

2019

Annual Report



baptist union
Superannuation Scheme

Scheme snapshot

as at 30 June 2019



Fund size

\$29,712,121

Value of investments



Contributions

\$1,203,787

Member, Employer and
Government contributions



Withdrawals

\$885,078

Total benefit payments



Income

\$2,820,271

Investment income before expenses



Return

8.94%

Annual return to members



Members

270

Total members



Government contributions

\$87,979

To 176 members in CSF section

Contents

Message from the Trustee	1
Details of Scheme	2
Information on contributions & scheme participants	2
Changes relating to the Scheme	3
Other information for particular types of managed funds	4
Changes to persons involved in the Scheme	5
How to find further information	5
Contact details and complaints	6

Message from the Trustee

Dear Friends

On behalf of the Trustee I am pleased to present the annual report for the Baptist Union Superannuation Scheme (“the Scheme”) for the year ended 30 June 2019.

Once again, it has been a positive year for our Scheme and its members. Our Fund Manager, Nikko Asset Management, continued to provide solid investment returns relative to the benchmarks set by the Trustee.

The declared earning rate (after fees and expenses) of 8.94% was allocated to member accounts. The average return to members over the past five years has been 8.3% p.a.

We made a change to our policy for taking partial withdrawals in retirement. On retirement a member is not required to take all their accumulated balance at that time. They can leave some or all of it in the Scheme and access it over time. We removed the five year cap for this. The new conditions for partial withdrawals in retirement are:

- partial withdrawals must be a minimum of \$5,000 per withdrawal, and
- are subject to a maximum of three withdrawals per Scheme year (1 July to 30 June).

One disappointing aspect of the Scheme for us is the lack of growth in members. During a separate strategy meeting in March 2019, we discussed opportunities to promote this wonderful Scheme to Pastors in the Baptist Union and ACTS Churches. Membership growth will be an on-going objective for us.

During the year we reviewed our Investment Consultant. We use an Investment Consultant to undertake six-monthly reviews of the Scheme’s investment performance, and, as required, review the Statement of Investment Policy and Objectives, and the risk indicator for the Product Disclosure Statement.

As a result of this review we appointed Melville Jessup Weaver to the Investment Consultant role, replacing Aon New Zealand. We thank Aon New Zealand, and in particular Siva Thambiran, for the work and advice they provided over many years.

While our Administration Manager has not changed, their name has. The New Zealand Anglican Church Pension Board now trades as Anglican Financial Care. They continued to provide a first-rate service to our members and employers throughout the year.

Finally I would like to thank my fellow directors for their dedicated service to the Scheme and its members.

Yours in Christ

Rodney Duncan
CHAIR OF THE TRUSTEE

Annual report 2019

For the period 1 July 2018 to 30 June 2019.

Details of Scheme

The scheme name is Baptist Union Superannuation Scheme ("the Scheme"). It is an employer related restricted workplace savings scheme. The Manager is Baptist Retirement Trustee Limited ("the Trustee"). As it is a restricted scheme, the Supervisor is the Financial Markets Authority. The Product Disclosure Statement is dated 30 November 2018 and is open for applicants. The fund update for the year ended 30 June 2019 was issued on 24 September 2019.

The financial statements of the Scheme for the year ended 30 June 2019, and the auditor's report on those financial statements, have been lodged with the Registrar of Financial Service Providers and are available electronically by visiting disclose-register.companiesoffice.govt.nz, selecting Search schemes and entering the Scheme's name, or from the Administration Manager (see page 6 for the contact details).

Information on contributions and scheme participants

Membership overview

	1 July 2018	30 June 2019
Total contributing scheme participants	209	206
Total non-contributing scheme participants	62	64
Total number of members	271	270

Membership movements

Members at 1 July 2018	271
New Class A members	5
Resignations	-3
Retirements	-3
Deaths	-
Members at 30 June 2019	270

Member accumulations

	Number of members	\$
1 July 2018	271	26,991,873
30 June 2019	270	29,710,192

Contributions

Contribution type	Number of members	\$
Member contributions	208	611,021
Employer contributions	203	451,588
Member voluntary additional contributions	13	53,199

Changes relating to the Scheme

Trust Deed

The Scheme is governed by a Trust Deed dated 26 October 2016. There were no amendments to the Trust Deed during the year ended 30 June 2019.

SIPO

The Scheme's Statement of Investment Policy and Objectives ("SIPO") was amended on 22 November 2018. The material changes were:

- The primary investment performance objective was changed to "To achieve a net investment return at least 1.2% p.a. above the rate of CPI increases over every 3 year period".
- The investment performance targets for the New Zealand Fixed Interest, Australasian Equities and International Equities Sectors were reduced.

Related Party Transactions

The Trustee signed four certificates in respect of transactions giving related party benefits during the year ending 30 June 2019.

Date signed	Related to
30 August 2018	The fee paid to The New Zealand Anglican Church Pension Board for the administration of the Scheme.
13 March 2019	The fee paid to the director who is the Licensed Independent Trustee.
9 April 2019	The fee paid to Nikko Asset Management Limited for the investment of the Scheme's assets.
12 June 2019	The fee paid to The New Zealand Anglican Church Pension Board for the administration of the Scheme.

All transactions giving related party benefits during the year ending 30 June 2019 were conducted on arm's length terms.

Other information for particular types of managed funds

The following withdrawals occurred which were permitted under the Financial Markets Conduct Act and the Trust Deed. During the year 18 members made a withdrawal. These withdrawals include partial draw downs and full payments made to a member.

Withdrawal type	Number of members
Retirement	15
Resignation	3
Death	-

The earning rate declared for the year ended 30 June 2019 was 8.94%.

The following interim rates (after assumed expenses) were used to calculate benefit payments for members who exited the Scheme during the year to 30 June 2019. The year to date rate is annualised to give the interim rate. The interim rate is applied for the number of days between the start of the year and exit date.

Month ended	Interim rate (%pa)	Year to date earning rate
July 2018	5.90%	0.48%
August	13.28%	2.11%
September	8.78%	2.12%
October	-6.26%	-2.13%
November	-4.36%	-1.83%
December	-5.66%	-2.86%
January 2018	-0.60%	-0.34%
February	2.64%	1.73%
March	5.12%	3.95%
April	6.64%	5.48%
May	6.76%	6.18%
June 2019	8.94%	8.94%

The market value of assets subject to complying superannuation fund rules was \$8,812,902. This relates to 224 members. The total value of withdrawals subject to complying superannuation fund rules was \$171,448.

The Trustee, as Manager of the Scheme, states that:

- All contributions required to be made to the Scheme in accordance with the terms of the Trust Deed have been made;
- All benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed have been paid;
- The market value of the property of the Scheme as at 30 June 2019 exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 30 June 2019.

Changes to persons involved in the Scheme

There were no changes to the directors of the Manager and Trustee for the Scheme.

The Trustee appointed a new investment consultant for the Scheme. Effective from 1 July 2019 Melville Jessup Weaver replaced Aon New Zealand.

There were no changes to the Administration Manager, Fund Manager or Auditor of the Scheme.

How to find further information

The following documents are filed on a public register at the Companies Office of the Ministry of Business, Innovation & Employment (companiesoffice.govt.nz/disclose):

- The Product Disclosure Statement;
- The Fund Update;
- The Statement of Investment Policy and Objectives;
- The financial statements; and
- The Trust Deed (and any amendments).

These documents are free of charge and available for public inspection.

You have a right to receive on request to the Manager a copy of any of these documents as well as an updated estimate of your benefits. These may be obtained free of charge by calling 04 473 9369.

Contact details and complaints

If you have an enquiry, you can contact the Administration Manager as follows:

Write to: Funds Administrator
Anglican Financial Care
PO Box 12 287
Wellington 6144

Phone: 04 473 9369

Email: admin@buss.org.nz

If you have a complaint about the operation of the Scheme, please contact the Administration Manager. If they cannot resolve your concerns then you can make a formal written complaint.

Write to: Chairperson of the Trustee (Confidential)
Baptist Union Superannuation Scheme
c/- Baptist Union of New Zealand
PO Box 12 149
Penrose
Auckland 1642

If you are not satisfied with our response to your complaint you can refer your concerns to the independent approved dispute resolution scheme:

Write to: Financial Services Complaints Limited
PO Box 5967
Lambton Quay
Wellington 6145

Phone: 0800 347 257

Web: www.fscl.org.nz

Email: info@fscl.org.nz

Neither the Administration Manager nor Financial Services Complaints Limited will charge you a fee to investigate or resolve a complaint.

You can also contact the supervisor with an enquiry or complaint:

Write to: Financial Markets Authority
PO Box 106 672
Auckland 1143

Phone: 0800 434 566

Please note there is no statutory ombudsman for this Scheme.

