

ANNUAL REPORT

For the period ended 31 March 2017



2 October 2017

Details of Scheme

Evergreen Retirement Trust (Evergreen, or the Scheme) is a registered New Zealand superannuation scheme and formerly a Qualifying Recognised Overseas Pension Scheme (QROPS). On 1 December 2016 (the Effective Date) the Scheme transitioned to the Financial Markets Conduct Act 2013 (Act) as a Restricted Legacy Scheme and is now closed to new members. As a result of closing to new members, the Scheme ceased to be a QROPS. However, reporting continues to be conducted for the Scheme in accordance with the rules for QROPS.

The Scheme is established under a trust deed dated 1 December 2011 (Trust Deed) principally for the purpose of providing retirement benefits to natural persons who have joined the scheme (Members) or paying benefits to persons who are the trustees of a registered superannuation scheme or a KiwiSaver scheme (Trustee Members). The Trust Deed has been amended by Deeds of Amendment dated 30 March 2012, 22 June 2012, 20 March 2014 and 30 November 2016.

The principal amendments to the Trust Deed on 30 November 2016 were to allow the Scheme to transition to and remain compliant with the Act.

The Scheme trustee is The New Zealand Guardian Trust Company Limited (NZGT), which is a Licensed Independent Trustee. NZGT have continued the delegation, that was in place before the Effective Date, of day to day management of the Scheme to Evergreen Capital Partners Limited (Delegated Manager).

The registration date of the most recent Prospectus was dated 20 March 2014 and this expired on 20 June 2014. The Scheme does not have a current registered Product Disclosure Statement as it is not open to new members.

As at 31 March 2017, no fund updates had been published for the Scheme. A fund update for the year ended 31 March 2017 for the Absolute Growth Fund (GBP) and the Income Plus Fund (GBP) was first made publicly available on 30 June 2017.

The Trustee has considered winding up the Scheme but no decision to wind up the Scheme has been made due to the following factors;

- The need to avoid any inadvertent UK tax liabilities
- Certain assets within the Scheme cannot be redeemed immediately
- The need to preserve equities between members.

Should the Trustee decide to wind up the Scheme, the costs to achieve the wind-up may be significant. In addition, should the Scheme assets be required to be redeemed early to reflect the timing of any future wind up, then significant losses on redemption may be incurred.

The Scheme's audited financial statements dated 31 March 2017 and auditor's report have been lodged with the Registrar and can be found on the Scheme website www.evergreentrust.co.nz or at www.companiesoffice.govt.nz/disclose.

Note the audited financial statements have been prepared on a realisation basis and there is an emphasis of matter in this regard in the auditor's report on the audited financial statements.

Please also note the auditors have qualified the audit opinion due to the audited financial statements of an underlying investment of the Scheme, the Penrich G10 Currency Income Fund, not having been completed as at the date of the audit report. Please refer to note 11, related parties, of the audited financials in relation to this investment.

Information on Contributions and Members

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (NZD)	
	Members	£	Members	£	Members	\$
Opening Balance						
Non-Contributing Members at 1st April 2016	380	2,520,650	384	7,666,583	384	21,087,217
Contributing Members at 1st April 2016	-	-	-	-	-	-
Total Members at 1st April 2016	380	2,520,650	384	7,666,583	384	21,087,217
New Members and Contributions						
New Members	-	-	-	-	-	-
Transferred from Other Schemes	-	-	-	-	-	-
Total New Members and Contributions	-	-	-	-	-	-
Members Ceasing						
Retirement - Full Withdrawal	-	-	-	-	-	-
Death	(1)	(756)	(1)	(38,229)	(1)	(71,576)
Transfer to Other Schemes	(9)	(58,710)	(9)	(183,524)	(9)	(444,751)
Total Members Ceasing	(10)	(59,466)	(10)	(221,753)	(10)	(516,327)
Benefit Payments to Non-ceasing Members						
Ill Health	-	-	-	-	-	-
Early Retirement Benefit	-	(14,177)	-	(42,859)	-	(104,721)
Total Benefit Payments to Non-ceasing Members	-	(14,177)	-	(42,859)	-	(104,721)
Other						
Member Attributed Taxation	-	636	-	1,250	-	3,463
Funds Available to Members	-	5,214	-	14,009	-	35,294
Management & Financial Adviser Fees	-	(48,436)	-	(120,788)	-	(310,702)
Net Gain / (Loss) before Membership Activities	-	(101,245)	-	(36,110)	-	(3,085,978)
Total Other	-	(143,831)	-	(141,639)	-	(3,357,922)
Closing Balance						
Non-Contributing Members at 31st March 2017	370	2,303,177	374	7,260,332	374	17,108,246
Contributing Members at 31st March 2017	-	-	-	-	-	-
Total Members at 31st March 2017	370	2,303,177	374	7,260,332	374	17,108,246

Changes Relating to the Scheme

Governing Documents

Regulatory changes in the New Zealand financial services sector required that the Scheme was transitioned from regulation under the Superannuation Scheme Act 1989 to regulation under the Act. The effective date of the changes to the Scheme was 1 December 2016 and from that date the requirements of the Act apply to the Scheme.

The Scheme was established by Trust Deed dated 1 December 2011 (as amended). An amended Trust Deed was issued on the Effective Date incorporating the requirements of the Act.

Management of the Scheme

On the Effective Date Covenant Trustee Services Limited (Covenant) retired as Trustee of the Scheme and NZGT was appointed Trustee of the Scheme. Covenant and NZGT share the same parent company. The appointment and removal of trustee was required to meet trustee and manager licensing requirements under the Act as Covenant was unable to act as the trustee of a Restricted Legacy Scheme. NZGT is a Licensed Independent Trustee.

Nature of the Scheme

From the Effective Date the Scheme transitioned under the Act as a Restricted Legacy Scheme meaning that it continues to operate but is closed to new members.

On 8 March 2017, HM Revenue and Customs (HMRC) sent a letter to all QROPS, including the Scheme, which advised that in order to remain a QROPS the Scheme would need to agree and confirm to new conditions. It is a primary condition of remaining a QROPS that a scheme is open to new members in the jurisdiction that it is administered in. As a restricted legacy scheme, the Scheme could no longer meet this condition. The Scheme ceased to be a QROPS on 14 April 2017, and has made all the necessary declarations to the HMRC. The Scheme continues to operate under the terms of the Trust Deed and must continue to report and meet the ongoing obligations of the QROPS rules. This update on QROPS status supersedes the previous commentary from when the Scheme was removed from the HMRC Recognised Overseas Pension Scheme Notification List in November 2012 as a result of concerns raised by HMRC with the administration of the Scheme. The 8 March 2017 letter from the HMRC confirmed Evergreen Capital Partners Limited's determination that the Scheme had remained a QROPS since November 2012 as the Scheme was compliant and there was no notification from the UK HMRC that the Scheme has been excluded from being a QROPS.

Terms of the Offer

Membership in the Scheme has not been actively offered during the accounting period. From 1 December 2016, the Scheme became a 'restricted legacy scheme' under the Act and so the ability for new members to join the Scheme was formally closed from that date.

Statement of Investment Policy and Objectives

On transition to the Act the Trustee of the Scheme adopted a Statement of Investment Policy and Objectives (SIPO) in compliance with Section 164 of the Act. This replaces the investment policies and objectives in the Prospectus. A copy of the SIPO can be found on the Scheme website www.evergreentrust.co.nz or at www.companiesoffice.govt.nz/disclose.

Nature or Scale of Related Party Transactions

During the accounting period the Scheme invested GBP2,344,504.66 into the Penrich G10 Currency Income Fund a segregated portfolio of Antaeus SPC. The fund is managed by Penrich Active Capital Management Limited. A Director of Antaeus SPC and of Penrich Active Capital Management Limited is also a member of the investment committee of the investment manager of the Evergreen Retirement Trust, Clearwater Capital LP.

The investment was made on an arm's-length basis.

There were no other related party transactions entered into during the accounting period that were not on arm's-length terms.

Other Information for Particular Types of Managed Funds

Permitted Withdrawals

The number of scheme participants who made a withdrawal that is permitted under the Act and the governing documents during the accounting period:

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (NZD)	
	Members	£	Members	£	Members	\$
Retirement - Full Withdrawal	-	-	-	-	-	-
Death	1	756	1	38,229	1	71,576
Transfer to Other Schemes	9	58,710	9	183,524	9	444,751
Ill Health	-	-	-	-	-	-
Early Retirement Benefit	27	14,177	29	42,859	29	104,721
Total Member Withdrawals for the Year to 31st March 2017	37	73,643	39	264,612	39	621,049

Unit Price

Fund	Unit price as at 31 March 2017	Unit price as at 31 March 2016
Absolute Growth (GBP)	0.9122	0.9541
Income Plus (GBP)	0.9765	1.0436

Scheme Contributions

During the accounting period, all the contributions required to be made to the Scheme in accordance with the terms of the governing document have been made.

Benefit Payments

All the benefits required to be paid from the Scheme in accordance with the terms of the governing document and the superannuation scheme rules have been paid.

The market value of the Scheme property at the balance date equalled or 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 the balance date.

Changes to Persons Involved in the Scheme

On 1 December 2016 NZGT replaced Covenant as trustee (and therefore issuer and manager) of the Scheme.

Evergreen Capital Partners Limited remained the delegated manager of the Scheme following the transition to the Act.

Changes to the Directors of the trustee were:

Andrew Howard Barnes ceased to be a director on 4 April 2016

Timothy James Shaw ceased to be a director on 3 August 2016

Changes to key personnel of the trustee were:

Bryan Connor resigned as General Manager, Corporate Trusts in late 2016. He was replaced by Mark Jephson.

There have been no other changes to other key parties in the accounting period.

How to Find Further Information

The most recent Trust Deed, SIPO, general fund details and Fund Updates relating to the Scheme are filed on the public Disclose Register. You can find this information at www.companiesoffice.govt.nz/disclose selecting “search offers” or “search schemes” and entering ‘Evergreen Trust’ onto the search. This information can also be found on the Scheme website www.evergreentrust.co.nz.

Members have a right to receive, on request, a copy of the most recent financial statements, auditors report, an estimate of their member benefits or a copy of the most recent registered Scheme documents. These can be obtained at no cost by emailing contact@evergreentrust.co.nz or calling the agent for the manager on +64 4 974 5145 or accessing member login via the Scheme website www.evergreentrust.co.nz

Contact Details and Complaints

Contact Details

Trustee	The New Zealand Guardian Trust Company Limited Level 6, 191 Queen Street, Auckland 1010 Phone: 09 909 5100
Delegated Manager	Evergreen Capital Partners Limited F 1, 26 Carlton Mill Road, Merivale, Christchurch 8014 Phone: 04 974 5145
The Scheme Securities Register	Trustees Executors Limited Level 5, Maritime Tower, 10 Customhouse Quay, Wellington 6143 Phone: 04 495 0972

Enquiries

Enquiries can be made by in writing or by telephone to Evergreen Capital Partners Limited or via the Scheme website www.evergreentrust.co.nz using the member login or contact us options.

You can contact Evergreen Capital Partners Limited by:

Telephone: +64 4 974 5145.
Email: contact@evergreentrust.co.nz
Mail: PO Box 36 270, Christchurch 8014, New Zealand

Complaints

Complaints can be made to NZGT or Evergreen Capital Partners Limited at the addresses above.

NZGT and Evergreen Capital Partners Limited are members of an independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) and approved by the Ministry of Consumer Affairs. NZGT or Evergreen Capital Partners Limited (as applicable) has 40 days to respond to your complaint. If you are not satisfied by the response, you may refer the matter to FSCL by emailing info@fscl.org.nz, calling FSCL on 0800 347257 or writing to:

Financial Services Complaints Limited
Level 4, Sybase House
PO Box 5967
Lambton Quay
Wellington 6145
New Zealand

Full details of how to access the FSCL scheme can be obtained on their website www.fscl.org.nz. There is no cost to you to use the services of FSCL.