust return	2.90%	2.81%	0.09%	3.01%	3.42%	-0.41%	13.53%	14.85%	-1.32%	7.49%	6.62%	0.87%
Total shares	4.46%	4.31%	0.15%	4.42%	5.27%	-0.85%	17.59%	19.65%	-2.06%	8.49%	6.92%	1.56%
Listed shares	4.46%	4.31%	0.15%	4.42%	5.27%	-0.85%	17.59%	19.65%	-2.06%	13.05%	16.99%	-3.94%
Elevation Capital (portfolio)	3.96%	4.31%	-0.35%	3.96%	5.27%	-1.30%	16.58%	19.65%	-3.06%	10.41%	16.99%	-6.58%
Shares	4.79%	4.31%	0.48%	6.41%	5.27%	1.14%	17.53%	19.65%	-2.12%	10.25%	16.99%	-6.74%
Liquidity	2.01%			2.95%			3.08%			3.24%		
Forsyth Barr (portfolio)	4.92%	4.31%	0.62%	4.92%	5.27%	-0.34%	22.07%	19.65%	2.42%	15.25%	16.99%	-1.75%
Shares	6.17%	4.31%	1.86%	4.84%	5.27%	-0.42%	22.48%	19.65%	2.83%	14.80%	16.99%	-2.20%
Liquidity	-2.76%			-2.59%			-3.24%			-0.58%		
Currency hedging	-0.74%	-3.01%	2.28%	-0.90%	-2.88%	1.97%	-1.66%	-5.37%	3.70%	0.43%	-1.39%	1.82%
Pioneer Capital Partners	0.00%			0.00%			0.00%			0.00%		
NZ bonds - Self-managed	0.67%	0.52%	0.15%	1.29%	0.84%	0.45%	8.31%	7.33%	0.98%	7.68%	6.84%	0.84%
OS bonds - Pimco	-0.13%	-0.41%	0.29%	-0.47%	-1.01%	0.54%	8.01%	5.34%	2.67%	6.25%	4.17%	2.08%
Self-managed - cash	0.34%	0.28%	0.06%	0.68%	0.58%	0.10%	3.52%	3.51%	0.02%	6.02%	5.19%	0.83%

Note: Details of the benchmark indices are on page 37.



31 May 2015

Listed shares portfolio

Elevation Capital - Christopher Swasbrook

Forsyth Barr - Richard Burton

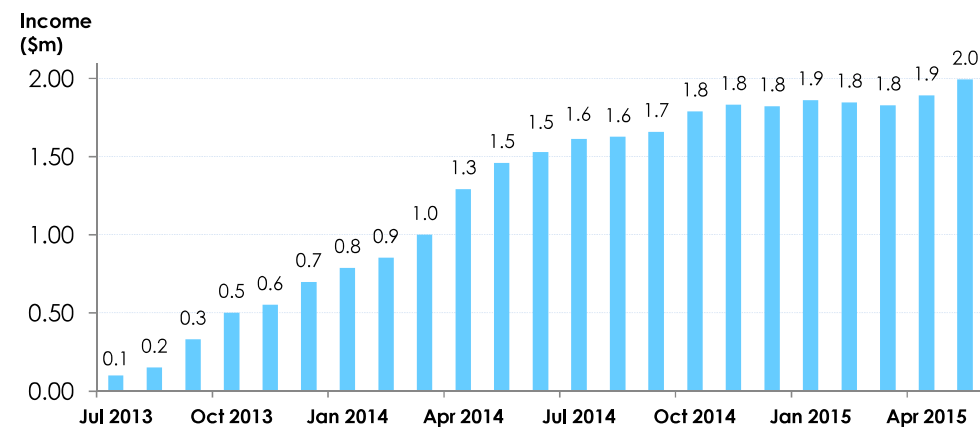
The objective of the portfolio is to provide:

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

Summary of Income

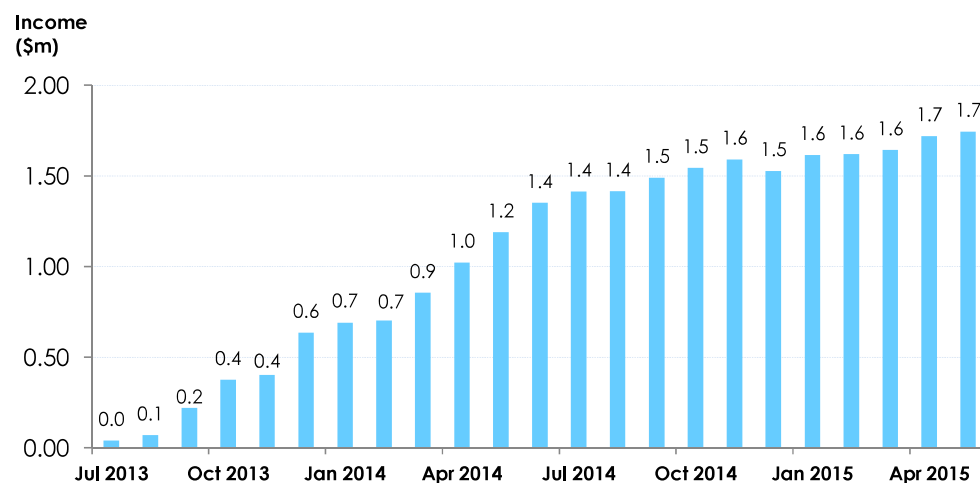
Cumulative dividend income for 12 month periods to month shown (\$m)

Elevation Capital



Assets	\$50,688,904
Distributions paid out since appointment	\$3,319,408

Forsyth Barr

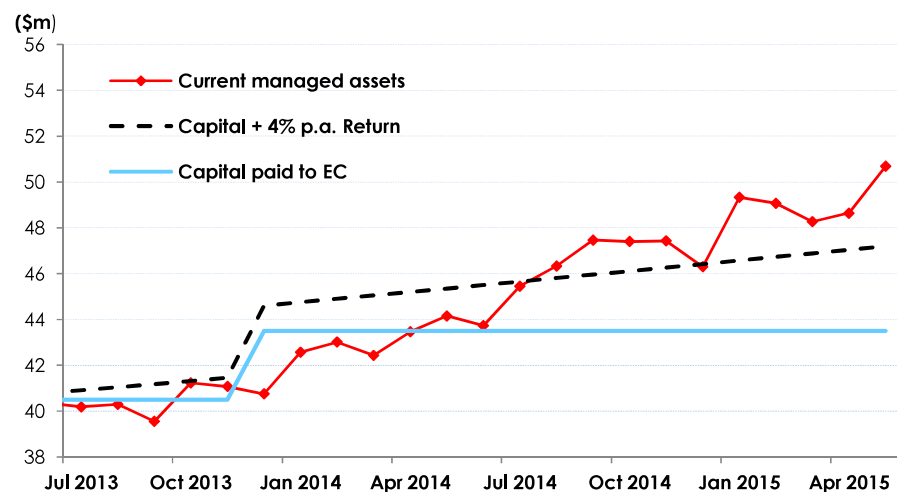


Assets	\$54,144,580
Distributions paid out since appointment	\$2,894,006

31 May 2015

Growth in portfolio

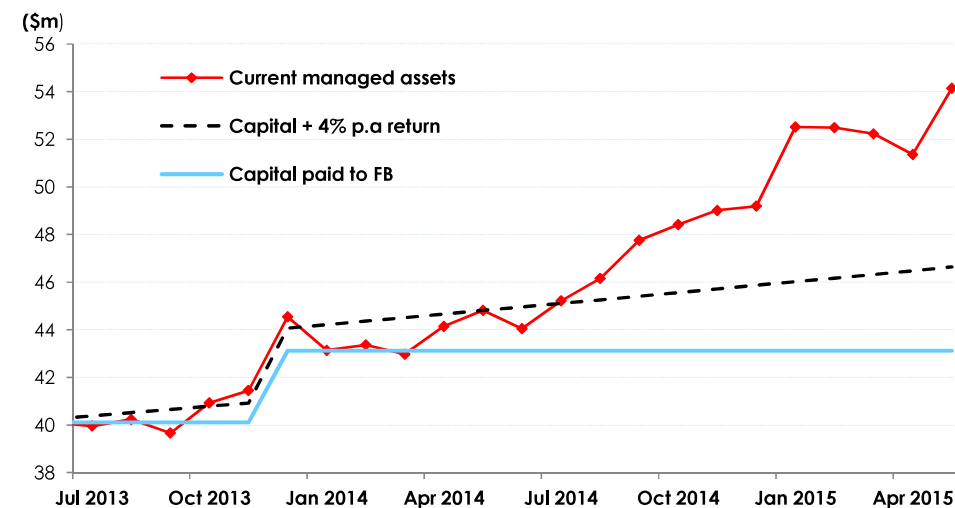
Elevation Capital



	Financial year to date	Since appointment
Value start of the year	\$45,028,059	
New capital given to manager		\$43,500,000
Dividends received/earned	\$624,673	\$3,454,751
Distributions paid to Trust	(\$561,558)	(\$3,319,408)
Market movement	\$966,736	\$3,418,933
Currency movement	\$2,621,476	\$1,625,111
Cash	\$2,009,518	\$2,009,518
Value at 31 May 2015	\$50,688,904	\$50,688,904

Note: Elevation Capital has also returned \$3.32m to the Trust since appointment.

Forsyth Barr



	Financial year to date	Since appointment
Value start of the year	\$48,576,929	
New capital given to manager		\$43,113,670
Dividends received/earned	\$435,711	\$2,934,674
Distributions paid to Trust	(\$444,908)	(\$2,894,006)
Market movement	\$2,821,431	\$9,163,722
Currency movement	\$2,605,648	\$1,676,752
Cash	\$149,768	\$149,768
Value at 31 May 2015	\$54,144,580	\$54,144,580

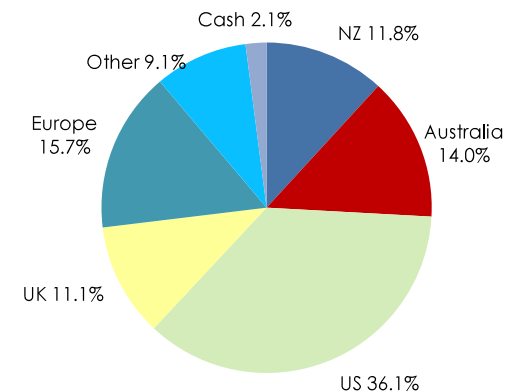
Note: Forsyth Barr has also returned \$2.89m to the Trust since appointment.

Note: The difference between dividends & interest earned, and what was paid out, is the exchange rate used.

31 May 2015

Geographic split

Country of listing	No. of holdings			Value of holdings			%
	EC	FB	Total	EC	FB	Total	
NZ	4	12	16	3,049,000	9,359,782	12,408,782	11.8%
Australia	12	8	20	8,550,935	6,144,689	14,695,624	14.0%
US	22	23	45	17,068,740	20,799,656	37,868,396	36.1%
UK	7	6	13	6,433,338	5,225,664	11,659,002	11.1%
Europe	7	12	19	5,986,599	10,516,172	16,502,770	15.7%
Other	10	2	12	7,590,774	1,948,850	9,539,624	9.1%
Shares	62	63	125	48,679,386	53,994,812	102,674,198	97.9%
Cash				2,009,518	149,768	2,159,286	2.1%
Total				50,688,904	54,144,580	104,833,484	100.0%



Industry split

Start of the year

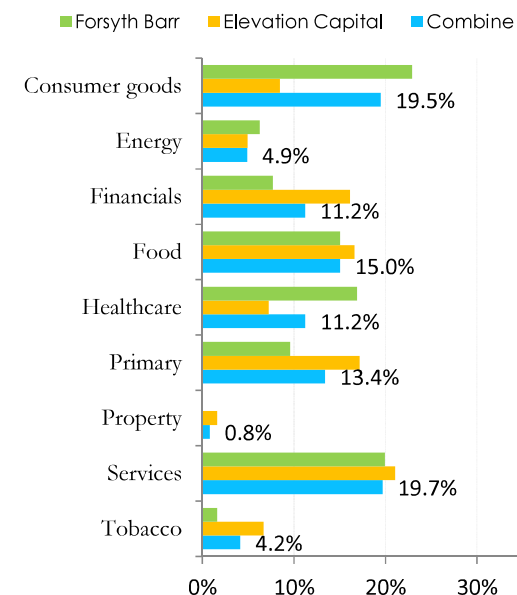
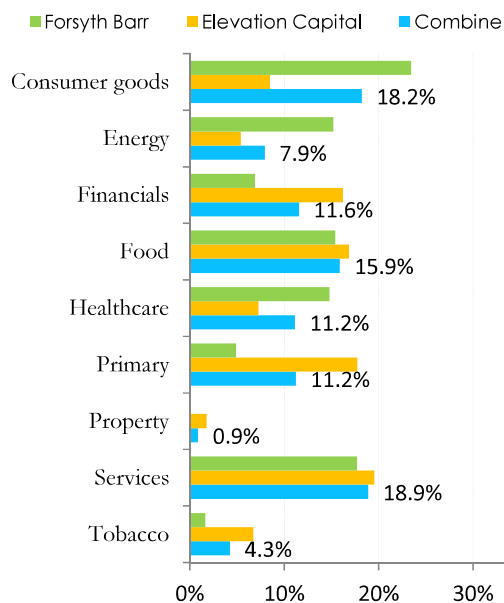
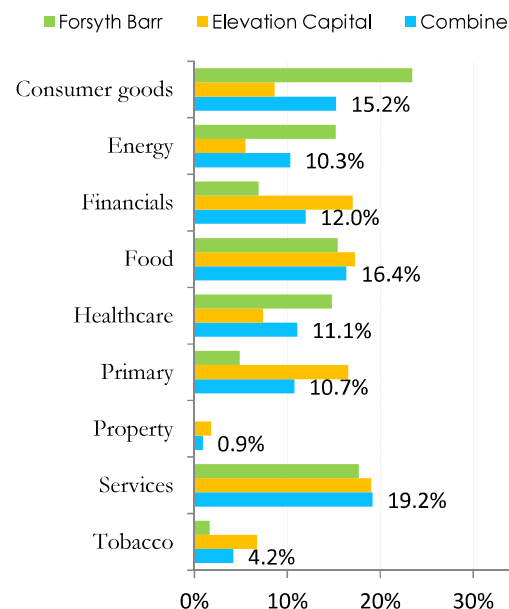
31 Mar 2015

Start of the month

30 Apr 2015

End of the month

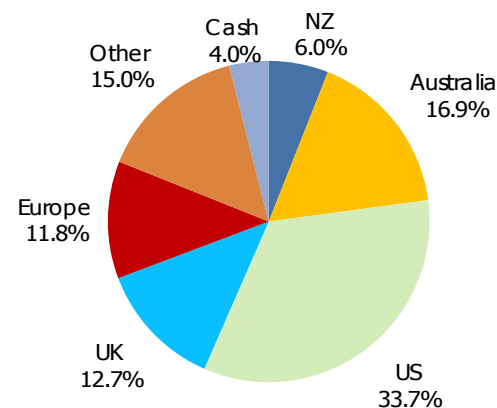
31 May 2015



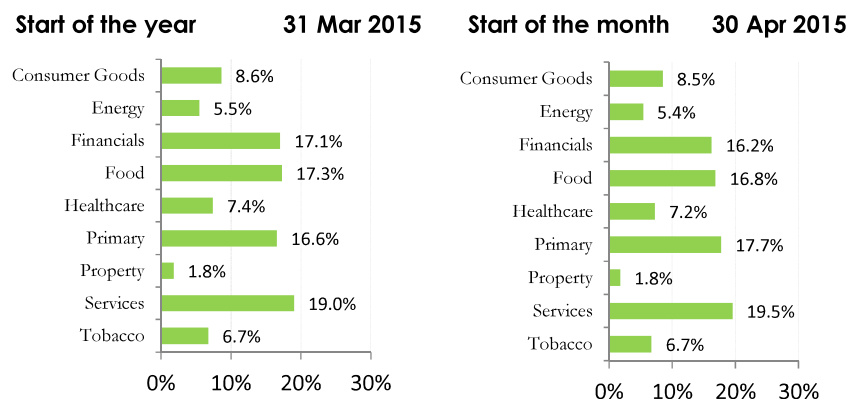
31 May 2015

Geographic split

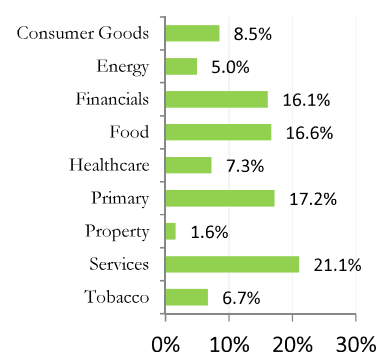
Country of listing	No. of holdings	\$	%
NZ	4 shares	3,049,000	6.0%
Australia	12 shares	8,550,935	16.9%
US	22 shares	17,068,740	33.7%
UK	7 shares	6,433,338	12.7%
Europe	7 shares	5,986,599	11.8%
Other	10 shares	7,590,774	15.0%
Shares	62 shares	48,679,386	96.0%
Cash		2,009,518	4.0%
Total		50,688,904	100.0%



Industry split



End of the month 31 May 2015



Market returns (NZ\$)

	Last 1 year	Last 3 years	Last 5 years
Consumer goods	35.5%	25.4%	16.6%
Energy	-4.5%	7.7%	4.6%
Financials	24.9%	23.5%	9.3%
Food	25.6%	16.1%	14.0%
Healthcare	44.4%	30.2%	19.5%
Primary	15.5%	9.5%	3.7%
Services	23.6%	18.3%	13.8%
Overall MSCI	26.3%	20.2%	11.5%

Concentration risks:

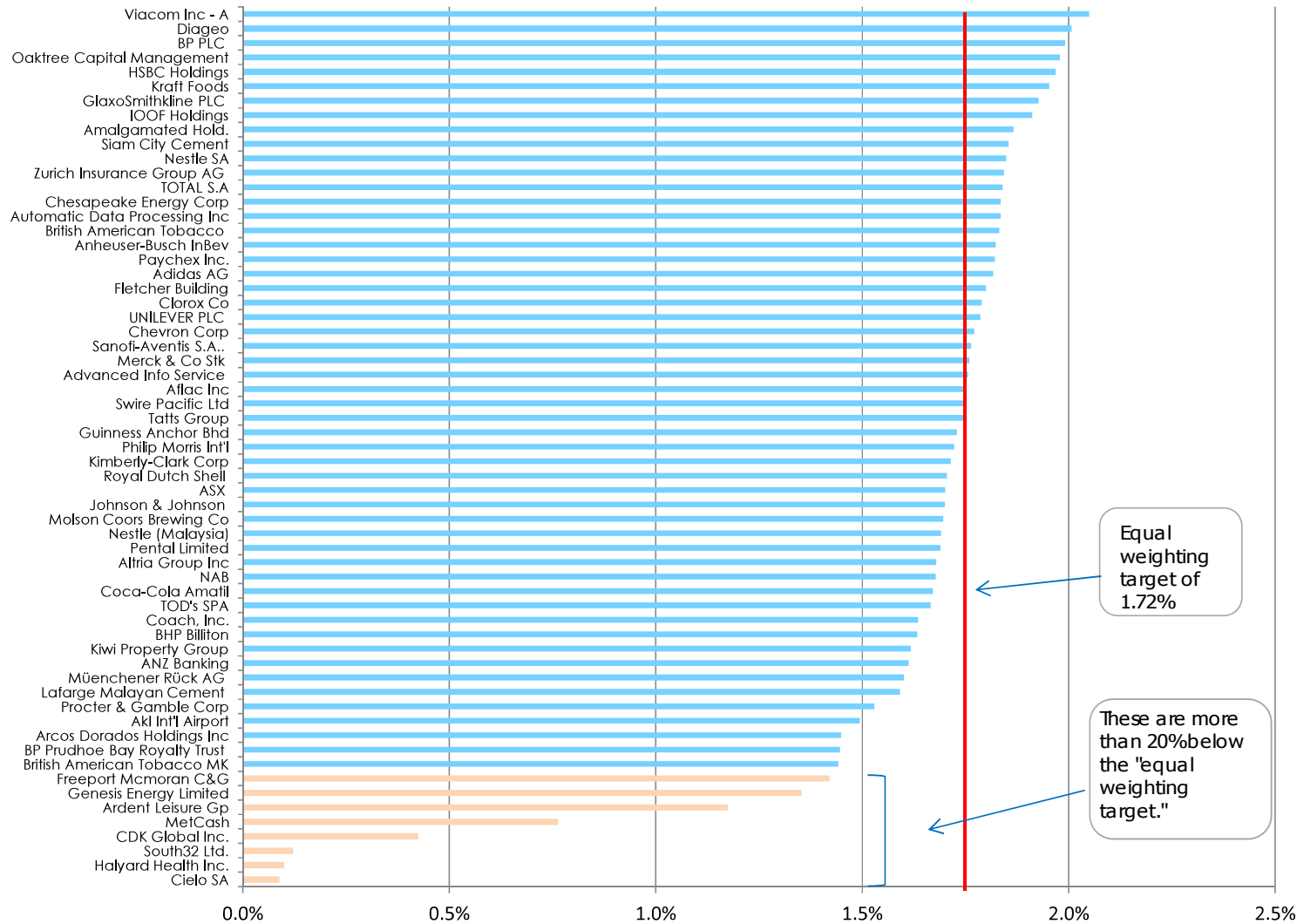
Shares that are 20% or more above the "equal weighting target" of \$867,813

Shares that are 20% or less below the "equal weighting target" of \$867,813

Genesis Energy Limited Ardent Leisure Gp MetCash CDK Global Inc. Freeport Mcmoran C&G Cielo SA Halyard Health Inc. South32 Ltd.

31 May 2015

Portfolio weightings



31 May 2015

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	45,028,059	2,227,399	-861,287	-336,261	2,621,476	48,679,386	624,673
Liquidity (cash)	3,238,411	-	-1,295,705	-15,131	81,942	2,009,518	7,292
Overall asset	48,266,471	2,227,399	-2,156,992	-351,393	2,703,418	50,688,904	631,965

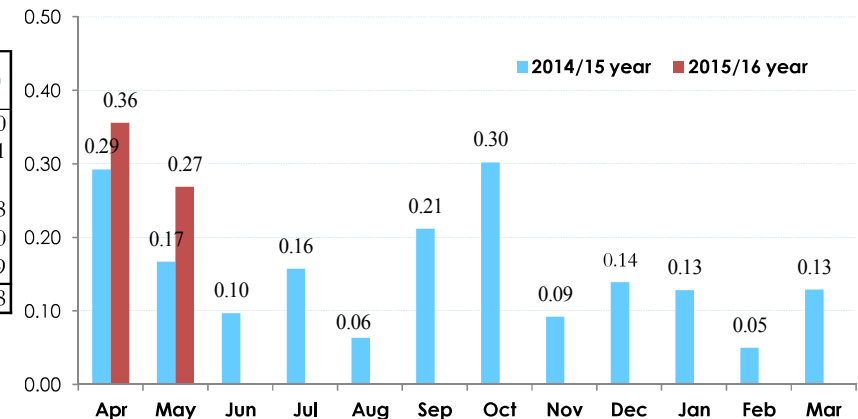
	During the month						
	Values			Gain/loss		Values	
	Start	Buys	Sells	Market	Currency	End	Net dividend
NZ	3,129,625	-	-116,196	35,571	-	3,049,000	20,313
AUST	8,089,689	111,809	-	55,117	294,320	8,550,935	62,085
US	15,523,059	805,793	-	-393,602	1,133,490	17,068,740	28,985
UK	6,172,642	-	-	-146,784	407,479	6,433,338	25,797
Europe	5,758,940	-	-	-54,941	282,599	5,986,599	62,540
Other	7,259,103	-	-	-44,686	376,356	7,590,774	69,236
Overall shares	45,933,059	917,601	-116,196	-549,324	2,494,246	48,679,386	268,955
Liquidity (cash)	2,706,837	-	-740,993	-12,175	55,849	2,009,518	3,244
Overall asset	48,639,896	917,601	-857,190	-561,499	2,550,095	50,688,904	272,199

Returns		
Month	Year	Since Inception
1.8%	0.6%	13.0%
5.1%	6.2%	3.0%
4.8%	7.3%	17.1%
4.7%	10.0%	8.9%
5.1%	5.3%	15.8%
5.5%	5.3%	6.8%
4.8%	6.4%	10.3%
2.0%	2.9%	3.2%
4.7%	6.2%	10.4%

Cash holdings

Currencies	Ex rate 30 Apr 15	Start values (local)	End values (local)	Ex rate 31 May 15	Currency gain/loss	End values (NZ\$)
New Zealand dollars	1.0000	1,249,248	969,230	1.0000	-	969,230
Australian dollars	0.9635	345,510	298,660	0.9302	12,309	321,071
Swiss Franc	0.7103	-1	-	0.6683	-	-
Euro	0.6786	454,536	437,418	0.6469	31,591	676,228
Pound Sterling	0.4962	14,984	6,369	0.4649	864	13,700
US dollars	0.7617	303,843	20,817	0.7108	11,084	29,289
					55,849	2,009,518

Year-to-date income (\$m)



31 May 2015

Code	Company	Industry	Average purchase cost	During the month										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values				Net dividend
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency					
New Zealand																	
AIA	Akl Int'l Airport	Services	3.00	175,000	150,000	4.61	4.85	806,750	-	-116,196	36,946	-	727,500	-	4.9%	9.2%	28.3%
FBU	Fletcher Building	Primary	8.33	100,000	100,000	8.31	8.76	831,000	-	-	45,000	-	876,000	-	5.4%	6.1%	6.8%
GNE	Genesis Energy Limited	Energy	1.78	350,000	350,000	1.95	1.88	682,500	-	-	-24,500	-	658,000	-	-3.6%	-12.8%	30.6%
KPG	Kiwi Property Group	Property	1.20	625,000	625,000	1.30	1.26	809,375	-	-	-21,875	-	787,500	20,313	-0.2%	-0.2%	7.3%
NZ subtotal in \$ooo's			4 shares					3,130	-	-116	36	-	3,049	20	1.8%	0.6%	13.0%

Australia																	
AHD	Amalgamated Hold.	Services	10.04	65,000	65,000	12.97	13.98	843,280	-	-	33,731	31,396	908,407	-	7.7%	16.9%	22.9%
ANZ	ANZ Banking	Financials	33.02	22,000	22,000	35.28	35.68	776,108	-	-	-18,267	27,130	784,971	-	1.1%	-4.4%	8.1%
BHP	BHP Billiton	Primary	39.04	25,000	25,000	33.18	31.81	829,528	-	-	-63,642	29,373	795,259	62,085	3.5%	8.3%	-4.8%
AAD	Ardent Leisure Gp	Services	2.03	245,000	245,000	2.06	2.33	504,748	-	-	47,042	19,753	571,544	-	13.2%	2.3%	13.7%
ASX	ASX	Financials	43.76	18,500	18,500	43.75	44.75	809,315	-	-	-9,984	28,615	827,946	-	2.3%	6.1%	3.5%
CCL	Coca-Cola Amatil	Food	14.09	75,000	75,000	10.66	10.85	799,429	-	-	-14,011	28,117	813,535	-	1.8%	0.9%	-11.6%
IFL	IOOF Holdings	Financials	9.60	80,000	80,000	10.46	11.63	836,949	-	-	61,443	32,161	930,553	-	11.2%	13.8%	13.4%
MTS	MetCash	Food	4.14	250,000	250,000	1.38	1.48	343,799	-	-	14,271	12,818	370,888	-	7.9%	-6.0%	-37.7%
NAB	NAB	Financials	35.42	20,500	22,140	38.16	36.90	782,340	49,723	-	-42,221	27,019	816,862	-	-1.9%	-4.3%	6.9%
PTL	Pental Limited	Consumer Goods	0.04	1,700,000	1,700,000	0.45	0.48	767,514	-	-	26,466	28,424	822,404	-	7.2%	17.3%	-13.5%
S32	South32 Ltd.	Primary	2.48	-	25,000	-	2.35	-	62,085	-	-3,373	146	58,858	-	-5.2%	-5.2%	-5.2%
TTS	Tatts Group	Services	3.72	190,000	190,000	4.19	4.47	796,679	-	-	23,664	29,367	849,710	-	6.7%	13.3%	12.7%
AUST subtotal in \$ooo's			12 shares		ex-rate	0.9635	0.9302	8,090	112	-	55	294	8,551	62	5.1%	6.2%	3.0%

31 May 2015

CodeCompanyIndustry			Average purchase cost	During the month										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 States																		
MO	Altria Group Inc	Tobacco	44.51	11,350	11,350	65.71	72.04	745,838	-	-	17,137	54,640	817,615	-	9.6%	8.6%	32.3%	
AFL	Aflac Inc	Financials	69.93	9,750	9,750	82.77	87.54	806,985	-	-	-10,497	57,040	853,528	-	5.8%	2.3%	25.4%	
ADP	Automatic Data Processing Inc	Services	86.77	7,425	7,425	111.00	120.31	824,144	-	-	9,456	59,698	893,298	-	8.4%	5.5%	27.7%	
ARCO	Arcos Dorados Holdings Inc	Food	11.06	91,000	91,000	7.88	7.75	716,865	-	-	-58,544	47,145	705,466	-	-1.6%	17.6%	-29.8%	
BPT	BP Prudhoe Bay Royalty Trust	Primary	114.13	7,500	7,500	95.11	93.89	713,320	-	-	-56,227	47,057	704,151	-	-1.3%	21.9%	-2.6%	
CDK	CDK Global Inc.	Services	35.09	2,750	2,750	62.92	74.98	173,019	-	-	19,389	13,779	206,187	-	19.2%	19.9%	114.7%	
CLX	Clorox Co	Primary	104.97	5,750	5,750	139.30	151.47	800,991	-	-	11,437	58,546	870,974	5,089	9.4%	3.2%	23.4%	
COH	Coach, Inc.	Services	50.36	-	16,000	-	49.76	-	805,793	-	-53,647	44,084	796,229	-	-1.2%	-1.2%	-1.2%	
CVX	Chevron Corp	Energy	137.47	5,950	5,950	145.82	144.92	867,599	-	-	-62,965	57,624	862,258	-	-0.6%	3.2%	6.3%	
CHK	Chesapeake Energy Corp	Energy	17.81	45,000	45,000	20.71	19.85	931,727	-	-	-98,077	59,701	893,352	-	-4.1%	5.3%	12.0%	
FCX	Freeport McMoran C&G	Primary	35.32	25,000	25,000	30.55	27.65	763,802	-	-	-118,921	46,290	691,171	1,495	-9.3%	9.3%	-9.7%	
HYH	Halyard Health Inc.	Healthcare	48.06	828	828	63.65	58.28	52,703	-	-	-7,675	3,225	48,253	-	-8.4%	-11.4%	21.3%	
JNJ	Johnson & Johnson	Healthcare	106.79	5,875	5,875	130.24	140.89	765,181	-	-	7,251	55,317	827,749	-	8.2%	4.7%	18.3%	
KMB	Kimberly-Clark Corp	Services	121.56	5,450	5,450	144.02	153.16	784,889	-	-	-5,939	55,784	834,734	-	6.4%	7.7%	17.3%	
KRFT	Kraft Foods	Food	64.99	8,000	8,000	111.27	118.82	890,173	-	-	-3,151	63,524	950,545	-	6.8%	3.3%	46.2%	
MRK	Merck & Co Stk	Healthcare	59.94	10,000	10,000	78.20	85.67	781,986	-	-	17,462	57,252	856,701	-	9.6%	12.2%	23.0%	
OAK	Oaktree Capital Management	Financials	64.86	12,500	12,500	70.22	77.06	877,700	-	-	20,419	65,124	963,243	11,256	11.1%	12.9%	16.8%	
PAYX	Paychex Inc.	Services	47.23	12,750	12,750	63.53	69.52	810,047	-	-	16,688	59,621	886,356	5,794	10.2%	5.5%	25.9%	
TAP	Molson Coors Brewing Co	Food	61.48	8,000	8,000	96.51	103.24	772,113	-	-	-1,365	55,197	825,944	-	7.0%	3.7%	33.0%	
PM	Philip Morris Int'l	Tobacco	112.93	7,175	7,175	109.59	116.88	786,316	-	-	-3,768	56,042	838,589	-	6.6%	17.5%	6.5%	
PG	Procter & Gamble Corp	Consumer Goods	97.42	6,750	6,750	104.39	110.29	704,645	-	-	-10,283	50,110	744,471	5,351	6.4%	1.4%	9.3%	
VIA	Viacom Inc - A	Services	88.29	10,500	10,500	90.76	95.04	953,016	-	-	-21,782	66,690	997,925	-	4.7%	5.2%	16.5%	
US subtotal in \$ooo's22 shares				ex-rate		0.7617	0.7108	15,523	806	-	-394	1,133	17,069	29	4.8%	7.3%	17.1%	
United Kingdom																		
BP	BP PLC	Primary	8.91	100,000	100,000	9.48	9.70	947,899	-	-	-39,403	61,172	969,668	-	2.3%	11.9%	8.4%	
BAT	British American Tobacco	Tobacco	68.01	11,500	11,500	72.32	77.56	831,644	-	-	2,429	57,898	891,971	25,797	10.5%	15.5%	11.9%	
DGE	Diageo	Food	36.26	25,000	25,000	36.49	39.06	912,189	-	-	2,605	61,596	976,390	-	7.0%	6.8%	11.0%	
GSK	GlaxoSmithkline PLC	Healthcare	32.06	30,000	30,000	30.47	31.27	914,240	-	-	-35,372	59,177	938,045	-	2.6%	3.4%	1.9%	
RDSB	Royal Dutch Shell	Primary	42.94	19,550	19,550	42.10	42.45	823,137	-	-	-45,511	52,360	829,987	-	0.8%	1.9%	4.2%	
ULVR	UNILEVER PLC	Consumer Goods	51.53	14,000	14,000	57.81	62.11	809,271	-	-	5,361	54,852	869,485	-	7.4%	11.3%	13.0%	
HSBA	HSBC Holdings	Financials	12.51	71,500	71,500	13.07	13.40	934,263	-	-	-36,892	60,423	957,794	-	2.5%	19.9%	10.6%	
UK subtotal in \$ooo's7 shares				ex-rate		0.4962	0.4649	6,173	-	-	-147	407	6,433	26	4.7%	10.0%	8.9%	

31 May 2015

Code	Company	Industry	Average purchase cost	During the month										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		
Europe																		
ABI	Anheuser-Busch InBev	Food	118.83	5,150	5,150	160.49	172.30	826,520	-	-	18,796	42,011	887,327	11,942	8.9%	6.8%	28.4%	
ADS	Adidas AG	Consumer Goods	92.05	8,000	8,000	108.20	110.58	865,610	-	-	-22,921	41,967	884,656	13,658	3.8%	6.0%	24.1%	
DAI	Daimler AG	Services	78.00	6,600	6,600	127.23	131.84	839,699	-	-	-10,213	40,650	870,137	-	3.6%	4.4%	33.4%	
MUV	Münchener Rück AG	Financials	236.91	3,000	3,000	257.76	259.72	773,267	-	-	-30,506	36,400	779,161	-	0.8%	-7.2%	8.8%	
SAN	Sanofi-Aventis S.A..	Healthcare	136.74	6,045	6,045	134.40	142.04	812,474	-	-	5,000	41,171	858,645	22,639	8.6%	10.4%	4.1%	
SA	TOTAL S.A	Primary	64.02	12,375	12,375	71.45	72.37	884,241	-	-	-30,548	41,837	895,530	-	1.3%	8.8%	8.4%	
TOD	TOD's SPA	Consume goods	127.82	6,250	6,250	121.14	129.78	757,129	-	-	15,451	38,562	811,142	14,300	9.1%	8.8%	1.8%	
Europe subtotal in \$ooo's			7 shares		ex-rate	0.6786	0.6469	5,759	-	-	-55	283	5,987	63	5.1%	5.3%	15.8%	
Other																		
ADVANC:TH	Advanced Info Service	Services	10.42	87,500	87,500	9.54	9.77	834,990	-	-	-20,875	40,791	854,906	-	2.4%	2.6%	-3.2%	
ROTH:MK	British American Tobacco MK	Tobacco	24.06	29,500	29,500	24.68	23.80	728,204	-	-	-54,527	28,367	702,044	8,865	-2.4%	-2.8%	4.0%	
LMC:MK	Lafarge Malayan Cement	Primary	3.99	212,500	212,500	3.56	3.65	755,740	-	-	-11,747	30,885	774,878	-	2.5%	3.2%	-2.2%	
NESZ:MK	Nestle (Malaysia)	Food	26.85	30,200	30,200	27.31	27.25	824,729	-	-	-35,392	33,693	823,030	20,367	2.3%	5.0%	3.3%	
NESN	Nestle SA	Food	83.77	8,250	8,250	102.64	109.08	846,779	-	-	-	53,153	899,933	-	6.3%	10.2%	16.5%	
19.HK	Swire Pacific Ltd	Services	14.70	45,000	45,000	17.77	18.93	799,644	-	-	-6,264	58,357	851,738	25,406	9.8%	6.6%	17.9%	
ZURN	Zurich Insurance Group AG	Financials	332.54	2,000	2,000	407.74	448.75	815,488	-	-	29,004	53,010	897,501	-	10.1%	4.7%	23.7%	
CIEL:3	Cielo SA	Financials	16.37	2,400	2,400	18.27	17.70	43,839	-	-	-2,028	667	42,478	-	-3.1%	12.0%	21.3%	
GAB:MK	Guinness Anchor Bhd	Food	6.24	150,000	150,000	5.38	5.61	807,105	-	-	1,106	33,551	841,762	-	4.3%	11.0%	-2.2%	
SCCG:TB	Siam City Cement	Primary	16.01	55,000	55,000	14.59	16.41	802,584	-	-	56,038	43,883	902,505	14,598	14.4%	6.1%	-5.6%	
Other subtotal in \$ooo's			10 shares					7,259	-	-	-45	376	7,591	69	5.5%	5.3%	6.8%	
Overall shares in \$ooo's			62 shares		5,182	5,199		45,933	918	-116	-549	2,494	48,679	269	4.8%	6.4%	10.3%	
Liquidity in \$ooo's								2,707	-	-741	-12	56	2,010	3	2.0%	2.9%	3.2%	
Overall asset in \$ooo's								48,640	918	-857	-561	2,550	50,689	272	4.7%	6.2%	10.4%	

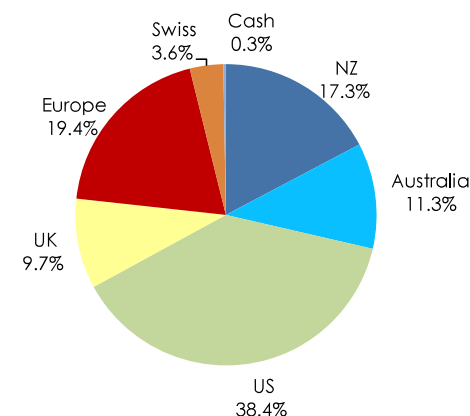
Note: ¹ "Average purchase cost" figures are since inception.

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

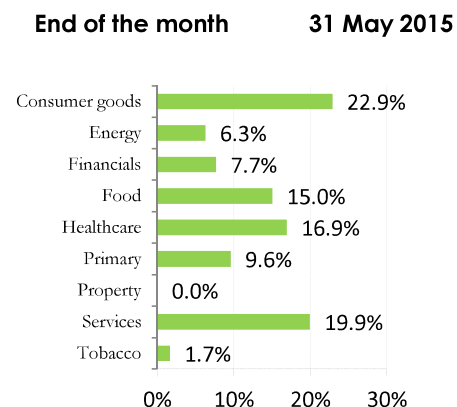
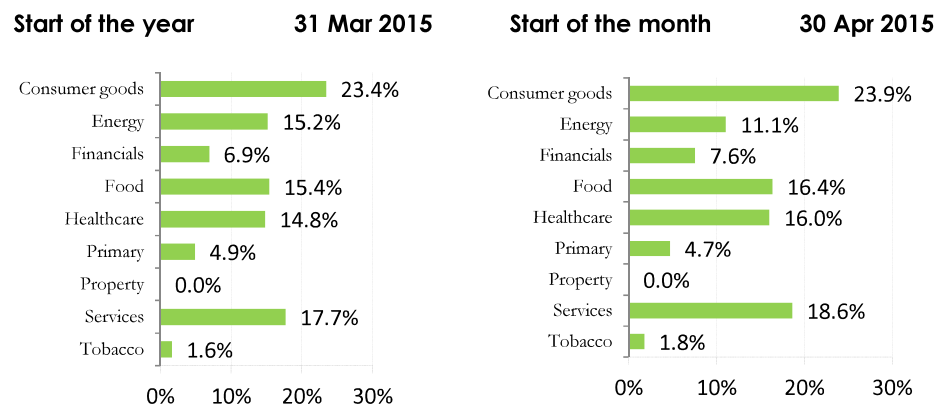
31 May 2015

Geographic split

Country of listing	No. of holdings	\$	%
NZ	12 shares	9,359,782	17.3%
Australia	8 shares	6,144,689	11.3%
US	23 shares	20,799,656	38.4%
UK	6 shares	5,225,664	9.7%
Europe	12 shares	10,516,172	19.4%
Swiss	2 shares	1,948,850	3.6%
Shares	63 shares	53,994,812	99.7%
Cash		149,768	0.3%
Total		54,144,580	100.0%



Industry split



Market returns (NZ\$)

	Last 1 year	Last 3 years	Last 5 years
Consumer goods	35.5%	25.4%	16.6%
Energy	-4.5%	7.7%	4.6%
Financials	24.9%	23.5%	9.3%
Food	25.6%	16.1%	14.0%
Healthcare	44.4%	30.2%	19.5%
Primary	15.5%	9.5%	3.7%
Services	23.6%	18.3%	13.8%
Overall MSCI	26.3%	20.2%	11.5%

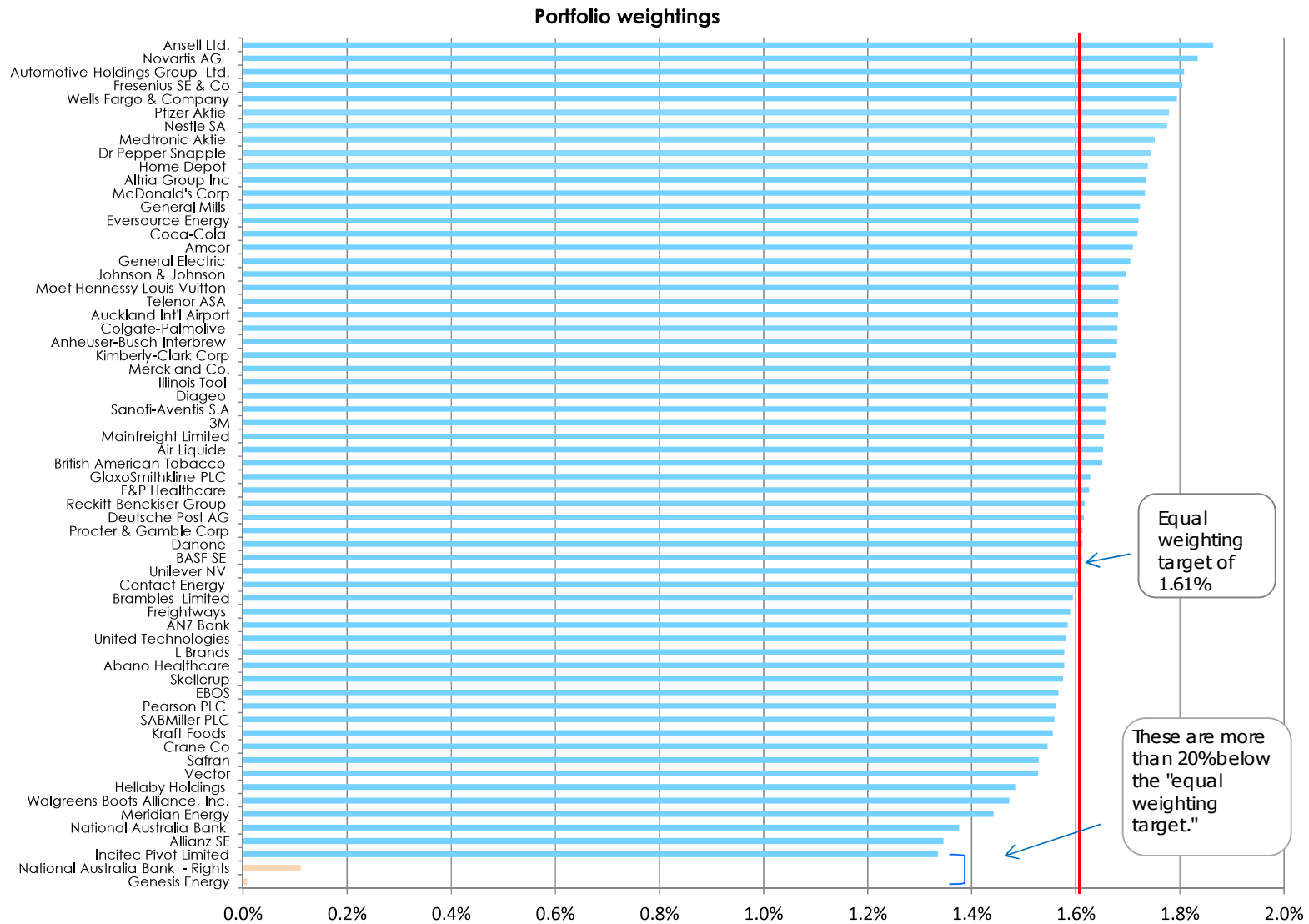
Concentration risks:

Shares that are 20% or more above the "equal weighting target" of \$872,342

Shares that are 20% or less below the "equal weighting target" of \$872,342

Genesis Energy Natl Australia Bk - Rights

31 May 2015



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	48,576,929	11,710,977	-8,278,421	-624,373	2,605,648	53,994,812	435,711
Liquidity (cash)	3,650,071	-	-3,425,735	-231,822	157,254	149,768	16,018
Overall asset	52,227,001	11,710,977	-11,704,155	-856,196	2,762,902	54,144,580	451,730

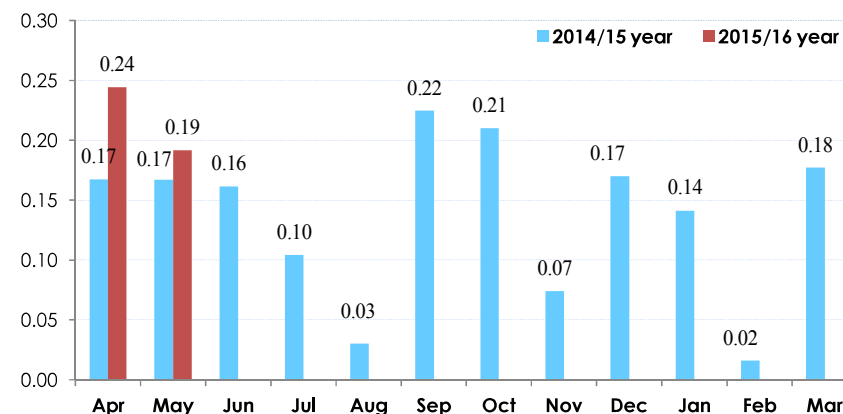
	During the month						
	Values			Gain/loss		Values	
	Start	Buys	Sells	Market	Currency	End	Net dividend
NZ	9,403,643	1,114,228	-1,214,293	56,204	-	9,359,782	-
AUST	2,346,422	3,550,304	-	98,233	149,730	6,144,689	-
US	17,171,459	2,369,974	-183,350	107,969	1,333,604	20,799,656	21,292
UK	6,381,751	107,551	-1,732,151	88,801	379,712	5,225,664	59,786
Europe	9,681,172	819,796	-485,614	25,256	475,562	10,516,172	110,557
Swiss	1,835,193	-	-	-1,449	115,106	1,948,850	-
Overall shares	46,819,640	7,961,852	-3,615,408	375,013	2,453,715	53,994,812	191,634
Liquidity (cash)	4,541,783	-	-4,318,582	-206,089	132,656	149,768	7,673
Overall asset	51,361,422	7,961,852	-7,933,990	168,924	2,586,371	54,144,580	199,307

Returns		
Month	Year	Since Inception
0.6%	-1.6%	15.4%
6.0%	3.2%	12.7%
8.0%	4.9%	17.0%
9.5%	10.1%	8.2%
6.2%	7.6%	12.8%
6.2%	9.6%	21.8%
6.2%	4.8%	14.8%
-2.8%	-2.6%	-0.6%
5.8%	4.6%	14.7%

Cash holdings

Currencies	Ex rate 30 Apr 15	Start values (local)	End values (local)	Ex rate 31 May 15	Currency gain/loss	End values (NZ\$)
New Zealand dollars	1.0000	4,517,414	109,774	1.0000	-	109,774
Australian dollars	0.9635	1,029	3	0.9302	61,449	4
Swiss Franc	0.7103	-0	-	0.6683	-	-
Euro	0.6786	1,882	17,473	0.6469	13,647	27,013
Pound Sterling	0.4962	-	6,032	0.4649	-	12,977
US dollars	0.7617	15,636	-0	0.7108	57,560	-0
					132,656	149,768

Year-to-date income (\$m)



31 May 2015

Code	Company	Industry	Average purchase cost	During the month										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																	
ABA	Abano Healthcare	Services	5.86	111,646	115,150	7.35	7.40	820,598	26,075	-	5,437	-	852,110	-	0.7%	-6.4%	16.7%
AIA	Auckland Int'l Airport	Services	2.97	208,143	187,143	4.61	4.85	959,539	-	-95,935	44,040	-	907,644	-	4.8%	9.1%	30.4%
FBU	Fletcher Building	Services	9.05	30,000	-	8.31	-	249,300	-	-246,792	-2,508	-	-	-	-2.0%	-2.5%	-4.5%
CEN	Contact Energy	Energy	5.07	141,000	141,000	5.68	6.15	800,880	-	-	66,270	-	867,150	-	8.3%	2.8%	15.5%
EBO	EBOS	Consumer goods	8.73	84,000	84,000	9.53	10.07	800,520	-	-	45,360	-	845,880	-	5.7%	-3.8%	13.2%
FPH	F&P Healthcare	Healthcare	3.34	133,000	133,000	6.50	6.60	864,500	-	-	13,300	-	877,800	-	1.5%	0.3%	44.7%
FRE	Freightways	Services	4.34	140,000	140,000	6.11	6.13	855,400	-	-	2,800	-	858,200	-	0.3%	-0.3%	22.7%
GNE	Genesis Energy	Energy	1.61	398,676	2,000	1.95	1.88	777,418	-	-759,793	-13,865	-	3,760	-	-3.5%	-12.4%	21.0%
HBV	Hellaby Holdings	Financials	2.78	266,000	266,000	3.08	3.01	819,280	-	-	-18,620	-	800,660	-	-2.3%	-4.7%	10.3%
MFT	Mainfreight Limited	Services	15.57	21,000	56,000	15.40	15.95	323,400	547,018	-	22,782	-	893,200	-	3.8%	3.3%	3.3%
MEL	Meridian Energy	Energy	2.24	140,000	362,000	1.95	2.15	272,300	541,135	-	-35,135	-	778,300	-	-6.5%	-6.1%	-6.1%
SKL	Skellerup	Consumer goods	1.36	630,000	630,000	1.41	1.35	888,300	-	-	-37,800	-	850,500	-	-4.3%	-4.9%	7.2%
VCT	Vector	Energy	2.78	300,993	265,993	3.23	3.10	972,207	-	-111,772	-35,857	-	824,578	-	-3.9%	3.2%	10.5%
NZ subtotal in \$ooo's			12 shares			-	-	9,404	1,114	-1,214	56	-	9,360	-	0.6%	-1.6%	15.4%
Australia																	
AMC	Amcor	Services	11.35	59,220	59,220	14.04	15.59	831,600	-	-	59,620	31,905	923,124	-	11.0%	9.0%	28.8%
ANZ	ANZ Bank	Financials	33.78	21,169	23,975	35.28	35.68	746,792	96,811	-	-14,171	26,008	855,440	-	1.5%	-4.0%	7.9%
ANN	Ansell Ltd.	Primary	27.87	-	35,000	-	28.76	-	975,513	-	14,424	16,566	1,006,504	-	3.2%	3.2%	3.2%
BXB	Brambles Limited	Primary	11.67	-	70,000	-	12.30	-	817,130	-	18,153	25,607	860,890	-	5.4%	5.4%	5.4%
NAB	National Australia Bank	Financials	35.31	20,125	20,125	38.16	36.90	768,029	-	-	-51,174	25,663	742,518	-	-3.3%	-6.0%	6.7%
IPL	Incitec Pivot Limited	Primary	2.06	-	168,000	-	4.29	-	699,153	-	10,300	11,165	720,619	-	3.1%	4.2%	10.6%
AHG	Automotive Holdings Group	Services	4.62	-	197,410	-	4.95	-	912,883	-	51,390	11,954	976,227	-	6.9%	6.9%	6.9%
NABR	Natl Australia Bk - Rights	Financials	30.32	-	1,610	-	36.87	-	48,814	-	9,692	861	59,367	-	21.6%	21.6%	21.6%
AUST subtotal in \$ooo's			8 shares		ex-rate	0.9635	0.9302	2,346	3,550	-	98	150	6,145	-	6.0%	3.2%	12.7%

Listed shares: Forsyth Barr - Richard Burton

31 May 2015

Code	Company	Industry	Average purchase cost	During the month										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values				Net dividend
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency					
United States																	
MMM	3M	Consumer goods	143.15	3,997	3,997	206.09	223.82	823,750	-	-	11,073	59,785	894,608	-	8.6%	1.5%	27.5%
MO	Altria Group Inc	Consumer goods	45.70	13,004	13,004	65.71	72.04	854,527	-	-	19,634	62,603	936,764	-	9.6%	8.6%	28.5%
KO	Coca-Cola	Food	51.02	16,100	16,100	53.25	57.63	857,370	-	-	8,455	62,006	927,831	-	8.2%	7.0%	7.5%
CL	Colgate-Palmolive	Consumer goods	74.33	9,653	9,653	88.33	93.97	852,693	-	-	-6,503	60,914	907,104	4,387	6.9%	1.8%	14.9%
CR	Crane Co	Primary	82.94	4,900	9,800	80.94	85.16	396,619	410,648	-	-18,380	45,716	834,603	-	4.5%	3.1%	3.1%
DPS	Dr Pepper Snapple	Food	59.61	8,729	8,729	97.92	107.83	854,735	-	-	23,609	62,902	941,246	-	10.1%	3.3%	36.3%
ES	Eversource Energy	Energy	53.46	13,405	13,405	65.66	69.29	880,173	-	-	-13,376	62,075	928,873	-	5.5%	2.6%	16.9%
GE	General Electric	Consumer goods	30.42	25,788	23,989	35.55	38.37	916,877	-	-64,047	5,213	62,365	920,408	-	7.6%	16.2%	15.8%
GIS	General Mills	Food	62.69	12,530	11,781	72.96	79.00	914,189	-	-55,167	8,314	63,375	930,711	6,593	8.9%	4.9%	15.0%
HD	Home Depot	Services	99.46	5,985	5,985	140.46	156.76	840,642	-	-	34,889	62,701	938,232	-	11.6%	3.2%	27.1%
ITW	Illinois Tool	Consumer goods	89.90	6,799	6,799	122.86	132.02	835,358	-	-	2,232	59,984	897,573	-	7.4%	2.1%	23.4%
JNJ	Johnson & Johnson	Healthcare	110.29	6,500	6,500	130.24	140.89	846,583	-	-	8,022	61,202	915,807	-	8.2%	4.7%	16.7%
KMB	Kimberly-Clark Corp	Consumer goods	124.85	6,351	5,908	144.02	153.16	914,647	-	-64,137	-6,957	61,328	904,882	-	6.2%	7.5%	15.4%
KRFT	Kraft Foods	Food	69.90	7,070	7,070	111.70	118.82	789,753	-	-	-5,848	56,139	840,044	-	6.4%	3.4%	34.1%
LB	L Brands	Consumer goods	121.38	3,500	7,000	116.85	121.73	408,981	420,898	-	-22,679	44,915	852,114	-	3.6%	-1.2%	-1.2%
MAT	Mattel Aktie	Consumer goods	-	-	-	-	-	-	-	-	-	-	-	4,052	0.0%	0.0%	0.0%
MCD	McDonald's Corp	Services	124.55	6,930	6,930	126.76	134.97	878,476	-	-	-5,641	62,508	935,343	-	6.5%	3.6%	5.9%
MDT	Medtronic Aktie	Healthcare	67.69	8,806	8,806	97.75	107.38	860,772	-	-	21,620	63,192	945,584	-	9.9%	3.4%	29.1%
MRK	Merck and Co.	Healthcare	78.73	5,600	10,500	78.20	85.67	437,912	398,389	-	12,844	50,390	899,536	-	9.9%	12.4%	12.4%
PFE	Pfizer Aktie	Healthcare	36.23	19,635	19,635	44.55	48.89	874,700	-	-	21,139	64,155	959,995	-	9.8%	5.1%	18.9%
PG	Procter & Gamble Corp	Consumer goods	100.14	7,896	7,896	104.39	110.29	824,278	-	-	-12,029	58,617	870,865	6,260	6.4%	1.4%	7.1%
UTX	United Technologies	Services	156.75	2,800	5,180	149.35	164.85	418,171	380,667	-	7,133	47,973	853,944	-	9.1%	5.7%	5.7%
WFC	Wells Fargo & Company	Financials	55.60	12,306	12,306	72.34	78.73	890,252	-	-	13,895	64,750	968,897	-	8.8%	8.2%	32.5%
WBA	Walgreens Boots Alliance, Ir	Healthcare	115.41	-	6,580	-	120.77	-	759,371	-	1,311	34,010	794,692	-	4.7%	4.7%	4.7%
US subtotal in \$ooo's		23 shares		ex-rate		0.7617	0.7108	17,171	2,370	-183	108	1,334	20,800	21	8.0%	4.9%	17.0%

31 May 2015

CodeCompanyIndustry			Average purchase cost	During the month										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																	
BATS	British American Tobacco	Tobacco	68.67	11,490	11,490	72.32	77.56	830,920	-	-	2,484	57,790	891,195	24,866	10.4%	15.3%	9.4%
CNA	Centrica	Energy	7.14	126,000	-	5.14	-	647,586	-	-728,914	60,643	20,686	-	-	12.6%	15.2%	-8.6%
DGE	Diageo	Food	37.78	22,974	22,974	36.49	39.06	838,265	-	-	2,394	56,605	897,264	-	7.0%	7.1%	3.2%
GSK	GlaxoSmithkline PLC	Healthcare	32.34	28,105	28,105	30.47	31.27	856,490	-	-	-33,138	55,439	878,791	-	2.6%	3.4%	0.6%
PSON	Pearson PLC	Services	23.16	30,000	30,000	26.63	28.12	798,750	-	-	-9,849	54,597	843,498	21,943	8.5%	0.3%	13.7%
RB	Reckitt Benckiser Group	Consumer goods	92.20	7,636	6,873	117.93	127.03	900,499	-	-94,778	6,763	60,595	873,079	12,977	9.5%	12.1%	21.7%
SAB	SABMiller PLC	Food	72.60	9,800	11,200	69.84	75.16	684,410	107,551	-	1,657	48,220	841,837	-	6.8%	3.6%	3.6%
SSE	Scottish & Southern Energy	Energy	29.99	26,488	-	31.14	-	824,830	-	-908,459	57,848	25,781	-	-	10.1%	15.3%	12.5%
UK subtotal in \$ooo's			6 shares		ex-rate	0.4962	0.4649	6,382	108	-1,732	89	380	5,226	60	9.5%	10.1%	8.2%

Europe																	
AI	Air Liquide	Primary	150.28	5,375	4,839	172.13	184.35	925,208	-	-93,786	15,764	44,907	892,094	13,353	8.5%	8.4%	13.3%
ALV	Allianz SE	Financials	231.00	1,400	3,290	224.89	220.68	314,848	426,595	-	-37,420	22,031	726,053	10,915	-0.9%	-6.4%	-6.4%
ABI	Anheuser-Busch Interbrew	Food	119.30	5,656	5,264	160.49	172.30	907,727	-	-63,710	18,436	44,516	906,969	13,091	8.7%	6.8%	23.3%
BAS	BASF SE	Primary	121.09	6,686	6,686	131.87	130.17	881,679	-	-	-53,021	41,654	870,312	21,308	1.1%	0.3%	4.9%
BN	Danone	Food	93.20	9,625	8,855	95.07	98.34	915,052	-	-72,215	-14,704	42,650	870,784	-	3.2%	9.0%	2.4%
DPW	Deutsche Post AG	Services	33.35	20,557	20,557	43.56	42.43	895,383	-	-	-65,185	42,009	872,207	27,013	0.4%	4.6%	16.9%
FRE	Fresenius SE & Co	Healthcare	52.76	12,350	10,873	78.74	89.56	972,457	-	-118,192	71,187	48,303	973,754	5,445	13.7%	12.1%	30.0%
MC	Moet Hennessy Louis Vuitton	Consumer goods	218.45	3,542	3,542	230.79	256.40	817,445	-	-	48,285	42,427	908,156	-	11.1%	9.6%	15.1%
SAN	Sanofi-Aventis S.A	Healthcare	133.86	6,300	6,300	134.40	142.04	846,747	-	-	5,406	42,713	894,866	19,430	8.1%	9.9%	4.1%
SAF	Safran	Consumer goods	100.01	4,200	8,120	96.16	101.62	403,876	393,202	-	870	27,171	825,118	-	4.7%	0.9%	0.9%
TEL	Telenor ASA	Services	26.31	28,462	28,462	29.68	31.90	844,836	-	-	29,269	33,941	908,046	-	7.5%	18.0%	12.6%
UNA	Unilever NV	Consumer goods	51.02	16,604	14,260	57.57	60.86	955,914	-	-137,712	6,370	43,241	867,813	-	5.6%	8.7%	10.9%
Europe subtotal in \$ooo's 12 shares				ex-rate			0.6786 0.6469	9,681 820 -486		25 476	10,516 111			6.2% 7.6% 12.8%			

31 May 2015

Code	Company	Industry	Average purchase cost	During the month										Returns			
				Holdings		Price NZD		Values			Gain/loss		End Values				Net dividend
				Start	End	Start	End	Start	Buys	Sells	Market movement	Currency		Month	Yfd	Since Inception	
Swiss																	
NESN	Nestle SA	Food	84.97	8,785	8,785	102.64	109.08	901,692	-	-	-	56,600	958,292	-	6.3%	10.2%	15.7%
NOVN	Novartis AG	Healthcare	96.86	6,860	6,860	136.08	144.40	933,501	-	-	-1,449	58,506	990,558	-	6.1%	9.1%	38.0%
Swiss subtotal in \$ooo's			2 shares		ex-rate	0.7103	0.6683	1,835	-	-	-1	115	1,949	-	6.2%	9.6%	21.8%
Overall shares in \$ooo's			63 shares					46,820	7,962	-3,615	375	2,454	53,995	192	6.2%	4.8%	14.8%
Liquidity in \$ooo's								4,542	-	-4,319	-206	133	150	8	-2.8%	-2.6%	-0.6%
Overall asset in \$ooo's								51,361	7,962	-7,934	169	2,586	54,145	199	5.8%	4.6%	14.7%

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

² Dividend income of \$4052 in May 2015 relates to Mattel Aktie which was sold out in March 2015.

31 May 2015

Technical notes

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

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

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

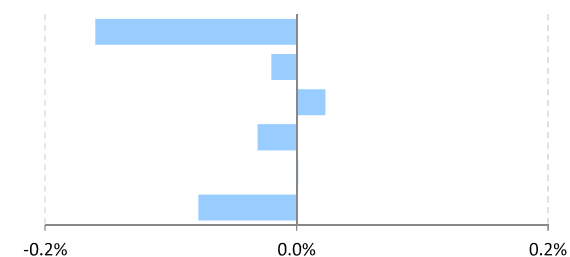
31 May 2015

Environment and market statistics

90-day bank bill rates

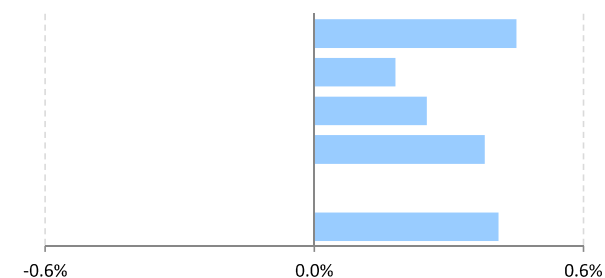
	Start of year 1 Apr 2015	Start of period 1 May 2015	End of period 31 May 2015	Movement	
				Month	Year
NZ	3.6%	3.6%	3.5%	(0.2%)	(0.2%)
US	0.0%	0.0%	0.0%	0.0%	(0.0%)
UK	0.4%	0.4%	0.5%	0.0%	0.0%
Euro	0.0%	0.0%	0.0%	(0.0%)	(0.0%)
Japan	0.0%	0.0%	0.0%	0.0%	0.0%
Australia	2.2%	2.3%	2.1%	(0.1%)	(0.1%)

Year-to-date (change)



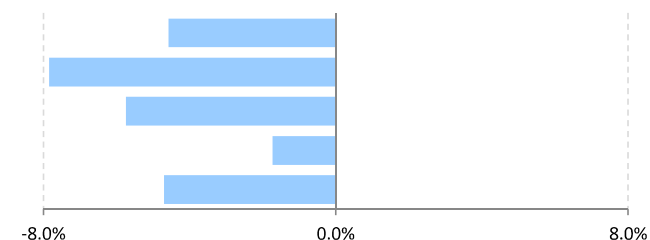
10 year government bond yields

	Start of year 1 Apr 2015	Start of period 1 May 2015	End of period 31 May 2015	Movement	
				Month	Year
NZ	3.2%	3.4%	3.7%	0.2%	0.5%
US	1.9%	2.1%	2.1%	0.1%	0.2%
UK	1.7%	1.6%	1.9%	0.3%	0.3%
Euro	1.0%	0.9%	1.3%	0.5%	0.4%
Japan	0.4%	0.4%	0.4%	0.0%	0.0%
Australia	2.3%	2.6%	2.7%	0.1%	0.4%



Exchange rates

	Start of year 1 Apr 2015	Start of period 1 May 2015	End of period 31 May 2015	Movement	
				Month	Year
US	0.7490	0.7612	0.7148	(6.1%)	(4.6%)
UK	0.5059	0.4935	0.4662	(5.5%)	(7.8%)
Euro	0.6918	0.6850	0.6521	(4.8%)	(5.7%)
Yen	89.99	90.62	88.43	(2.4%)	(1.7%)
Australia	0.9785	0.9520	0.9326	(2.0%)	(4.7%)



Environment and market statistics

Sharemarket returns (local currency)

	Month	Year	Last 12 months	Last 3 years (p.a.)	Last 5 years (p.a.)
US (S&P 500)	1.0%	1.9%	9.6%	17.2%	14.1%
Japan (Nikkei 225)	5.3%	7.1%	40.5%	34.0%	16.1%
UK (FTSE 100)	0.3%	3.1%	2.0%	9.5%	6.1%
Germany (DAX)	(0.4%)	(4.6%)	14.8%	22.1%	13.9%
France (CAC 40)	(0.8%)	(0.5%)	10.8%	18.4%	7.4%
Australia (ASX 200)	0.4%	(1.3%)	9.9%	17.4%	10.3%
NZ (NZX 50)	0.9%	0.2%	12.9%	18.8%	13.8%
MSCI Net div 50% hedged	4.5%	5.6%	21.7%	21.1%	14.2%

Note:

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

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Report type:	Executive Decisions
Recommendation:	The Executive approves/declines the recommendations of the Donations Assessors as outlined below.
Agenda item no:	9
Subject:	Discretionary Donations
Responsible for the report:	General Manager & Donations Assessors

Purpose of report:	To inform and seek the Executive's approval/decline of donations.
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Approvals

No approvals.

Declines

No declines.

Report type:	Executive/Board Information Papers
Recommendation:	The Executive reviews the Hedging Reports as provided by Michael Chamberlain Associates and the General Manager
Agenda item no:	10
Subject:	Hedging Reports
Responsible for the report:	General Manager

Purpose of report:	To be informed of matters pertaining to the Trusts current hedging exposure to allow an action plan to be developed for hedging contract rollovers.
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The hedging position for May 31st 2015 is attached for your information.

Eastern & Central Community Trust

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

Market Value Date

Friday, 29 May 2015

External Deal Ref	Cust Buy Ccy	Cust Buy Amount	Cust Sell Ccy	Cust Sell Amount	Deal Rate	Maturity Date	Reval Rate	MTM Value (NZD)	Spot Rate
CB183012	NZD	8,300,000.00	EUR	5,455,922.00	0.657340	07-Aug-15	0.646690	-135,832.09	0.651490
CB183013	NZD	5,800,000.00	GBP	2,787,712.00	0.480640	07-Aug-15	0.462879	-221,150.36	0.465640
Total								-356,982.45	

Note: Where a 3rd Currency Contract exists the Cust Deal Ref will appear twice. The first valuation is for the Cust Buy Currency, and the second, is for the Cust Sell Currency.

E&CCT HEDGING CONTRACTS OPENING REPORT

as at 31st May 2015

Rollover Date: 7th August 2015

CURRENCY Country	Amount Hedged \$NZ	Value of Overseas Exposure in \$NZ 31/05/2015	Hedged % Target %	Trade Date	Deal Rate	Revaluation Rate 29/05/2015	Rollover Date	Balance \$NZ
Thailand Malaysia USA HongKong Brazil	0	1,757,411 3,141,714 37,868,396 851,738 42,478	0.00% 50%	8/05/2015	0.00000	0.00000	7/08/2015	0.00
All European Countries (incl Swiss)	8,300,000	20,249,059	40.99% 50%	8/05/2015	0.65734	0.64669	7/08/2015	-136,688.37
UK	5,800,000	11,659,002	49.75% 50%	8/05/2015	0.48064	0.46288	7/08/2015	-222,550.17
Japan	0	0	0% 50%	n/a	n/a	n/a	n/a	0.00
Pimco Bonds (Hedged)	0	15,063,633	0.00% 0%	n/a	n/a	0.92363	n/a	0.00
Australia	0	14,695,624	0.00% 0%	n/a	0.92363	0.92212	n/a	0.00

TOTAL (Incl Bonds)	\$14,100,000	\$105,329,055		Current Balance	-\$359,238.54
EQUITIES ONLY	\$14,100,000	\$90,265,422	15.62%		
Excluding Australia	\$14,100,000	\$75,569,798	18.66%		

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

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

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

Euro used to hedge the Euro and the Swiss franc.

J Bell
19/06/2015

Report type:	Executive/Board Information Papers
Recommendation:	The Executive reviews the various investment commentaries and market reviews as provided by the General Manager
Agenda item no:	11
Subject:	Investment Commentaries & Market Reviews
Responsible for the report:	General Manager

Purpose of report:	To be informed of matters pertaining to investments and recent performance of investment markets
---------------------------	--

Monthly Market Review 31 May 2015

	Month End	Percentage Performance			Year to Date since:	
	Index	Month	3 Months	12 Months	31 Dec 2014	31 Mar 2015
NZ Indexes						
NZX50 Gross	5,844.95	0.93%	-0.57%	12.87%	4.97%	0.19%
NZX50 Gross with Imputation Credits	6,743.53	0.97%	-0.12%	14.35%	5.44%	0.24%
NZX10 Gross	5,888.22	1.46%	0.28%	8.58%	4.56%	1.13%
NZSX Small Companies (Gross) Index	36,222.08	-0.40%	-1.85%	8.60%	0.98%	-0.38%
NZSX Small Companies (Gross) Index w Imps	40,853.44	-0.39%	-1.48%	9.98%	1.39%	-0.24%
NZX Property Sector (Gross) Index	3,907.32	-0.28%	-0.13%	17.92%	4.27%	-0.56%

Australian Indexes

All Ordinaries Accumulation (NZD)	54,099.17	4.44%	3.04%	8.08%	12.21%	4.65%
S&P/ASX 200 Accumulation (AUD)	51,324.94	0.40%	-1.37%	9.93%	8.88%	-1.31%

Other Indexes (in stated currency)

MSCI World (NZD) with net divs	6,711.32	7.37%	7.51%	26.13%	15.42%	8.23%
MSCI World Price Index (NZD)	2,500.61	7.05%	6.74%	23.79%	14.32%	7.72%
MSCI World (NZD) with net divs 50% Hedged	955.30	4.48%	5.16%	21.66%	12.14%	5.60%
MSCI World (NZD) with net divs 100% Hedged	1,296.94	1.59%	2.78%	16.95%	8.72%	2.95%
MSCI Emerging Mkts (Local) with net divs	471.40	-2.51%	3.17%	11.29%	8.07%	3.02%
S&P 500 (USD)	2,107.39	1.05%	0.14%	9.56%	2.36%	1.91%
DJIA (USD)	18,010.68	0.95%	-0.67%	7.74%	1.05%	1.32%
Nasdaq (USD)	5,070.03	2.60%	2.15%	19.50%	7.05%	3.45%
Nikkei 225 (JPY)	20,563.15	5.34%	9.39%	40.53%	17.84%	7.06%
FTSE 100 (GBP)	6,984.43	0.34%	0.54%	2.04%	6.37%	3.12%
DAX (EUR)	11,413.82	-0.35%	0.11%	14.79%	16.40%	-4.62%
CAC 40 (EUR)	5,007.89	-0.76%	1.14%	10.80%	17.21%	-0.51%

Other Sectors

NZX NZ Government Stock	1,491.62	0.08%	0.59%	7.35%	2.72%	-0.01%
NZX Corporate A Grade	4,557.72	0.52%	1.38%	7.33%	2.99%	0.84%
Barclays Global Agg Index Hedged to NZD	345.67	-0.15%	0.52%	8.63%	2.58%	-0.39%
Citigroup WGBI Hedged to NZD	2,886.53	-0.38%	0.22%	9.23%	2.26%	-0.84%
Citigroup WGBI Unhedged (NZD)	580.30	4.49%	3.83%	9.74%	5.72%	4.05%
NZX NZ 90 Day Bank Bill	660.40	0.30%	0.91%	3.67%	1.51%	0.60%
UBS Global Real Estate Investors TR Hedged	3,546.60	-0.14%	-2.49%	17.52%	3.75%	-3.26%
West Texas Intermediate Crude Oil (USD)	60.30	1.12%	21.18%	-41.29%	13.20%	26.68%
Brent Crude Oil (USD)	63.89	-1.50%	3.37%	-42.26%	14.58%	19.78%
Gold (USD)	1,190.55	0.52%	-1.87%	-4.74%	0.48%	0.58%

Foreign Exchange (NZD)

AUD	0.9296	-3.70%	-3.85%	1.89%	-2.67%	-5.30%
EUR	0.6490	-4.48%	-3.80%	4.30%	0.48%	-7.05%
GBP	0.4663	-5.88%	-4.77%	-7.89%	-6.98%	-7.69%
JPY	88.2998	-3.09%	-2.39%	2.21%	-5.77%	-1.81%
CNY	4.4134	-6.66%	-7.24%		-9.19%	-5.16%
USD	0.7115	-6.54%	-5.97%	-16.20%	-8.96%	-5.11%

New Zealand Yields

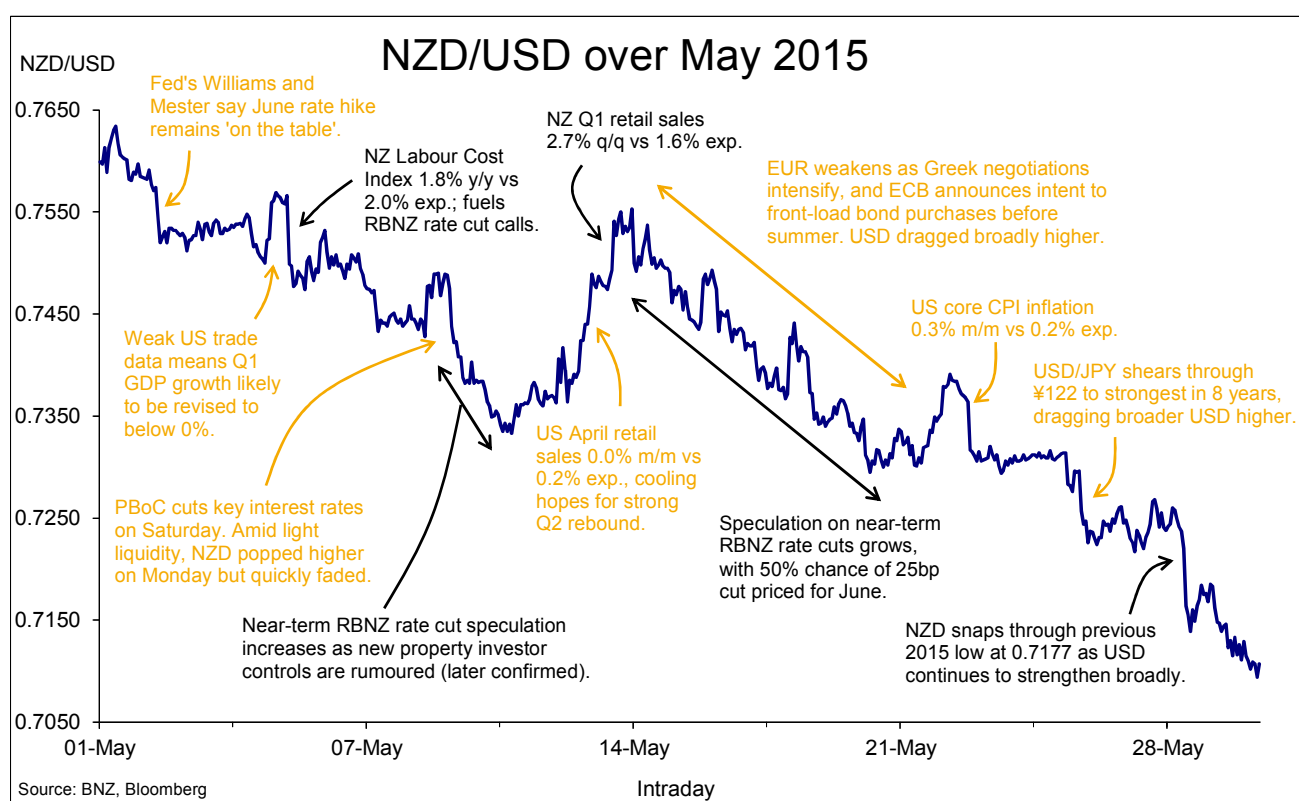
90 Day Bank Bill	3 year Government Bond	10 year Govt Bond (15/4/27)
3.63%	3.04%	3.63%

Nikko Asset Management New Zealand Limited manages NZ\$4.2 billion on behalf of a diverse group of clients, including charitable trusts, superannuation schemes, local government authorities, KiwiSaver scheme providers, private banks, financial advisers and intermediaries. We offer expertise in management of domestic assets (equities, fixed interest and cash) as well as global sectors (equities, fixed interest and alternative investments).

June 2015

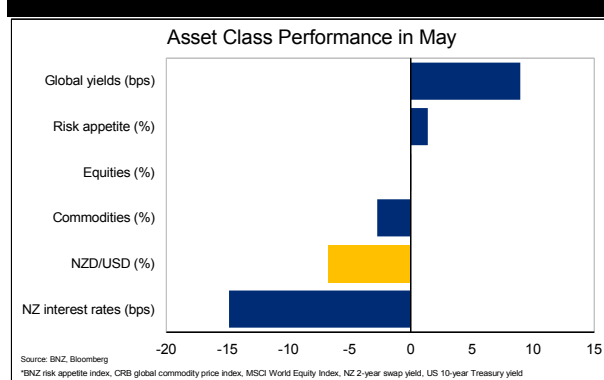
Mayday for Bonds

- European bond sell-off continues in early May. Speculation grows that the ECB may curtail QE programme before Sep-16.
- USD regains some poise as US data show signs of Q2 rebound, and Fed officials affirm belief in 2015 rate hike.
- RBNZ rate cut odds shorten, as property investor controls are signalled. We remain sceptical on June/July rate cuts.



Quick Outlook		May
NZD/USD	The near-term fate of NZD/USD clearly hangs on the outcomes of the RBNZ and FOMC policy meetings this month. On our forecasts of no policy rate changes from either, we expect some modest recovery toward 0.74, before fading to 0.70 by Dec.	0.7072 – 0.7640
NZD/AUD	The cross hugs the bottom end of our 0.92 – 0.98 expected range over 2015, and will remain there unless the RBNZ fails to deliver near-term rate cuts. On a no-change decision, we expect a return back to our 0.95 forecast for year-end.	0.9200 – 0.9673
NZD/GBP	The post-election pop higher in GBP has faded, and a tighter fiscal impulse lies ahead. We see the cross recovering toward 0.50 as the RBNZ holds rates steady.	0.4622 – 0.4998
NZD/EUR	Much hinges on the path of Greek debt negotiations, where there is still a risk of accident. The cross should drift higher, as NZD outperforms its peers.	0.6439 – 0.6839
NZD/JPY	USD/JPY's ascent to ¥125 has happened faster than expected, but it should consolidate in the near-term. The cross should remain supported above ¥88.	87.75 – 91.22
90-day bank bill	We do not expect the RBNZ to deliver rate cuts in the near-term, though we expect the market will price a possibility. No cut in June should see a return to 3.60%.	3.55% - 3.64%

NZ Interest Rates Buck Global Trends On RBNZ Cut Bets



Global bond yields jump; USD gains despite spread contraction

The huge sell-off in European bonds, which began in mid-April, extended through into the first part of May. Over the first four trading days of the month, German 10-year bond yields rose by as much as 42bps, to a high of 0.78%. This set the tone for long-end interest rates globally. But despite the contraction in US-GE yield spreads, EUR fell modestly through the latter half of May, as the USD responded to a better data beat from the US economy. Locally, short-end interest rates fell as speculation grew that the RBNZ may begin cutting its policy rate as soon as June. This view has been a key driver of NZD's underperformance against its peers.

Data shows signs of Q2 bounce in US; FOMC still sees 2015 hike

With the US' first quarter performance given up for the ghost, investors were of a mind to scrutinise the April activity data as it was released through May. Initially, the signs were not encouraging. Employment, wage growth, and retail sales all disappointed, discouraging those looking for a strong rebound in Q2. But later releases, including CPI inflation, housing starts, and durable goods orders, helped to shore up belief that the US will return to above-trend growth over 2015. Perhaps more importantly (and in the absence of a formal policy meeting), FOMC members publicly reaffirmed their belief that the Q1 weakness would prove temporary. Of note, Fed Chair Yellen stated that she continues to expect that the Fed Funds Rate would be raised in 2015, despite her view that the low unemployment rate (currently 5.4%) overstates the health of the US labour market.

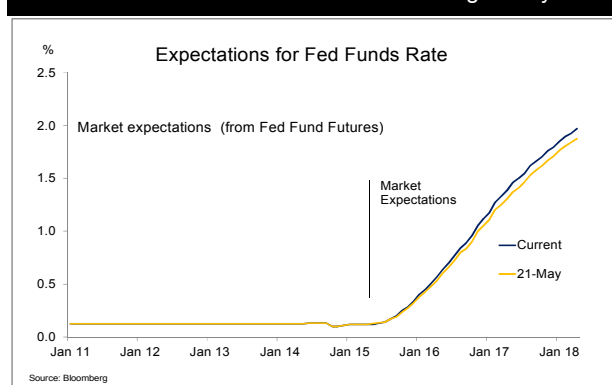
Investors see possibility ECB may trim bond buying ahead of schedule

Part of the reason investors feel that the European bond rally has gone too far, is a growing school of thought that posits the ECB may be forced to pare (or even end) its current quantitative easing programme before the stated end of September 2016. European inflation indicators have begun to turn, in part thanks to the stabilisation in oil prices. Euro-zone CPI inflation rose from 0.0% y/y in April to 0.3% in May. Investors speculate that, if the ECB sees inflation rising more rapidly than expected toward the 2.0% target, it may be forced to reduce the current ultra-easy monetary policy stance.

Greek debt talks continue, with risk of default rising

The Greek debt negotiations continued through April, with little sign of progress ahead of the first IMF repayment due on 5 June (*Ed. Now bundled with the other June repayments to 30 June*). The relative calm in markets ahead of the impending deadline worked against Greece, which likely would have been hopeful that some disorderly market behaviour might cause enough worry for the Brussels Group to soften its negotiation positions. It looks increasingly likely that Greece will be forced to accept its creditors' demands. But if Greek PM Tsipras cannot convince his Parliament that this is the only option, then the risk of an accidental default grows.

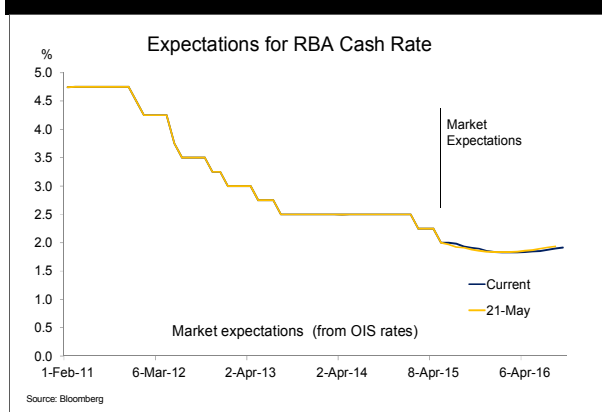
Confidence on 2015 US Rate Hikes Returning Slowly



German Bond Yields Jump On ECB QE Speculation



Market Ceases To Price Further Full RBA Rate Cut



RBA cuts in May, looks to be on hold for some months

The RBA cut its policy rate by 25bps to 2.00% in May, as near-universally expected. The Bank felt it necessary to reinforce the encouraging trends it saw in the non-mining sectors of the economy. At the subsequent Statement on Monetary Policy, the Bank lowered very modestly its expectations of future growth, which keeps Australia below trend until 2016/17. Our NAB colleagues believe this marks the end of the current easing cycle, unless AUD/USD stays near 0.80 or the unemployment rate rises materially. The market prices a 68% chance of a further 25bps rate cut by early 2016.

Fonterra forecasts \$5.25 2015/16 milk price, but trims 2014/15 to \$4.40

Fonterra announced its first estimate for the 2015/16 milk payout, pegging it at \$5.25/kg/MS. At the same time, it downgraded the estimate for the 2014/15 payout by 10c to \$4.40. The forecast for next year implies some measure of confidence on Fonterra's part that milk prices will recover modestly, and that the NZD continues to depreciate. We share these views, and currently expect the payout will eventually reach \$5.70/kg/MS. The risks are skewed south, reinforced by the continued decline in dairy auction prices. Since the 2015 peak hit in March, average dairy prices are down a cumulative 29.2%.

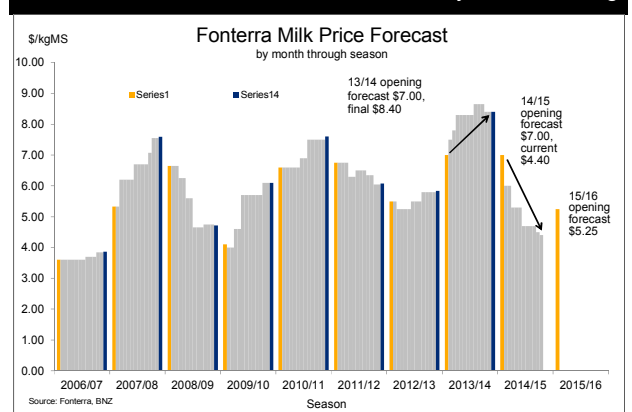
RBNZ rate cut calls grow, as housing market controls touted

The market markedly shortened the odds on near-term RBNZ rate cuts, now completely convinced a 25bp cut will be delivered by July. Investors saw the separate controls on property investors announced by the RBNZ and the Government in mid-May as opening the door for interest rate cuts. From 1 October, 'property investors' (a definition yet to be finalised) in the Auckland market will not be allowed to take mortgages greater than 70% of the value of a house. Separately, the Government will be tightening up capital gains rules, where a tax will be applied to any houses sold (excluding owner-occupied) within two years of purchase.

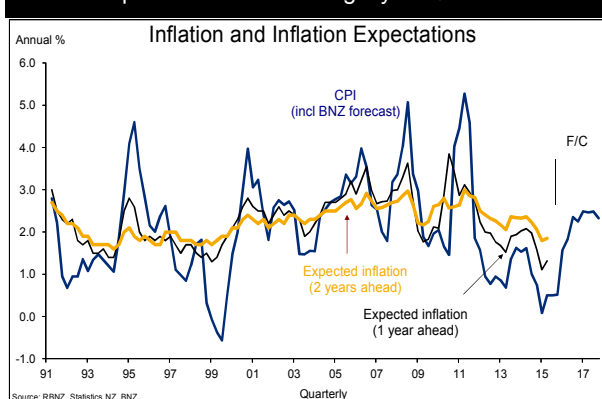
We remain sceptical on the need for near-term rate cuts

Regular readers will know well that we view such short odds on near-term rate cuts (i.e. June or July) as too rich. In short, with inflation expectations still nearer to 2.0% than 1.0%, and domestic demand still very strong, the case for immediate policy easing remains to be made. We are open to the prospect of rate cuts by the end of the year, should conditions deteriorate. Based on our forecasts on how the economy performs over the coming year, we formally forecast no change to the OCR. But the market's insistence on interest rate cuts has pushed NZD/USD below where our model's 0.7240-0.7800 fair-value range sits.

Fonterra Puts First Estimate for 2015/16 Payout at \$5.25/kg

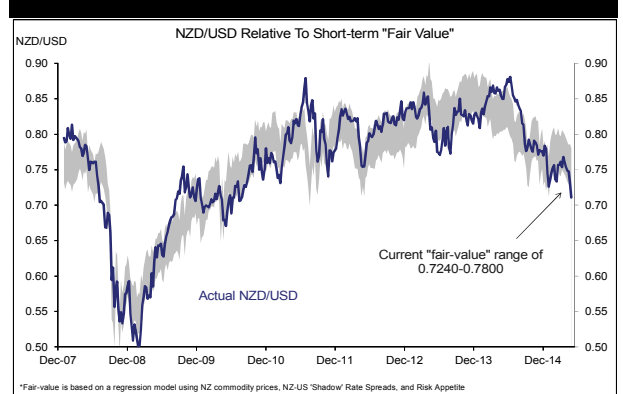


Inflation Expectations Bounce Slightly In Q1



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NZD/USD Pushed Below 'Fair-Value' On RBNZ Cut Bets



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