



AUDIT & RISK COMMITTEE MEETING

3:00pm Wednesday 28 June 2017

Eastern & Central Community Trust Meeting Room

AGENDA PAPERS

**THE AGENDA FOR A MEETING OF THE A & R COMMITTEE OF THE EASTERN AND CENTRAL
COMMUNITY TRUST INC., TO BE HELD AT THE TRUST'S OFFICE,
ON WEDNESDAY 28th JUNE 2017 COMMENCING AT 3:00 P.M.**

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

SECRETARIAL AND COMMITTEE ADMINISTRATION ITEMS

1. Welcome and Apologies
2. Draft Minutes of the A & R Committee Meeting held 27th April 2017 : [pages 3-6](#)
3. Matters arising and action items: [pages 7-8](#)

OPERATIONAL REPORTS TO THE COMMITTEE

4. General Managers Report including financial reports; [pages 9-23](#)

COMMITTEE DECISION PAPERS

5. Risk Register Report: [pages 24-28](#)
6. A & R Work-plan Review: [pages 29-30](#)
7. Health & Safety: [page 31-32](#)

COMMITTEE INFORMATION PAPERS

8. Fund Advisor and Fund Managers Monthly Reports: [pages 33-55](#)
9. General Business

Close of Meeting

Next meeting: 3:00pm 31st August 2017

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

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

IN ATTENDANCE:

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

COMMITTEE MEMBERS BY TELECONFERENCE:

Ron Garrod

1. APOLOGIES

Geoff Milner, Stephen Kerr

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

Taken as read.

2.1 RESOLUTION

The Committee resolved to approve the minutes of the previous meeting held on 27th February 2017 as a true and accurate record of the meeting.

M Kilmister / R Garrod

CARRIED

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

- Due to other work commitments and projects The Governance Charter may be pushed out to July.

3.2 ACTION ITEMS: (Page 6)

- Item 5; MCA External Review –This was not included in the 2017-18 budget, but looking at circa \$20,000.
- Item 6; MCA Comment on Consumer Goods exposure in Equities portfolios - This has not happened but it is noted there has been downward movement in this part of the portfolio.

4.0 GENERAL MANAGERS REPORT: (Page 8)

Taken as read.

- A discussion was held around annual leave, with J Bell's hours slowly increasing. Work commitments will mean that any significant block of leave is not likely to be taken before the end of July. The need to use some of this leave was noted.
- The number of applications are up for the May meeting as well as the dollar value being recommended. Some large applications that were known about have been submitted. J Bell noted that there had been no reduction in the dollar level of recommended donations, something which may have occurred in the past.
- Page 21- Asset allocation- It was noted that it is high on growth and low on liquidity compared to policy. It was noted that the NZ Bonds portfolio currently has \$4m cash which would help mitigate the liquidity situation.
- M Kilmister stated that he was happy that the investment managers were managing their portfolios differently which is why we appointed two different fund managers in the first place.
- R Garrod stated that he wanted to keep the pressure on fees discussion with fund managers as they looked high when doing an historic comparison. J Bell

stated that the brokerage fees were less this year compared to last year: \$57,000 compared to \$323,000.

- S Mitchell-Jenkins asked to get a breakdown of the debtors to go with the breakdown of creditors and accruals previously recorded **ACTION ITEM**
- End of year accounts are being completed by A Arcus, and J Bell. These will be provided to the Auditor by early next week. S Mitchell-Jenkins asked for a full set to be circulated to the committee when available. **ACTION ITEM**
- Page 17- Commitment Schedule. J Bell noted some of the larger donations as follows;
 - Petane Marae; They have been contacted and asked how their Marae upgrade is progressing.
 - Gisborne District Council; Payment will be made as all conditions have been met.
 - CHB District Community Trust; They are reapplying to Lotteries for funding for their artificial turf project.
 - Bring it to Colombo Trust; They advise that they have almost reached full funding.
- J Bell stated that a hedging contract was in place as per policy.

5.0 RISK REGISTER REPORT: (Page 24)

- For Noting only.
- No 27 TKP Failure (Financial): Noted that the probable decision by Foundation North to discontinue use of TKP will result in the Community Trusts considering other Grant Management Systems earlier than previously planned. J Bell is meeting with other CE's to discuss this and will report back to the Board meeting in May. **ACTION ITEM**

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

- The committee noted that there is nothing that has come to its attention that suggests the need for an internal control or performance audit at this time. This will be kept on the agenda and work plan.

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

Noted

- The audit timeline is on track.
- J Bell to follow up with Anna Hansen on the policies that she is currently reviewing. **ACTION ITEM**

8.0 PRIVATE EQUITY ACCOUNTING POLICY (Page 35)

- S Mitchell-Jenkins asked J Bell to look at other Community Trusts and their policies for the treatment of fair value when considering the value of their Private Equity portfolios.
- J Bell and S Mitchell-Jenkins to work together on the development of a policy for ECCT, and the development of the appropriate process. This will be reported back to the committee. **ACTION ITEM**

S Kerr Joined the meeting 3:47

9.0 FUND ADVISOR AND FUND MANAGERS MONTHLY REPORTS: (Page 36)

Noted

10.0 GENERAL BUSINESS:

- Paper coming to the next meeting regarding Private Equity fund calls. Currently these calls for funds should come from the equity portfolios as stated in SIPO. The recommendation will be to use some of the cash in the NZ Bonds portfolio, this will require Board approval as it is a variance to SIPO.
- R Garrod had attended a NIKKO seminar and noted that global inflation is increasing and this could have an impact on our investment portfolio, particularly Global Bonds.

There being no further business the meeting closed at 3:52pm.

DRAFT

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

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

Meeting Date; 28th June 2017

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

Report type:	Operational Reports to the A & R Committee
Recommendation:	The A & R receives and accepts <ol style="list-style-type: none">1. The Financial Report for the period to 30th May 20172. The General Manager's report for the period to 23rd June 2017.
Agenda item no:	4
Subject:	General Manager's Report to the A & R Committee
Responsible for the report:	Jonathan Bell

Purpose of report:	To inform the A & R Committee of progress and/or exceptions to the achievement of the 2016/17 Business Plan (inclusive of key Financial performance measures to 30 th May 2017), and other KPI's to 23 rd June 2017. To flag any items of risk for the Board and to flag any other items of significance to the Board.
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GENERAL MANAGERS REPORT JUNE 2017

1.0 Executive Summary

Since the last Trust meeting the following points are noted;

1. No further hedging cover has been taken.
2. Our equity portfolios have increased in value in March.

2.0 Financial Performance

2.1 Dashboard

The number of red lights has increased since the last Board meeting in May. We are only two months into the new financial year. Key comments to note are;

2.2 Balance Sheet

- Both equity portfolios decreased in the month by a combined total of \$250k.
- YTD the total value of our portfolios has increased by \$3.7mill.

2.3 Income

- Realised income for the month was below budget by \$17k.
- Realised Income year end is ahead of budget by \$36k.

2.4 Expenses

- Expenses for the month were higher than budgeted by \$50k.
- This is the timing of another CSI bill against when I thought we would receive it and the payment of the 2017 PNZ Conference. This will balance out by the end of June.

2.6 Hedging

- No contracts have been put in place as per policy

2.7 Capital base

- The capital base graphs are attached for your information

2.8 Risk Register

- Agenda Item # 5

2.9 Commitment Schedule

- The commitment schedule at the end of May is \$3,699,550.
- Since this report was produced we have paid out approximately \$530k of donations.

3.0 Action Plan

- The action plan is attached and is up to date.
- Valuation of Private Equity – This has been reconciled and agreed with the Auditor.
- MCA review was scheduled for the beginning of June now rescheduled for early July.

4.0 Policies for Approval

- I attach the Health & Safety Policy for consideration and discussion.

5.0 HR




























- Nil to report

6.0 Other

- Nothing to report

Jonathan Bell
General Manager
23rd May 2017

ECCT MONTHLY FINANCIAL REPORTING DASHBOARD

Month End	Comparison Current Month to Budget 31st May 2017			Comparison YTD to Budget 31st May 2017			
	Actual (000's)	Budget (000's)		Actual (000's)	Budget (000's)		
Total Realised Income	\$ 0.456	\$ 0.473		\$ 1.313	\$ 1.277		For commentary please see GM's Report
Total Operating Expenses	\$ 0.230	\$ 0.180		\$ 0.395	\$ 0.341		
Net Disposable Investment Income	\$ 0.226	\$ 0.293		\$ 0.918	\$ 0.936		
Donations Approved	\$ 2.048	\$ 1.825		\$ 2.048	\$ 1.825		
Donations Written Back	\$ 0.002	\$ 0.005		\$ 0.002	\$ 0.010		
Surplus After Donations	-\$ 1.820	-\$ 1.537		-\$ 1.128	-\$ 0.899		
Less Brokerage Fees	\$ -	\$ -		\$ -	\$ -		Not Budgeted For
Hedging Gain/Loss	\$ 0.055	\$ -		-\$ 0.415	\$ -		Not Budgeted For
Unrealised Income	-\$ 0.081	\$ -		\$ 3.468	\$ -		
Surplus Income	-\$ 1.846	-\$ 1.537		\$ 1.925	-\$ 0.899		
Investments	Monthly Change			YTD Change		March 31st 2017 Value	
	April 2017 Value	May 2017 Value	(000's)		(000's)		(000's)
Equity F Barr	61,443	61,364	-79 		2,037 		59,327
Equity E Capital	53,055	52,885	-170 		1,043 		51,842
NZ Bonds	37,736	38,027	291 		534 		37,493
O'Seas Bonds	17,811	17,836	25 		175 		17,661
Own Cash	3,200	3,200	0 		- 		3,200
	Total	173,312	67		3,789	Total	169,523
Complaints	Nil 			Nil 			
Investment Fluctuation Buffer							
Currents Assets	\$ 177.900						
Capital Base	\$ 147.120						
%	120.92%		Less than 125% 				

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

	Actual	Last Year
<u>Trust Funds</u>		
Surplus Income	1,925,099	9,310,957
General Reserves	156,429,029	147,118,072
Donations Reserve	16,380,507	16,380,507
Total Trust Funds	174,734,635	172,809,536
<u>Current Assets</u>		
Petty Cash	1	57
Current	300,152	225,592
Imprest	1,222	925
Call	482,438	505,844
Conference 2017	-	24,045
Sundry Debtors	13,488	27,596
HBFF Capacity Project	(93)	(6,000)
Prepayment of fees	-	25,563
Total Current Assets	797,209	803,621
<u>Investment Assets</u>		
New Zealand		
Shares Forsyth Barr	61,363,707	59,327,316
Shares Elevation Capital	52,885,407	51,842,084
Hedging Contracts NZ	(414,959)	-
Cash Self Term Deposits	3,200,000	3,200,000
Bonds Self	38,027,432	37,492,734
Te Kete Putea Ltd Partnership	30,219	36,263
Private Equity Pioneer Capital 11	1,580,158	1,548,929
Private Equity Pioneer Capital 111	458,287	458,287
Private Equity - Waterman Fund	998,262	948,262
Private Equity - Morrisons	1,141,243	1,141,243
Private Equity - Direct Capital V	-	-
Total New Zealand Investments	159,269,757	155,995,118
Overseas		
Bonds Pimco	17,836,324	17,661,307
Total Overseas Investments	17,836,324	17,661,307
Total Current and Investment Assets	177,903,290	174,460,046
<u>Fixed Assets</u>		
Fixed Assets at Cost	995,042	995,042
Accumulated Depreciation	(161,072)	(157,817)
Total Fixed Assets	833,970	837,225
Total Assets	178,737,260	175,297,271
<u>Current Liabilities</u>		
Donation Creditors	3,699,550	2,311,850
Trade Creditors	227,267	111,054
Creditor Accruals	75,808	64,830
Total Current Liabilities	4,002,625	2,487,734
Net Assets	174,734,635	172,809,536

EASTERN & CENTRAL COMMUNITY TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 2 PERIODS ENDING 31 May 2017

<u>Income</u>	<u>Current Month</u>			<u>Year To Date</u>			<u>Full Year</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Last year</u>	<u>Actual</u>	<u>Budget</u>	<u>Last year</u>	<u>Budget</u>	<u>Last Year</u>
<u>Realised Investment Income</u>								
Shares FBarr Interest	1,715	900	2,856	3,483	1,900	5,865	10,000	17,898
Shares FBarr Dividend	109,680	140,000	127,928	408,448	400,000	412,864	1,997,968	1,657,112
Shares ECap Interest	712	700	739	1,482	1,600	1,642	10,000	12,558
Shares ECap Dividend	217,448	120,000	115,563	585,373	470,000	483,504	1,931,562	1,767,863
Bonds Self Interest	116,119	200,000	240,239	291,512	370,000	437,852	1,870,000	2,302,259
Cash Self Realised Income	10,205	12,000	17,360	14,295	24,000	34,019	144,000	213,767
Sundry Income	0	0	0	0	0	0	170	1,100
	<u>455,878</u>	<u>473,600</u>	<u>504,685</u>	<u>1,304,594</u>	<u>1,267,500</u>	<u>1,375,746</u>	<u>5,963,701</u>	<u>5,972,558</u>
<u>Overseas</u>								
Shares SSGA Dividend	0	0	0	0	0	0	0	0
Bonds Fimco Interest	0	0	0	8,831	10,000	323,518	883,000	1,695,201
	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,831</u>	<u>10,000</u>	<u>323,518</u>	<u>883,000</u>	<u>1,695,201</u>
<u>Total Realised Investment Income</u>	<u>455,878</u>	<u>473,600</u>	<u>504,685</u>	<u>1,313,424</u>	<u>1,277,500</u>	<u>1,699,264</u>	<u>6,846,701</u>	<u>7,667,759</u>
<u>Expenses</u>								
<u>Administration Expenses</u>								
Annual Report costs	0	0	0	5,060	0	0	34,000	33,131
Promotion	602	7,000	5,408	6,935	9,000	6,562	65,000	40,170
Rent & Services	7,506	7,200	7,154	15,574	15,000	15,037	110,000	107,126
Telephone	1,002	1,000	1,341	1,931	2,000	2,529	12,000	10,139
Postage	121	100	0	301	350	250	4,000	2,308
KiwiSaver net Contributions	1,275	1,300	1,245	2,543	2,700	2,557	17,250	16,832
Printing & Stationery	670	2,400	1,929	1,286	2,920	2,450	13,000	10,414
Insurance	5,512	0	0	5,512	0	0	5,000	4,955
General Expenses	254	150	111	651	350	319	4,000	5,031
Computer Services	1,018	1,800	839	4,137	2,330	1,368	70,000	57,067
Nelson St - insurance	0	0	0	0	0	0	0	986
Nelson St - other	0	0	0	0	0	0	0	1,889
Staff Remuneration	38,207	33,300	35,825	72,551	66,800	69,681	430,500	415,980
Staff Training	0	500	0	198	500	0	6,000	3,908
Staff Travel	1,157	2,000	940	3,437	4,800	3,035	23,000	11,996
ACC Levies	0	0	0	0	0	0	1,700	1,075
Conference 2017	26,173	1,000	265	26,173	24,000	24,620	25,000	25,001
	<u>83,498</u>	<u>57,750</u>	<u>55,058</u>	<u>146,291</u>	<u>130,750</u>	<u>128,409</u>	<u>820,450</u>	<u>748,010</u>

Trustee Expenses

Trustees Remuneration	13,080	13,450	13,427	26,161	26,900	26,853	171,300	169,991
Trustee Expenses	4,647	0	90	4,942	0	132	0	3,304
Trustee Accommodation	1,067	1,000	891	1,067	1,000	891	12,700	9,464
Trustee - Mileage	0	1,600	1,241	0	3,400	2,911	20,200	18,534
Trustee - Meals/ Catering expenses	884	1,400	1,266	884	1,500	1,371	15,500	14,697
Trustee - Vehicle rental	351	800	964	351	1,200	1,362	6,600	5,043
Trustee Training	0	6,000	0	0	6,000	0	10,000	2,360
Liability Insurance	0	0	0	0	0	0	10,500	10,149
	<u>20,029</u>	<u>24,250</u>	<u>17,887</u>	<u>33,404</u>	<u>40,000</u>	<u>33,519</u>	<u>246,800</u>	<u>233,541</u>

Fee Expenses

Affiliation Fees	0	0	0	0	0	0	7,000	6,325
Donation Expenses	0	2,000	2,300	9,545	2,500	2,300	30,000	17,361
Professional Expenses	6,328	7,000	16,256	12,651	15,000	33,267	95,000	146,441
CS Expenses	0	0	0	0	0	0	0	40,186
ECCT Funding Project	72,254	50,000	0	102,704	75,000	0	167,000	65,000
Audit Fees	3,334	1,750	1,850	6,853	3,500	3,700	21,000	19,394
Nelson St - rates	0	0	0	0	0	0	0	0
Custodian Fees	3,691	3,700	3,565	7,602	7,400	7,236	50,000	47,547
Fund Managers Fees	33,545	33,700	33,733	66,907	67,200	67,254	400,000	401,425
	<u>119,153</u>	<u>98,150</u>	<u>57,704</u>	<u>206,261</u>	<u>170,600</u>	<u>113,757</u>	<u>770,000</u>	<u>743,678</u>

Depreciation	1,619	0	938	3,255	0	2,014	0	11,339
Amortisation-Te Kete Rūtea Fair Value Adjustment	6,044	0	0	6,044	0	0	0	18,131
Profit/ Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	896
	<u>7,663</u>	<u>0</u>	<u>938</u>	<u>9,299</u>	<u>0</u>	<u>2,014</u>	<u>0</u>	<u>30,366</u>

Total Operating Expenses

<u>230,343</u>	<u>180,150</u>	<u>131,586</u>	<u>395,254</u>	<u>341,350</u>	<u>277,699</u>	<u>1,837,250</u>	<u>1,755,599</u>
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Net Disposable Investment Income

<u>225,536</u>	<u>293,450</u>	<u>373,099</u>	<u>918,170</u>	<u>936,150</u>	<u>1,421,565</u>	<u>5,009,451</u>	<u>5,912,164</u>
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Donations**Community Donations**

Special Donations	956,000	800,000	733,500	956,000	800,000	733,500	3,053,000	2,190,500
Standard Donations	406,850	350,000	325,850	406,850	350,000	325,850	2,011,200	2,107,996
Discretionary Donations	0	0	0	0	0	0	0	0
Education Initiatives	105,000	105,000	305,000	105,000	105,000	305,000	175,000	305,000
Sport Trusts	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000
Summer Reading Programme	240,000	230,000	226,000	240,000	230,000	226,000	230,000	226,000
	<u>2,047,850</u>	<u>1,825,000</u>	<u>1,930,350</u>	<u>2,047,850</u>	<u>1,825,000</u>	<u>1,930,350</u>	<u>5,809,200</u>	<u>5,169,496</u>
Regional Project Reserve Fund	0	0	0	0	0	0	0	0

Less Donations Written Back	-1,800	5,000	-2,875	-1,800	10,000	-3,167	100,000	-98,216
	2,046,050	0	1,830,000	0	1,927,475	2,046,050	1,835,000	1,927,183
	5,709,203		5,071,280					
Surplus From Investment Income After Donations	-1,820,515	-1,536,550	-1,554,376	-1,127,880	898,850	-505,618	-699,752	840,884
Realised Non Investment Income/ Expenditure								
New Zealand								
Shares FBarr Disposal gain/loss	0	0	0	0	0	0	0	0
Shares ECap Disposal gain/loss	0	0	0	0	0	0	0	0
Property NZ Disposal gain/loss	0	0	0	0	0	0	0	0
Brokerage Fees	-16	0	-5,246	-32	0	-5,261	0	-55,787
Hedging gain/loss	0	0	0	11,311	0	0	0	1,681,130
Bonds Self Disposal gain/loss	0	0	0	0	0	0	0	0
	-16	0	-5,246	11,279	0	-5,261	0	1,625,343
Unrealised Investment Income								
New Zealand								
Shares FBarr change in Currency	-1,117,355	0	738,018	117,449	0	433,319	0	-1,490,464
Shares FBarr change in Value	1,038,174	0	733,424	1,908,350	0	1,082,088	0	5,488,916
Shares ECap change in Currency	-1,142,965	0	674,890	152,892	0	393,017	0	-2,112,001
Shares ECap change in Value	936,239	0	204,895	839,666	0	890,184	0	6,888,013
Property NZ change in Value	0	0	0	0	0	0	0	0
Hedging change in Value	54,805	0	-1,025,673	-414,959	0	-722,730	0	-178,217
Bonds Self change in Interest	27,056	0	-72,236	59,605	0	-29,520	0	-91,863
Bonds Self change in Value	147,850	0	-20,265	192,956	0	-68,767	0	-675,353
PE Pioneer Capital II - Fair Value Adjustment	0	0	0	0	0	0	0	39,767
PE Pioneer Capital III - Fair Value Adjustment	0	0	0	0	0	0	0	-117,630
PE Direct Capital V - Fair Value Adjustment	0	0	0	0	0	0	0	-58,951
PE Morrison - Fair Value Adjustment	0	0	0	0	0	0	0	27,848
PE Watermans Fund - Fair Value Adjustment	0	0	0	0	0	0	0	-114,238
	-56,197	0	1,233,052	2,855,959	0	1,977,590	0	7,605,827
Overseas								
Bonds Fimco change in Value	31,102	0	105,535	185,741	0	-26,325	0	-761,098
	31,102	0	105,535	185,741	0	-26,325		-761,098
	-25,111	0	1,333,342	3,052,979	0	1,946,005	0	8,470,073
	-1,845,626	-1,536,550	-221,033	1,925,099	898,850	1,440,387	-699,752	9,310,957

Committment Schedule

as at 31 May 2017

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
Eastern And Central				
7,320	Petane Marae	24383	30-Jul-15	51,500.00
4,174	Tauparanui Ki Heretaunga Te Kohanga Reo	24432	30-Jul-15	3,500.00
574	Keirunga Gardens Arts and Crafts Society Inc	24298	24-Sep-15	20,000.00
7,705	Te Hau ki Turanga Trust	24489	24-Sep-15	50,000.00
3,049	Horowhenua Agricultural Pastoral & Industrial Assn	24610	24-Sep-15	20,000.00
2,662	Central Hawke's Bay Agricultural & Pastoral Societ	24643	26-Nov-15	10,000.00
240	Cobblestone Trust	24717	26-Nov-15	12,000.00
7,769	Lions Club of Gisborne Wainui Inc	24723	26-Nov-15	50,000.00
2,639	Campion College	24764	26-Nov-15	5,000.00
7,588	Equippers Napier Trust	24752	27-Nov-15	1,500.00
7,802	Schizophrenia Fellowship Wairarapa Branch Incorp	24863	31-Mar-16	2,000.00
7,713	Eketahuna Youth Trust	24459	26-May-16	40,000.00
5,469	Poupatate Marae	24830	26-May-16	20,000.00
4,233	Central Hawke's Bay District Community Trust	24964	26-May-16	140,000.00
5,894	Hawke's Bay Regional Council	24986	26-May-16	40,000.00
7,735	Ngāi Tumapūhia-a-Rangi ki Mōtūwairaka Inc	25031	26-May-16	40,000.00
7,845	Bring it to Colombo Trust	25032	26-May-16	175,000.00
6,245	National Science Technology Roadshow Trust Boa	24836	27-May-16	140,000.00
2,343	Ngata Memorial College	24915	28-Jul-16	40,000.00
1,881	Queen Elizabeth College	24990	28-Jul-16	20,000.00
4,886	Maraenui Golf Club Inc	25043	28-Jul-16	4,000.00
2,653	Carter Society Inc	25085	28-Jul-16	10,000.00
7,871	Sisterson Lagoon Restoration Trust	25092	28-Jul-16	3,000.00
7,864	Tairawhiti Connex Charitable Trust	25098	28-Jul-16	80,000.00
7,588	Equippers Napier Trust	25172	28-Jul-16	10,000.00
7,674	Ka Pai Kaiti Trust	25175	28-Jul-16	18,000.00
889	Masterton Red Star Rugby Club	25007	29-Sep-16	6,800.00
4,201	Napier Sailing Club	25188	29-Sep-16	4,000.00
4,797	Pahiatua Golf Club Inc	25220	29-Sep-16	10,000.00
924	Rongotea School	25233	29-Sep-16	30,000.00
455	Hastings District Council	25274	29-Sep-16	30,000.00
4,474	Gisborne Tennis Club	25275	29-Sep-16	35,000.00
2,506	Young Men's Christian Assn - Palmerston Nth Inc	25268	24-Nov-16	750.00
246	Colyton School	25318	24-Nov-16	8,000.00
3,020	Hawke's Bay & East Coast Aero Club	25320	24-Nov-16	35,000.00
5,834	Foxton Windmill Trust Inc	25346	24-Nov-16	15,000.00
2,954	Havelock North High School	25348	24-Nov-16	10,000.00
6,450	Pukaha Mount Bruce Board	25352	24-Nov-16	30,000.00
6,512	Hawke's Bay Regional Sports Park Trust	25383	24-Nov-16	4,000.00
1,058	Te Aute College	25406	26-Jan-17	25,000.00
7,529	Pourerere Beach Improvement Assn	25422	26-Jan-17	10,000.00
5,903	Tairawhiti Community Law Trust	25423	26-Jan-17	18,000.00
2,714	Dannevirke & District Agricultural & Pastoral Assn	25424	26-Jan-17	35,000.00
5,393	Order of St John - Central Regional Trust Board	25428	26-Jan-17	30,000.00
7,321	Wings Over Wairarapa Community Trust	25430	26-Jan-17	20,000.00
4,384	Mahia Golf Club Inc	25432	26-Jan-17	10,000.00
4,569	Returned Services Assn Inc - Wairoa	25455	26-Jan-17	8,000.00
4,848	Ngati Porou Hauora Charitable Trust	25468	26-Jan-17	30,000.00
4,261	Tiniroto Community Assn	25475	26-Jan-17	4,000.00
1,711	Matawai School	25469	23-Mar-17	25,000.00

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
3,784	Horowhenua Motorcycle Club Inc	25484	23-Mar-17	1,000.00
5,399	Card Reserve Artificial Surface Trust	25492	23-Mar-17	25,000.00
7,684	Zeal Education Trust	25504	23-Mar-17	10,000.00
7,933	Anderson Park Community Group	25510	23-Mar-17	4,000.00
2,498	Reignier School	25518	23-Mar-17	5,000.00
2,997	Hawke's Bay Mountain Bike Club Inc	25520	23-Mar-17	40,000.00
1,076	Heretaunga Croquet Club Inc	25521	23-Mar-17	10,000.00
5,409	Wairoa Pony Club Inc	25522	23-Mar-17	15,000.00
7,938	Wairarapa Track & Field Inc	25538	23-Mar-17	4,000.00
7,256	Central Wairarapa Indoor Bowls Assn Inc	25541	23-Mar-17	10,000.00
7,767	Ashhurst Aquanauts	25553	23-Mar-17	4,000.00
5,401	Tikitiki School	25573	23-Mar-17	5,000.00
628	Makaraka School	25344	25-May-17	30,000.00
5,148	Te Huki Raupunga Marae Trustees	25436	25-May-17	45,000.00
5,635	Palmerston Nth City Council	25508	25-May-17	150,000.00
6,114	Waiohiki Marae Board of Trustees	25519	25-May-17	80,000.00
7,928	Rangiwaho Marae	25551	25-May-17	45,000.00
517	Hearing Association - Horowhenua	25574	25-May-17	4,000.00
5,587	Mahia Hunt Incorporated	25575	25-May-17	2,500.00
926	Roslyn School	25577	25-May-17	20,000.00
1,936	Ryder Cheshire Foundation (Manawatu)	25578	25-May-17	15,000.00
703	Scout Association - Milson Scout Group	25579	25-May-17	1,900.00
3,480	Poverty Bay Cricket Assn	25581	25-May-17	8,000.00
4,984	Central Squash Assn Inc	25582	25-May-17	4,000.00
7,945	Young & Hungry Arts Trust	25583	25-May-17	3,000.00
1,422	Frimley School	25584	25-May-17	10,000.00
4,027	RSPCA - Central Hawke's Bay	25585	25-May-17	4,000.00
3,632	St Mark's Anglican Church	25586	25-May-17	4,000.00
1,060	Te Awanga Kindergarten	25587	25-May-17	3,500.00
159	Barnardos New Zealand	25588	25-May-17	4,000.00
306	Fairfield School - Levin	25589	25-May-17	15,000.00
6,658	Horowhenua Kids Teens & Family Trust	25590	25-May-17	4,000.00
4,987	Manawatu Multicultural Council	25591	25-May-17	4,000.00
4,700	Bowls Wairarapa Inc	25592	25-May-17	4,000.00
6,397	Hawke's Bay Kayak Racing Inc	25593	25-May-17	4,000.00
3,117	Levin Basketball Association Inc	25594	25-May-17	3,750.00
1,048	Taradale Primary School	25596	25-May-17	10,000.00
2,210	Waipukurau Bowling Club Inc	25597	25-May-17	4,000.00
451	Hastings Boys' High School	25598	25-May-17	8,000.00
4,054	Karituwhenua Stream Landcare Group Inc	25600	25-May-17	2,000.00
7,257	Horowhenua Abuse Liaison Team Inc	25602	25-May-17	1,600.00
7,266	Interdenominational Tertiary Chaplaincy Trust Boar	25603	25-May-17	4,000.00
1,160	Wairoa Financial Literacy Service Inc	25604	25-May-17	4,000.00
2,826	Foxton Primary School	25605	25-May-17	1,900.00
7,423	Whenua Fatales Roller Derby League Inc	25606	25-May-17	2,000.00
5,239	Hastings Arts and Culture Trust	25607	25-May-17	4,000.00
3,674	Taradale Table Tennis Club	25608	25-May-17	1,800.00
4,002	Brain Injury Assn Central Districts Inc.	25609	25-May-17	4,000.00
1,535	Hawke's Bay Multiple Sclerosis Society	25610	25-May-17	4,000.00
6,855	Project Litefoot Trust	25612	25-May-17	4,000.00
4,420	Bowls Omarunui Inc	25613	25-May-17	4,000.00
774	Ohuka School	25614	25-May-17	5,000.00
6,296	Matapuna Trust	25615	25-May-17	18,000.00
2,816	Financial Freedom Trust	25616	25-May-17	4,000.00
7,302	Arthritis Foundation of NZ Inc	25617	25-May-17	8,000.00
166	Birthright Hawke's Bay Child & Family Care Trust	25618	25-May-17	4,000.00
721	Napier Community Foodbank Trust	25619	25-May-17	1,500.00
723	Napier Family Centre Inc	25620	25-May-17	30,000.00
5,466	Horowhenua Supergrans Inc	25622	25-May-17	4,000.00
7,961	NZ Deerstalkers Assn (Bush Branch) Inc	25623	25-May-17	4,000.00

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
3,042	Himatangi Beach Bowling Club	25626	25-May-17	4,000.00
1,716	Methodist Social Service Centre - Palmerston Nth	25627	25-May-17	4,000.00
809	Scout Association - Pahiatua Scout Group	25628	25-May-17	1,500.00
255	Creative Sounds Society Inc	25629	25-May-17	4,000.00
6,396	Hayseed Trust Inc	25630	25-May-17	4,000.00
5,452	Parenting Place Inc	25631	25-May-17	16,000.00
227	Citizens Advice Bureau - Hastings	25632	25-May-17	4,000.00
4,402	Gliding Hawke's Bay & Waipukurau Inc.	25634	25-May-17	4,000.00
6,482	Learning & Growing Together Trust	25635	25-May-17	4,000.00
982	Eastland Sports Foundation Education Trust	25636	25-May-17	15,000.00
456	Hastings Girls' High School	25637	25-May-17	8,000.00
3,118	Levin Budget Service	25638	25-May-17	4,000.00
645	Manawatu Multiple Sclerosis Society	25639	25-May-17	4,000.00
4,394	Netball Manawatu Centre Inc	25640	25-May-17	3,000.00
7,966	Te Rau Arohanui Ote Atua Trust	25641	25-May-17	2,000.00
7,650	Wellington Free Ambulance Service Incorporated	25642	25-May-17	10,000.00
172	Bridge Pa School	25643	25-May-17	18,000.00
505	Hawke's Bay Rowing Club Inc	25644	25-May-17	10,000.00
3,394	Otane School	25645	25-May-17	18,000.00
2,098	Waipawa Primary School	25646	25-May-17	20,000.00
7,963	Hawke's Bay Community Fitness Centre Trust	25647	25-May-17	250,000.00
7,951	Cape Coast Arts & Heritage Trust	25648	25-May-17	12,000.00
6,890	Tairāwhiti Cultural Development Trust	25649	25-May-17	35,000.00
6,519	Zion Family Centre Trust	25650	25-May-17	18,000.00
5,044	Tararua Community Youth Services Inc	25651	25-May-17	15,000.00
7,941	Te Taitoa Maori o Te Awahou	25652	25-May-17	20,000.00
7,570	Gisborne International Music Competition Charitabl	25653	25-May-17	4,000.00
1,157	Wairarapa Women's Centre Inc	25654	25-May-17	4,000.00
5,059	Horowhenua Family Violence Intervention Program	25655	25-May-17	2,300.00
6,920	Rock Quest Charitable Trust	25656	25-May-17	10,000.00
6,618	Chamber Music NZ Trust	25657	25-May-17	8,000.00
5,217	National Heart Foundation of NZ	25658	25-May-17	4,000.00
6,142	Greytown Community Sport & Leisure Society Inc	25660	25-May-17	15,000.00
5,991	Waiohiki Community Charitable Trust	25661	25-May-17	10,000.00
1,493	Arts Inc Heretaunga Inc.	25662	25-May-17	25,000.00
3,086	Karamu High School	25663	25-May-17	18,000.00
7,030	Alliance Francaise de Palmerston North Inc	25665	25-May-17	4,000.00
5,819	Feilding Flying Club Inc	25666	25-May-17	13,000.00
2,889	Gisborne Gymnastics Club Inc	25667	25-May-17	4,000.00
7,968	Martinborough Volunteer Fire Brigade	25668	25-May-17	10,000.00
1,843	Parent to Parent - Manawatu	25670	25-May-17	4,000.00
813	Pahiatua Toy Library Inc	25672	25-May-17	1,700.00
4,590	Riverslea School	25673	25-May-17	4,000.00
7,009	Samoan Methodist Church Hastings Parish	25674	25-May-17	4,000.00
3,699	Te Kura Kaupapa Maori O Manawatu	25675	25-May-17	4,000.00
7,967	Te Whare Whanau Purotu Inc	25676	25-May-17	4,000.00
7,689	Foxton Districts Budget Service	25677	25-May-17	4,000.00
1,345	Dannevirke & Districts Home Budgeting Service Inc	25678	25-May-17	4,000.00
2,283	Gisborne Budget Advisory Service Inc	25679	25-May-17	4,000.00
7,965	Wairarapa Supergrans Charitable Trust	25680	25-May-17	4,000.00
143	Arohanui Hospice Service Trust	25681	25-May-17	4,000.00
6,456	Life to the Max Horowhenua Trust	25682	25-May-17	4,000.00
7,891	In Solidarity Charitable Trust	25683	25-May-17	4,000.00
3,980	Shannon & Districts Playcentre	25684	25-May-17	1,900.00
1,364	Dolphin Amateur Swimming Club	25685	25-May-17	4,000.00
4,895	Taki Rua Productions Society Inc	25687	25-May-17	4,000.00
3,296	Napier Old Boys' Marist Rugby Football Club Inc	25688	25-May-17	4,000.00
617	Lighthouse Church Charitable Trust	25690	25-May-17	4,000.00
140	Tararua Learning Inc	25691	25-May-17	4,000.00
5,478	Reporua Marae	25692	25-May-17	10,000.00

<u>Client Number</u>	<u>Client Name</u>	<u>Request Number</u>	<u>Date Approved</u>	<u>Balance Remaining</u>
7,823	Te Riu o Waiapu Trust	25694	25-May-17	4,000.00
3,484	Poverty Bay Hockey Association	25695	25-May-17	4,000.00
4,454	Youthline Central North Island Inc	25696	25-May-17	4,000.00
4,021	Tairāwhiti Environment Centre	25697	25-May-17	4,000.00
2,089	Waikohu Golf Club Incorporated	25698	25-May-17	2,000.00
6,426	Connecting Communities Wairarapa Inc	25699	25-May-17	4,000.00
7,658	Inspiring Communities Trust	25700	25-May-17	4,000.00
3,013	Sport Hawke's Bay	25702	25-May-17	10,000.00
4,847	Summer Reading Programme	25621	26-May-17	240,000.00
4,851	Wellington Regional Sports Education Trust	25624	26-May-17	61,320.00
982	Eastland Sports Foundation Education Trust	25633	26-May-17	66,440.00
3,202	Sport Manawatu Charitable Trust	25664	26-May-17	106,120.00
2,118	Wairarapa Rural Education Activities Programme	25689	26-May-17	105,000.00
3,013	Sport Hawke's Bay	25693	26-May-17	106,120.00
Total for Eastern And Central				3,619,900.00
Report Totals				3,619,900.00

Eastern & Central Community Trust

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

Market Value Date

Wednesday, 31 May 2017

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
CB433817	NZD	12,200,000.00	EUR	7,971,968.00	0.653440	20-Jul-17	0.631871	-414,958.64	0.634127
Total								-414,958.64	

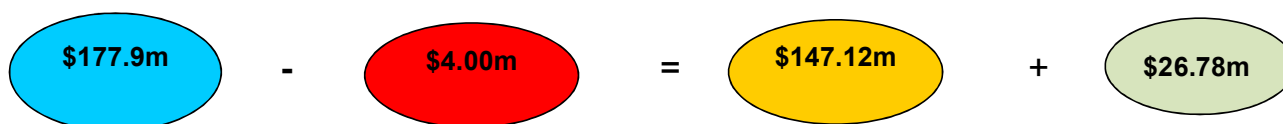
AS AT 30TH MAY 2017

CURRENT ASSETS

LIABILITIES

CAPITAL BASE

RESERVES



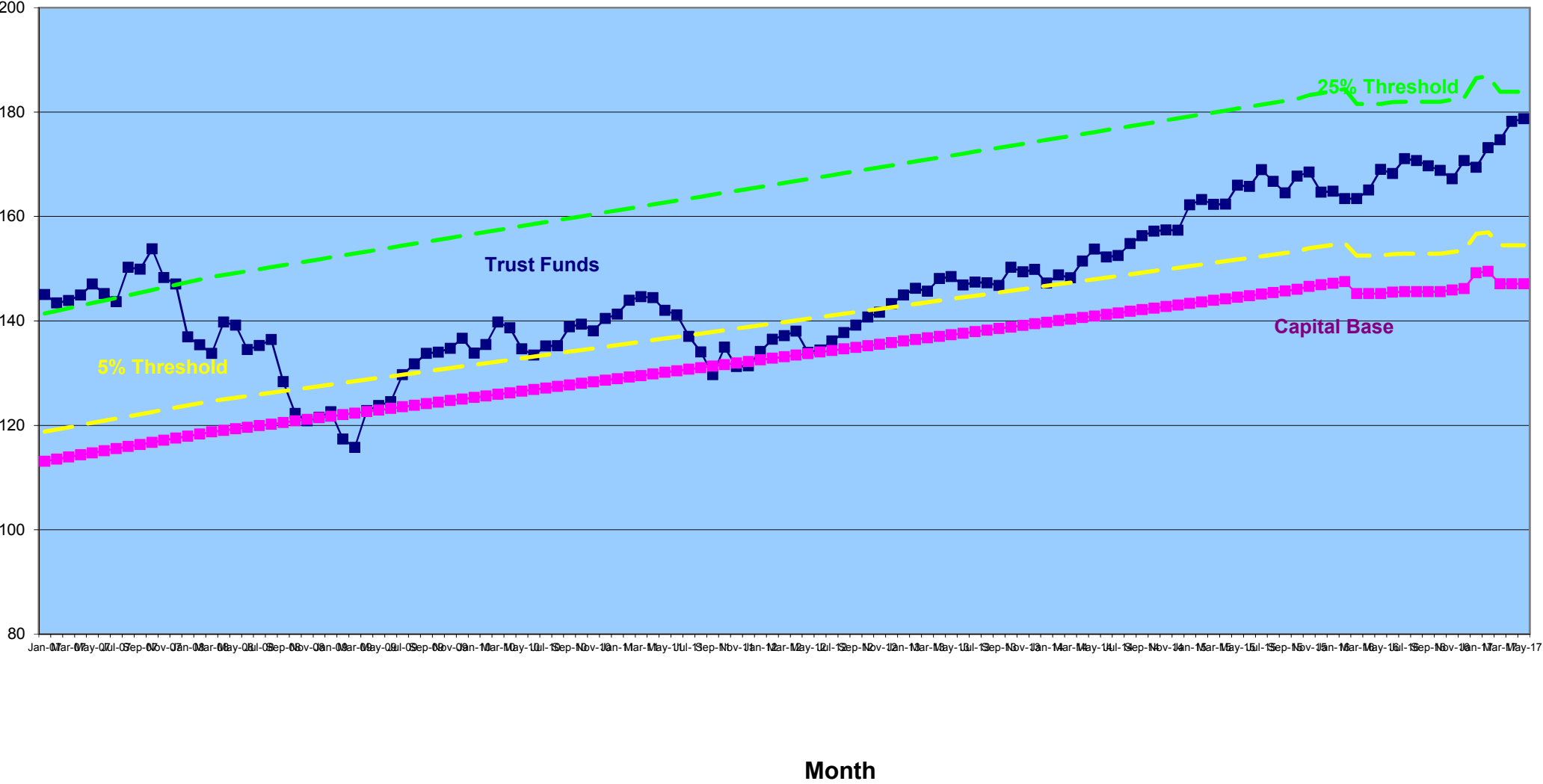
Benchmark (For Capital Base + maximum 25% in reserves)		Allowable Range	Tactical Target Updated February 2017	Actual Value \$m	Percentage of Current Assets	Percentage Variance from target	Variance from tactical target
60%	GROWTH ASSETS	50 - 65%	64%	\$118.5	66.6%	2.6%	\$4.6
30.0%	Shares Forsyth Barr	22.5% - 37.5%	30.0%	\$61.4	34.5%	4.5%	\$8.0
30.0%	Shares Elevation Capital	22.5% - 37.5%	30.0%	\$52.9	29.7%	-0.3%	-\$0.5
0%	Private Equity	0% - 10%	4%	\$4.2	2.4%	-1.6%	-\$2.9
35%	INCOME ASSETS	25 - 45%	30%	\$55.9	31.4%	1.4%	\$2.5
27.5%	NZ Bonds	20 - 35%	24.0%	\$38.0	21.4%	-2.6%	-\$4.7
7.5%	Overseas Bonds	5% - 10%	6.0%	\$17.8	10.0%	4.0%	\$7.2
5%	LIQUID ASSETS	2 - 10%	6%	\$3.6	2.0%	-4.0%	-\$7.1
5%	Self-managed Cash (Incl Hedges & TKP)	2 - 10%	6%	\$3.6	2.0%	-4.0%	-\$7.1
100%	TOTAL		100%	\$177.9	100.0%		\$0.0

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

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

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

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



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

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

1. Review the Risk Register and risk matrix
2. Note no major changes to the Risk Register since the May Board meeting.

Jonathan Bell
General Manager
June 2017

E&CCT RISK REGISTER

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

E&CCT RISK REGISTER

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

E&CCT RISK REGISTER

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

E&CCT RISK REGISTER

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

CHANGES SINCE LAST REVIEW

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

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

Report type:	A & R Committee Decision Paper
Recommendation:	The A & R Committee considers the review of the annual work-plan
Agenda Item	6
Subject:	Annual Work Plan
Responsible for the report:	A & R Committee Chair

Purpose of report:	To allow the A & R Committee to review and discuss the annual work plan
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Background

The A & R Committee annual work-plan note the following items for consideration in the work plan for June;

1. Monthly Accounts & Investment reports – Include in A & R June papers
2. Review annual report preparation timeline
3. Risk Register update – Agenda item 5
4. Audit Findings list
5. Review of internal audit
6. Policy Review – Agenda item 8 H & S Review

Shelly Mitchell-Jenkins
Chair A & R Committee
June 2017

ECCT Audit and Risk Committee Work-plan

Audit and Risk Committee Annual Work-plan

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

Report type:	A & R Committee Decision Paper
Recommendation:	The A & R Committee considers the Health & Safety Policy
Agenda Item	8
Subject:	Review of Health and Safety Policy
Responsible for the report:	General Manager

Purpose of report:	To provide the A & R Committee with the Statement of Health & Safety Policy for review
---------------------------	--

Jonathan Bell
General Manager
June 2017

HEALTH AND SAFETY POLICY STATEMENT

We are committed to the health, safety and wellbeing of all our employees, as well as contractors working with us, and members of the public affected by our activities.

We believe that safety is more than just not having accidents, and that health is more than just not being unwell or in pain. We believe that health and safety is about our ability to enjoy our work while meeting the every-day challenges we are faced with. We strive not only to steer clear of accidents, injuries and ill-health, but also to identify what we do really well, and encourage and improve these things for the benefit of everyone. Health and safety is not an extra; it's what we do to stay in business.

We're all in this together. Health and safety is part of our self-image and who we are. We understand what the biggest risks are in our work, and we treat them with respect. We strive to keep these dangers front of mind when we make decisions every day about how to do our work, and how to balance being efficient with being careful.

To meet these commitments, Management will lead the way. We will:

- Always put health and safety on an equal footing with other business drivers when we make decisions
- Stay personally involved by visiting work sites regularly
- Identify the biggest hazards and risks of our work and how they must be managed
- Provide the training, information, instruction and supervision for our people to do their jobs well while understanding and appreciating the risks
- Welcome all reports, both good and bad, and strive to learn and improve our business as a result
- Keep abreast with, and comply with, all applicable health and safety legislation and internal requirements as a minimum standard for operating performance
- Support employees to return quickly and safely to work after absence

Good health and safety needs team effort. We invite you to join us on the journey:

- Take responsibility for your own decisions and actions
- Look out for your work mates, contractors, customers and visitors
- Report any hazards, injuries, illness, unsafe practices, rules that don't work and anything else we can improve without fear or delay, so that we can all learn and share the learning
- Co-operate with any training, instructions and procedures we provide.

GENERAL MANAGER

EMPLOYEE REPRESENTATIVE

Date: _____

Date: _____

This statement of commitment is reviewed annually. Date of next review: May 2017

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

Purpose of report:	To provide the A & R Committee with the monthly reports from MCA, PIMCO and Forsyth Barr (Hastings)
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Monthly investment report to 31 May 2017

MCA statement

The investments are managed in accordance with the Sipo. We are not aware of any issues that require the trustees to take action.

Objective - \$7.2m target grants & operational costs

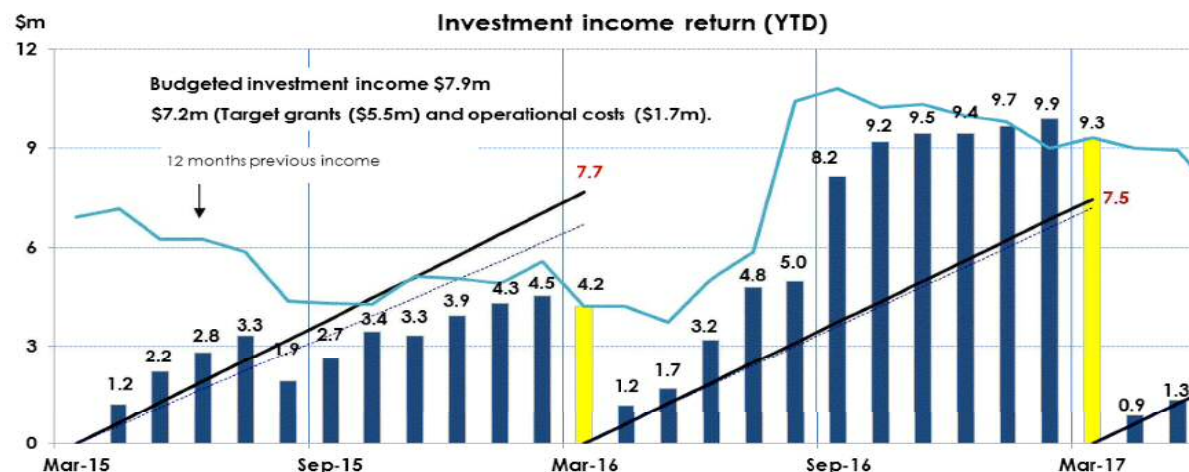
To receive each year actual investment income to fund the budgeted grants and operating costs, and total investment earnings to grow the capital base over the long term to protect the capital and future grants against the impact of inflation.

Year-to-date (since 1 April 2017)

The investment portfolio has generated \$1,324,724 of income and experienced positive \$2,996,501 of market movements since 1 April 2017. The total return has been \$4,321,225 or 2.48% since 1 April 2017. The income level is above the budget.

Assets: 177,774,684

Capital base: 146,924,432



The income excluding currency hedging settlements is \$1,313,424, which is above the accrued budgeted level.

31 May 2017

Summary

Overall Trust return (%)	Month	Year-to-date	2016/2017
Income return	0.26%	0.76%	5.66%
Market movement	-0.03%	1.72%	4.43%
Total return	0.22%	2.48%	10.10%
Benchmark return	0.33%	1.91%	10.73%
Summary accounts (\$)			
Assets at start	178,150,866	174,735,066	165,961,700
Net cash flow	(770,571)	(1,281,607)	(7,489,361)
Income received/ (paid)	455,878	1,324,724	9,336,916
Growth gains/ (losses)	(61,489)	2,996,501	6,925,810
Total investment gains/ (losses)	394,389	4,321,225	16,262,727
Assets at end	177,774,684	177,774,684	174,735,066
Income sector assets at end		59,762,204	59,157,661
Growth sector assets at end		118,012,480	115,577,405

Objectives

Liquidity



Income



Growth



Strategy



Trust performance



Manager performance

Cash



NZ bonds



Overseas bonds



Total listed shares



Elevation Capital



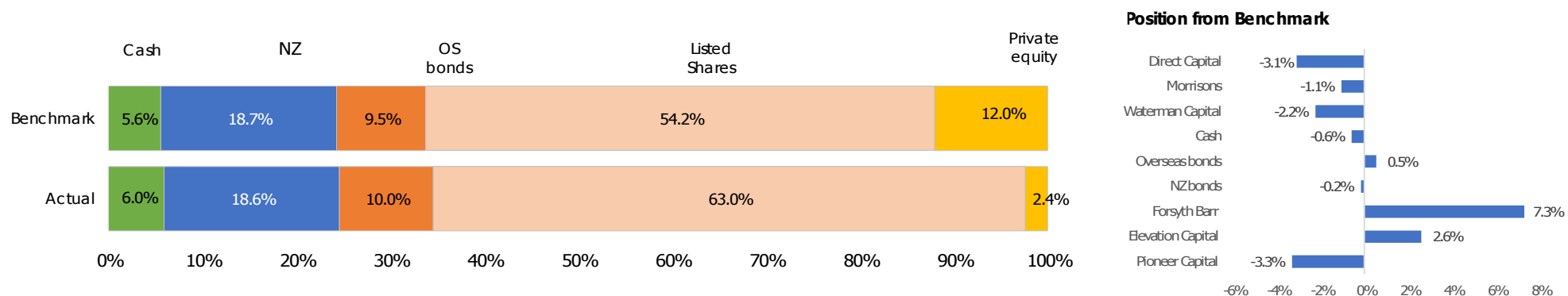
Forsyth Barr



31 May 2017

Investment strategy - by manager and asset type

	Listed shares	Private equity	Bonds	Cash	Total	Actual	
						\$	%
Growth							
Listed shares							
Elevation Capital	\$52,375,965			\$509,442	\$52,885,407	\$52.89m	29.7%
Forsyth Barr	\$59,693,818			\$1,670,263	\$61,364,082	\$61.36m	34.5%
Private equity							
Pioneer Capital 2		\$1,580,158			\$1,580,158	\$1.58m	0.9%
Pioneer Capital 3		\$458,287			\$458,287	\$0.46m	0.3%
Waterman Capital		\$998,262			\$998,262	\$1.00m	0.6%
Morrison & Co		\$1,141,243			\$1,141,243	\$1.14m	0.6%
Direct Capital		\$0			\$0	\$0.00m	0.0%
						\$118.43m	66.6%
Income							
NZ bonds			\$33,150,940		\$33,150,940	\$33.15m	18.6%
Overseas bonds			\$17,743,493		\$17,743,493	\$17.74m	10.0%
						\$50.89m	28.6%
Cash							
Trust				\$3,991,279	\$3,991,279	\$3.99m	2.2%
Forsyth Barr				\$4,876,492	\$4,876,492	\$4.88m	2.7%
FX Overlay				-\$414,959	-\$414,959	-\$0.41m	-0.2%
						\$8.45m	4.8%
Total	\$112,069,783	\$4,177,950	\$50,894,432	\$10,632,518	\$177,774,684		
Current allocation (%)	63.0%	2.4%	28.6%	6.0%	100.0%		
Difference from benchmark	8.9%	-9.7%	0.4%	0.4%			
Benchmark	54.2%	12.0%	28.2%	5.6%	100.0%		



31 May 2017

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 /focus

	Liquidity Certainty Short-term	Income Reduced volatility Medium-term	Inflation protection Growth Long-term	Current grants Intergenerational Equity
Benchmark (\$)	\$10.00m	\$50.00m	\$117.77m	\$177.77 m
Benchmark (%)	5.6%	28.2%	66.2%	100.0%

Current assets vs benchmark

Current assets	\$8.45 m	\$50.89 m	\$118.43 m	\$177.77 m
Benchmark assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$117.77 m</u>	<u>\$177.77 m</u>
Excess (shortfall)	-\$1.55 m	\$0.89 m	\$0.66 m	\$0.00 m

Current assets vs capital base

Current assets	\$8.45 m	\$50.89 m	\$118.43 m	\$177.77 m
Capital base	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$86.92 m</u>	<u>\$146.92 m</u>
Excess (shortfall)	-\$1.55 m	\$0.89 m	\$31.51 m	9.00

Current assets vs 125% x capital base

Current assets	\$8.45 m	\$50.89 m	\$118.43 m	\$177.77 m
Target assets	<u>\$10.00 m</u>	<u>\$50.00 m</u>	<u>\$123.66 m</u>	<u>\$183.66 m</u>
Excess (shortfall)	-\$1.55 m	\$0.89 m	-\$5.23 m	-\$5.89 m

Notes:

1. For the target asset levels, the cash holdings should include the undistributed distribution a/ c.
2. The allocation to bonds is below the optimal level for 125% x Capital base.
3. The allocation to shares/ property is below the benchmark level on each basis, reflecting the general downturn in the markets over the last 6 years.
4. The capital base (i.e. \$146.92m) 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.

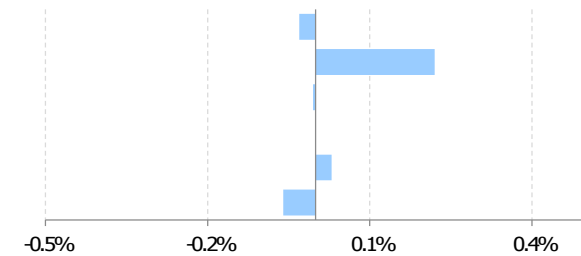
31 May 2017

Environment and market statistics

90-day bank bill rates

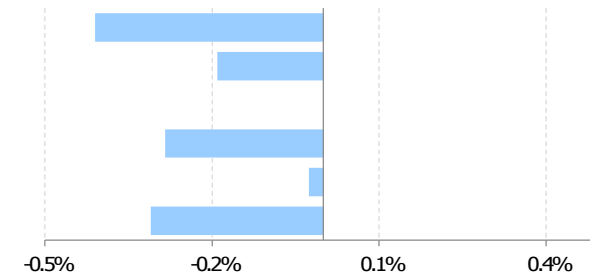
	Start of year 1 Apr 2017	Start of period 1 May 2017	End of period 31 May 2017	Movement	
				Month	Year-to-date
NZ	2.0%	2.0%	2.0%	(0.0%)	(0.0%)
US	0.8%	0.8%	1.0%	0.2%	0.2%
UK	0.1%	0.1%	0.1%	(0.0%)	(0.0%)
Euro	(0.3%)	(0.3%)	(0.3%)	0.0%	0.0%
Japan	(0.1%)	(0.1%)	(0.1%)	0.0%	0.0%
Australia	1.8%	1.7%	1.7%	(0.0%)	(0.1%)

Year-to-date (change)



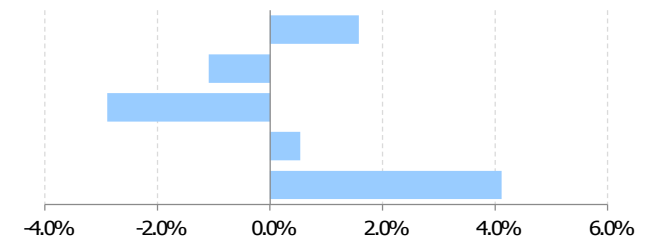
10-year government bond yields

	Start of year 1 Apr 2017	Start of period 1 May 2017	End of period 31 May 2017	Movement	
				Month	Year-to-date
NZ	3.2%	3.1%	2.8%	(0.3%)	(0.4%)
US	2.4%	2.3%	2.2%	(0.1%)	(0.2%)
UK	1.3%	1.3%	1.3%	0.0%	0.0%
Euro	1.5%	1.3%	1.2%	(0.1%)	(0.3%)
Japan	0.1%	0.0%	0.0%	0.0%	(0.0%)
Australia	2.7%	2.6%	2.4%	(0.2%)	(0.3%)



Exchange rates

	Start of year 1 Apr 2017	Start of period 1 May 2017	End of period 31 May 2017	Movement	
				Month	Year-to-date
US	0.6991	0.6877	0.7101	3.3%	1.6%
UK	0.5600	0.5328	0.5539	4.0%	(1.1%)
Euro	0.6543	0.6328	0.6354	0.4%	(2.9%)
Yen	78.36	76.43	78.78	3.1%	0.5%
Australia	0.9142	0.9209	0.9518	3.4%	4.1%



31 May 2017

Environment and market statistics

Sharemarket returns (local currency)

	Month	Year-to-date	Last 12 months	Last 3 years (p.a.)	Last 5 years (p.a.)
US (S&P 500)	1.2%	2.1%	15.0%	7.8%	13.0%
Japan (Nikkei 225)	2.4%	3.9%	14.0%	10.3%	18.1%
UK (FTSE 100)	4.4%	2.7%	20.7%	3.2%	7.2%
Germany (DAX)	1.4%	2.5%	22.9%	8.3%	15.0%
France (CAC 40)	0.3%	3.1%	17.3%	5.3%	11.9%
Australia (ASX 200)	(2.8%)	(1.7%)	11.1%	6.0%	11.9%
NZ (S&P/NZX 50)	0.5%	3.1%	5.4%	12.7%	16.3%
MSCINet div unhedged	(1.2%)	2.1%	11.0%	12.2%	13.7%
MSCINet div 50%hedged	0.2%	2.5%	15.2%	11.8%	15.3%
MSCINet div 100%hedged	1.6%	2.9%	19.3%	11.1%	16.7%

Note:

1. Year-to-date is the period since 1 April 2017.
2. The exchange rates are those on the Reserve Bank website. These are generally updated at 3pm 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 3pm to 3pm may be materially different from close of business to close of business.

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**Eastern & Central Community
Trust Inc**

**Monthly Report for
May 2017**

<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
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Nil

The bond sales over the period were as follows:

Issuer	Maturity Date	Face Value	Proceeds ²	Yield
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The bond maturities over the period were as follows:

Issuer	Maturity Date	Face Value	Coupon
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Nil

The cash purchases over the period were as follows:

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

¹ Cost includes brokerage, if any

² Proceeds are less brokerage, if any

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

Compliance Report

Eastern & Central Community Trust Inc

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

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

Current Exposures (Face Value):

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

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

Commentary

During **May** the following occurred:

- The **RBNZ** kept the OCR at 1.75%.
- **S&P** lowered the long-term issuer credit ratings on 23 financial institutions in Australia by one notch, whilst affirming the AA- credit rating on the big four Australian banks. The downgrade was due to S&P's view that the economic imbalances in Australia have increased due to "strong growth in private sector debt and residential property prices in the past four years". ANZ, Commonwealth Bank of Australia (CBA), National Australia Bank (NAB) and Westpac (WBC) were not downgraded as the rating agency expects that financial support from the Australian government would be likely — if needed. However, S&P does not believe that the support would necessary reach the subordinated debt holders and, therefore, subordinated bonds and hybrid notes were downgraded by one notch.
- **Credit Agricole S.A (CA)** received a credit rating upgrade from Fitch Ratings. CA is now rated A+ (Stable) from A (Positive). The upgrade was a result of lower risk appetite and an improvement in the group's capitalisation.

During **June** the following will occur:

- **Vector** have accepted all 'top-ups' to capital bond holders therefore we increase our holding to \$2,000,000 on 15 June.

Key Portfolio Information

Eastern & Central Community Trust Inc

Bond Maturity Analysis:

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

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

² Excludes cash

Bond Credit Analysis:

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

Portfolio Summary

Eastern & Central Community Trust Inc
31 May 2017

Account Number: 1870575
Advisor Name: Philip Williams

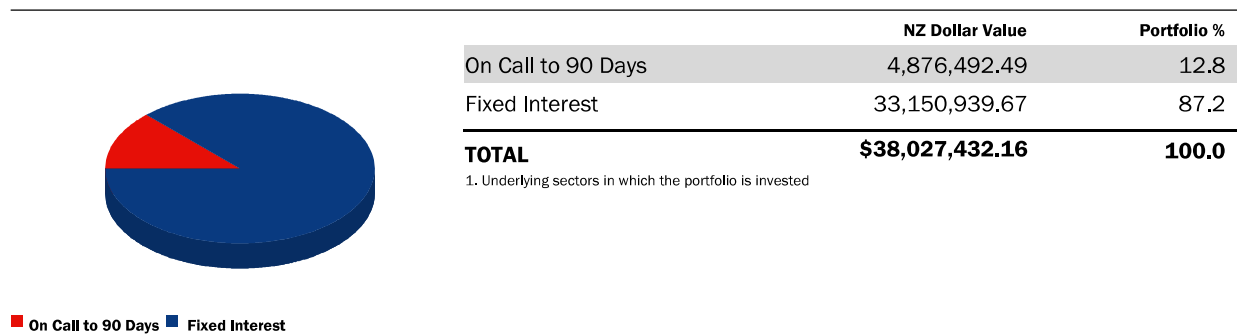
Premium Advisory Service

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

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

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

Asset Allocation ¹



Portfolio Valuation ²



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

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
31 May 2017

Account Number: 1870575
Advisor Name: Philip Williams

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
Cash						
At Call						
	Application NZD <small>(Deposit)</small>		74,000.00		74,000.00	0.2%
	Forsyth Barr Cash Management		2,814,881.96		2,814,881.96	7.4%
Maturing within 90 Days						
1,926,000	Vector Limited 15/06/2017 7.00% <small>(Bond)</small>	1.01	1,943,434.57	1.000	1,925,756.30	5.2%
	Accrued Interest				61,854.23	0.2 %
			4,832,316.53		4,876,492.49	12.8%
Fixed Interest						
Direct						
1,250,000	Powerco Limited 28/09/2017 6.74% <small>(Bond)</small>	0.93	1,158,448.47	1.013	1,266,694.08	3.4%
600,000	Kiwibank Limited 15/12/2017 5.80% <small>(Bond)</small>	1.00	600,000.00	1.006	603,837.27	1.6%
500,000	Infratil Limited 15/11/2018 6.85% <small>(Bond)</small>	1.04	520,291.58	1.034	517,184.57	1.4%
500,000	Fletcher Building Industries Limited 15/03/2019 6.45% <small>(Bond)</small>	1.00	500,000.00	1.030	515,249.16	1.4%
1,375,000	Contact Energy Limited 15/05/2019 5.80% <small>(Bond)</small>	1.00	1,375,000.00	1.049	1,442,528.20	3.8%
2,000,000	ASB Bank Limited Subordinated Notes 15/06/2024 6.65% <small>(Bond)</small>	1.00	2,000,000.00	1.046	2,091,334.50	5.6%
1,870,000	Mercury NZ Limited 11/07/2044 6.90% <small>(Bond)</small>	1.00	1,870,000.00	1.046	1,956,072.71	5.2%
250,000	Kiwi Capital Funding Limited 15/07/2024 6.61% <small>(Bond)</small>	1.00	250,000.00	1.018	254,470.00	0.7%
250,000	Trustpower Limited 15/09/2019 6.75% <small>(Bond)</small>	1.00	250,000.00	1.048	261,897.45	0.7%
1,500,000	Fletcher Building Industries Limited 15/03/2021 4.75% <small>(Bond)</small>	1.00	1,500,000.00	1.000	1,499,898.32	4.0%
250,000	Sky Network Television Limited 31/03/2021 6.25% <small>(Bond)</small>	1.00	250,000.00	1.056	263,962.37	0.7%
700,000	Chorus Limited 06/05/2021 4.12 % <small>(Bond)</small>	1.00	700,000.00	1.010	706,859.05	1.9%
600,000	Wellington International Airport Limited 15/05/2021 6.25% <small>(Bond)</small>	1.00	600,000.00	1.091	654,667.15	1.7%

Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
31 May 2017

Account Number: 1870575
Advisor Name: Philip Williams

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
750,000	Kiwi Property Group Limited 20/08/2021 6.15% (Bond)	1.00	750,000.00	1.081	810,527.56	2.2%
2,000,000	Westpac Banking Corporation Subordinated Notes 01/09/2026 4.695% (Bond)	1.00	2,000,000.00	1.000	1,999,615.08	5.3%
2,000,000	Christchurch International Airport Limited 04/10/2021 6.25% (Bond)	1.01	2,014,084.40	1.099	2,197,328.69	5.8%
475,000	Contact Energy Limited 15/11/2022 4.63% (Bond)	1.00	475,482.50	1.036	491,964.88	1.3%
2,000,000	Trustpower Limited 15/12/2022 4.01% (Bond)	1.00	2,000,000.00	0.991	1,981,288.22	5.3%
2,000,000	Spark Finance Limited 10/03/2023 4.51% (Bond)	1.02	2,045,201.92	1.045	2,090,278.43	5.5%
1,400,000	Wellington International Airport Limited 12/05/2023 4.25% (Bond)	1.01	1,415,283.97	0.997	1,396,331.02	3.7%
870,000	Kiwi Property Group 07/09/2023 4.00% (Bond)	1.00	870,000.00	0.971	845,030.36	2.2%
2,000,000	Z Energy Limited Bonds 01/11/2023 4.32% (Bond)	1.00	2,000,000.00	0.993	1,985,526.67	5.2%
840,000	Meridian Energy Limited 20/03/2024 4.88% (Bond)	1.00	840,847.50	1.039	872,444.64	2.3%
2,000,000	Bank of New Zealand Subordinated 17/12/2025 5.314% (Bond)	1.00	2,000,000.00	1.036	2,071,694.49	5.5%
958,000	Genesis Energy Limited 15/07/2041 6.19% (Bond)	1.07	1,022,535.58	1.025	981,950.00	2.6%
	Accrued Interest				259,829.80	0.7 %
Perpetuals						
500,000	ANZ Bank New Zealand Limited Perpetual 5.28% (Perpetual Bond)	1.00	500,000.00	1.010	505,000.00	1.3%
500,000	Credit Agricole Perpetual Deeply Subordinated Notes 5.04% (Perpetual Bond)	1.00	500,000.00	0.940	470,000.00	1.2%
12,750	Nufarm Finance NZ Limited Preference Shares 5.865% (Perpetual Bond)	115.74	1,475,694.44	92.500	1,179,375.00	3.1%
1,000,000	Rabobank Nederland Perpetual 2.8825% (Perpetual Bond)	1.00	1,000,000.00	0.978	978,100.00	2.6%



Portfolio Appraisal

Securities listed by market on which they trade

Eastern & Central Community Trust Inc
31 May 2017

Account Number: 1870575
Advisor Name: Philip Williams

New Zealand Dollar		Local Currency				
Quantity	Security	Unit Cost	Total Cost	Current Price	Market Value	% Asset (1)
			32,482,870.36		33,150,939.67	87.2%
Total			37,315,186.89		38,027,432.16	100.0%
Exchange rate to New Zealand Dollar (FX = 1.0000)						
New Zealand Dollar Market Value of New Zealand Dollar assets:						
\$38,027,432.16						

Cash Ledger

Eastern & Central Community Trust Inc
From 1 May 2017 To 31 May 2017

Account Number: 1870575
Advisor Name: Philip Williams

1. Current Cash Holdings

Currency	Amount	FX Rate	NZ Dollar Value
New Zealand Dollar			
Application NZD	74,000.00	1.0000	74,000.00
Forsyth Barr Cash Management	2,814,881.96	1.0000	2,814,881.96
			2,888,881.96

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

Cash Ledger

Eastern & Central Community Trust Inc
From 1 May 2017 To 31 May 2017

Account Number: 1870575
Advisor Name: Philip Williams

2. Cash Transactions

Date	Transaction	Value
New Zealand Dollar		
Forsyth Barr Cash Management		
	Opening Balance:	2,772,763.23
01/05/17	Transfer from Account Ledger	21,600.00
08/05/17	Transfer from Account Ledger	7,210.00
12/05/17	Transfer from Account Ledger	29,750.00
15/05/17	Transfer from Account Ledger	19,937.50
15/05/17	Transfer from Account Ledger	4,880.53
15/05/17	Transfer from Account Ledger	8,562.50
15/05/17	Transfer from Account Ledger	18,750.00
29/05/17	Transfer to Account Ledger	-74,000.00
31/05/17	Interest Received - Forsyth Barr Cash Management	5,428.20
	Closing Balance:	2,814,881.96
Account Ledger		
	Opening Balance:	0.00
01/05/17	Interest Received - Z Energy Limited Bonds 01/11/2023 4.32%	21,600.00
01/05/17	Transfer from Account Ledger	-21,600.00
08/05/17	Interest Received - Chorus Limited 06/05/2021 4.12 %	7,210.00
08/05/17	Transfer from Account Ledger	-7,210.00
12/05/17	Interest Received - Wellington International Airport Limited 12/05/2023 4.25%	29,750.00
12/05/17	Transfer from Account Ledger	-29,750.00
15/05/17	Interest Received - Contact Energy Limited 15/05/2019 5.80%	19,937.50
15/05/17	Interest Received - Contact Energy Limited 15/11/2022 4.63%	4,880.53
15/05/17	Interest Received - Infratil Limited 15/11/2018 6.85%	8,562.50
15/05/17	Interest Received - Wellington International Airport Limited 15/05/2021 6.25%	18,750.00
15/05/17	Transfer from Account Ledger	-19,937.50
15/05/17	Transfer from Account Ledger	-4,880.53
15/05/17	Transfer from Account Ledger	-8,562.50
15/05/17	Transfer from Account Ledger	-18,750.00
29/05/17	Application Additional Capital Bonds VCT080 - Vector Limited 15/06/2022 5.70%	-74,000.00
29/05/17	Transfer to Account Ledger	74,000.00

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Income Summary

Eastern & Central Community Trust Inc
From 1 May 2017 to 31 May 2017

Account Number: 1870575

Advisor Name: Philip Williams

Prescribed Investor Rate (PIR) 0%

Withholding Tax Rate Exempt

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	5,428.20						5,428.20
Fixed Interest	110,690.53						110,690.53
New Zealand Equities							
Foreign Equities							
Total Portfolio Income	116,118.73	0.00	0.00	0.00	0.00	0.00	116,118.73

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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

From 1 May 2017 To 31 May 2017

Account Number: 1870575

Advisor Name: Philip Williams

Reporting Currency New Zealand Dollars

Opening Market Value	37,736,407.77
Net Contributions/Withdrawals	0.00
Realised Gain	0.00
Realised Price Gain	0.00
Realised FX Gain	0.00
Unrealised Gain	147,849.97
Unrealised Price Gain	147,849.97
Unrealised FX Gain	0.00
Interest	116,118.73
Dividends	0.00
Change in Accrued Interest	27,055.69
Change in Dividends Receivable	0.00
Portfolio Fees	0.00
Closing Market Value	38,027,432.16
Price IRR for 0.08 Years	0.77%
FX IRR for 0.08 Years	0.00%
IRR for 0.08 Years	0.77%

This report is interim only and some of the figures included may be subject to change due to some data being unprocessed at the time this report is created. The IRR is calculated on a before tax but after fees basis. The information shown in this report is obtained from various sources believed to be reliable. While every effort has been made to ensure accuracy, no liability is accepted for any errors or omissions. The foreign exchange (FX) rates reported are the closing rates as at the close of business. Actual transaction FX rates may differ.

Report & Commentary

31 May 2017

Performance update

The Hunter Global Fixed Interest Fund returned 0.79% for the month of May, outperforming the benchmark return of 0.65% (being the Bloomberg Barclays Global Aggregate Index - \$NZ hedged).

Global fixed interest markets were strong across the board in May as financial and economic data remained broadly positive and investors weathered geopolitical concerns.

In the US, President Trump faced one of his most tumultuous periods yet. Following his controversial sudden dismissal of James Comey as head of the FBI, reports emerged suggesting the president may have committed or attempted an obstruction of justice. The president caused a further stir with the announcement of the US withdrawal from the Paris climate change agreement.

Emmanuel Macron was confirmed as the new French president. However, while this helped sentiment and European yields, focus shifted to Italy amid rising expectations of an early election. With polls still showing strong support for the populist Five Star Movement party, Italian yields retreated coming into the month end.

Despite the somewhat uneven global backdrop, government yields generally narrowed and were aided by benign inflation data. The 10-year Treasury yield fell from 2.28% to 2.20%. The 10-year gilt and Bund yields fell two basis points apiece to 1.07% and 0.30% respectively. Italian and French spreads narrowed modestly.

Portfolio position and strategy

PIMCO holds a modest overweight to US duration, while being underweight the front end of the yield curve given potential volatility from a faster than expected hiking cycle. The portfolio remains underweight total duration in Europe, although the underweight to France, Spain and Italy has been reduced on the back of political risk abating.

Within the portfolio there is an overweight to emerging market debt, reflecting the attractive valuations available in this sector.

PIMCO are underweight investment grade corporate credit on the view that valuations appear rich. Within this they continue to favour the financial sector, with a focus on countries with more predictable regulatory and legal frameworks.

Non-Agency mortgage backed securities remains PIMCO's preferred spread sector due to the attractive yields in this sector, and the opportunity for price appreciation in the US housing market.

The portfolio has a long US dollar bias against a basket of emerging market Asian currencies.

Portfolio characteristics and information

Fund Information	31 May 2017
Fund Size	\$419 million
Fund Type	PIE
Investment management	PIMCO
Benchmark	Bloomberg Barclays Global Aggregate Index - \$NZ hedged

Page 2 provides key portfolio statistics and positioning.

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Manager: Implemented Investment Solutions Limited

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31 May 2017

Hunter Global Fixed Interest Fund Investment Portfolio Characteristics



Investment Statistics	
Effective Duration	6.1
Benchmark Duration	7.0
Average Maturity	9.4
Average Coupon	1.9
Average Quality	AA-
Total Carry	4.1

Quality Breakdown	
Market Value % Portfolio	Market Value % Benchmark
56	AAA
9	AA
14	A
15	BBB
6	Sub Inv Grade
100	Total
	100

Curve Exposure			
Duration Weighted Exposure % Portfolio	Duration Weighted Exposure % Benchmark	Years Portfolio	Years Benchmark
4	0	0 - 1 years	0.2
-2	7	1 - 3 years	-0.1
20	16	3 - 5 years	1.2
39	14	5 - 7 years	2.4
10	6	7 - 8 years	0.6
7	10	8 - 10 years	0.4
22	47	10+ years	0.7
100	100	Total	6.1
			7.0

Regional Breakdown by currency of settlement			
Duration Weighted Exposure % Portfolio	Duration Weighted Exposure % Benchmark	Years Portfolio	Years Benchmark
2.1	2.3	Australia/NZ	0.1
15.9	22.6	Japan	1.0
18.6	23.9	Europe - EMU	1.1
6.5	1.9	Europe - Non EMU	0.4
5.1	8.3	United Kingdom	0.3
49.9	38.5	North America	3.0
1.9	1.0	Emerging Markets	0.1
0.0	1.5	Other	0.0
100.0	100.0	Total	6.1
			7.0

Sector Breakdown			
Duration Weighted Exposure % Portfolio	Duration Weighted Exposure % Benchmark	Years Portfolio	Years Benchmark
60	64	Governments	3.7
5	0	ILBs	0.3
22	17	Corporates	1.3
1	0	High Yield	0.1
-11	0	Swaps	-0.7
5	6	Agency/Semi	0.3
11	10	Mortgage	0.7
0	0	Other	0.0
2	3	Emerging Markets	0.1
5	0	Front End	0.3
100	100	Total	6.1
			7.0

