



Equity Investment Pool

Approved by: The Perth Diocesan Trustees
Amendments:

21 July 2011

File 423(a)

Whereas certain trust funds held in the name of The Perth Diocesan Trustees ("the Trustees") and as determined by the Trustees are amalgamated in one common Equity Investment Pool. The Trustees shall determine the then present value of the interest of each beneficiary in a Pool based on the contribution of each beneficiary to the Equity Investment Pool or the investments substituted therefore and such other factors as the Trustee in its sole and absolute discretion may consider fit to take into consideration.

The primary goal of the Equity Investment pool is to

- a) Increase Equity Investment Pool's assets (direct equities and managed investments) by 9% per annum (pre distribution). This will be measured on a rolling 5-year basis (1 years prior actual, current year budget and 3 years future forecasts). Such an increase is measured by both realised cash returns (net profit) and unrealised (net growth in value of the equity investments) factors.
- b) Achieve a "cash" yield sufficient to meet and the forecast annual costs of interest, administration and net distribution of 6% per annum. This will be based on a rolling 5 year cash flow forecast.

Investments are to be managed on the following basis by the Investment Sub Committee reporting to the Trustees and taking into consideration:

1. As to property and moneys subject to specific trusts this policy shall be read and construed and take effect subject to the conditions of such trusts.
2.
 - (i) Equity assets now held or which may in the future be held by The Perth Diocesan Trustees on behalf of various trusts and have been identified by the Trustees to be included in a common pool (herein and hereinafter to be known as the "Equity Investment Pool") and shall be invested by the Trustee from time to time with the perpetual nature of the trust funds in view.
 - (ii) The moneys constituting the Equity Investment Pool may be invested in accordance with the powers conferred on the Trustee by act of legislature 52 Victoria No 2 and The Diocesan Trustees Statute 2016.
 - (iii) Investments heretofore and hereafter made from moneys forming part of the Equity Investment Pool shall not be deemed to have been or be made in the name or on account or nor shall they belong to any particular trust but the Trustee shall keep an account in its books showing at all times the current amount for the time being at credit in the Equity Investment Pool on account of each trust.
 - (iv) Any capital profits or losses upon realization of any investment in the Equity Investment Pool shall be credited or debited (as the case may require) to the Equity Investment Pool and be in proportion to the current amount for the time being at credit in the Equity Investment Pool on account of each trust added to or deducted from the several amounts at credit in the Equity Investment Pool at the time of such realisation.



- (v) The net income (income and net capital gains/losses) received from the investments in the Equity Investment Pool shall be credited to an income to the Equity Investment Pool and be in proportion to the current amount for the time being at credit in the Equity Investment Pool on account of each trust added to or deducted from the several amounts at credit in the Equity Investment Pool at the time of receipt.
3.
 - (i) The Trustee may in its discretion on the last business day of each month withdraw from the Equity Investment Pool any amount at credit in the Equity Investment Pool on account of any beneficiary or receive amounts deposited into Equity Investment Pool on account of any current or new beneficiary or trust.
 - (ii) In respect of each amount withdrawn from the Equity Investment Pool the beneficiary in respect of which such withdrawal is made shall as from the date of such withdrawal cease to have any claim to accruing capital or income from the Equity Investment Pool in respect of the amount withdrawn.
 - (iii) If for the purpose of providing for any withdrawal any investment is realized then for the purpose of this section that part of the moneys arising from such realization as is equal to the amount of interest accrued on such investment shall be deemed to be income of the Equity Investment Pool and the balance shall be deemed to be capital.
 - (iv) On first day of each month (or the last business day of each month) which there shall be any withdrawal from the Equity Investment Pool the Trustee shall determine the value of the Investments in the Equity Investment Pool with regard to the accrued income thereon.
 - (v) The Trustees will determine an annual distribution rate based on a percentage of estimated assets as at 30 April annually and shall be distributed by the Trustee to the beneficiaries entitled by paying an equal rate in proportion to the current amount for the time being at credit in the Equity Investment Pool on account of each trust . Distribution will be paid by equal amounts on the 31 October and 30 April annually (or the proceeding business day);
4. The determinations from time to time made under the preceding sub-sections of this Policy shall be binding on all beneficiaries of the Equity Investment Pool and shall be reflected from time to time in the current amount for the time being at credit in the Equity Investment Pool on account of each trust .
5. The management costs attendant upon the operation of the Equity Investment Pool shall until otherwise varied by a resolution of the Trustees be levied on the beneficiaries at the rate of six per centum of the net annual distribution amount from the Equity Investment Pool and such percentage shall be credited to the Diocesan Office working account as a contribution towards the expenses of administration.
6. Any distribution income to which a beneficiary is entitled but which is held by the Trustee at the request of the beneficiary may be re- invested by the Trustee into the Equity Investment Pool on behalf of the beneficiary.
7. The Trustees may borrow against the Equity Investment Pool assets no more than 10% of the Equity Investment Pool assets providing interest cover is greater than 4.00 times (Interest Cover = [Income – Overheads] / Interest Expense).
8. In this Policy, a reference to withdrawal by or payment to a beneficiary includes application for the purpose of a trust.