

Anglican Funds Grafton Diocese Service Agreement Report

Report Date: Special Report as at 30/06/18 – Dashboard Reporting

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b) The Services may include any other tasks which the Parties may agree on.

Dashboard Reporting as at 30/06/18 – Management Results

AFGD Dashboard - as at 30-06-18				
<u>Margins & Cost of Funds (COF)</u>				
	30-06-18	31-12-17	Variance	Comment
Loans	5.169%	5.378%	-0.21%	
Ord Minnett	4.100%	4.250%	-0.15%	Guesstimate - unable to get accurate data
Cash	2.086%	1.914%	0.17%	
Ave Return on assets	4.420%	4.630%	-0.21%	
Savings	0.906%	1.047%	-0.14%	
Investment	2.612%	2.621%	-0.01%	
Ave weighted COF	2.368%	2.216%	0.15%	
Margin	2.052%	2.414%	-0.36%	Strategic Plan benchmark 1.75% to high of 2.50%

<u>Capital Adequacy - target is 10%</u>				
	30-06-18	31-12-17	Variation	% below min target
Total Equity	1,333.0	1,377.2	-\$ 44.20	
Risk Weighted Assets	21,884.8	22,019.0	-\$ 134.20	
Capital Adequacy	6.09%	6.25%	-0.16%	3.91%

<u>Total Deposits & Lending (\$000's)</u>				<u>Cash & Investments</u>	
	30-06-18	31-12-17	Variation	\$ 000's	
Deposits	\$ 33,113.1	\$ 39,439.1	-\$ 6,326	AFSA	824.7
adddback				Westpac	1,124.2
re-draw funds	\$ -	\$ -		ORD Minnett	10,738.6
	\$ 33,113.1	\$ 39,439.1		Melb DIF	750.0
				NAB	-
Lending	* \$ 32,063.4	\$ 32,391.3	-\$ 328	ME Bank	
adddback				AMP	2,000.0
re-draw funds	\$ -	\$ -			\$ 15,437.5
	\$ 32,063.4	\$ 32,391.3		<u>% holding</u>	
				AFSA	5.34%
				Westpac	7.28%
				ORD Minnett	69.56%
				AMP	12.96%
				Melb DIF	4.86%
				NAB	0.00%
				ME Bank	0.00%
					100.00%
* Note \$12.8M of undrawn facilities makes up this number					
Cash/Investment	\$ 15,437.5	\$ 20,342.7	-\$ 4,905		
LOC facilities	\$ 1,600.0	\$ 1,600.0	\$ -		
Total available	\$ 17,037.5	\$ 21,942.7	-\$ 4,905		
Liquidity Ratio	51.45%	55.64%	-4.18%		

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Fixed Investment retention Rates at month end					Explanation
	Portfolio Balance	Redemptions		%	
(000's)	\$ 28,371.7			0.00%	Unable to complete - data not available

Loan Portfolio Performance at month end					Explanation
	Portfolio Balance	Drawn Loc's	Undrawn Facilities	Term Loans	
(000's)	\$ 19,235.1	\$ 6,621.6	\$ 12,828.4	\$ 12,613.4	
				Arrears	
				Nil	No arrears/non-performing loans.
				Av. Term to maturity (years)	
					Unable to complete - data not available average is circa 6 years

P & L Summary - Month in Isolation (\$000's)					
	Actual	Budget for	Variation		Explanation
	<u>30-06-18</u>	<u>30-06-18</u>			
All income	\$ 153.8	\$ 188.9	-\$ 35.1	Income	Full line fee income for SCAS will now be received Quarterly
Expenses	\$ 116.2	\$ 135.5	-\$ 19.3		
Net profit	\$ 37.6	\$ 53.4	-\$ 15.8	Expenses	Wage savings
Contrib Diocese	\$ 14.6	\$ 14.6	\$ -		
Balance after Dist	\$ 23.0	\$ 38.8	-\$ 15.8		

P & L Summary - YTD (\$000's)					
	Actual as at	Budget as at	Variation		Explanation
	<u>30-06-18</u>	<u>30-06-18</u>			
All income	\$ 808.7	\$ 870.6	-\$ 61.9	Income	Facility usage and delays in line fee income has impacted results against budget.
Expenses	\$ 654.9	\$ 779.3	-\$ 124.4		
Net profit	\$ 153.8	\$ 91.3	\$ 62.5	Expenses -	Savings achieved interest paid due to return of retail funds
Contrib Diocese	\$ 87.6	\$ 87.6	\$ -		Wage savings also impacted expense lines
Balance after Dist	\$ 66.2	\$ 3.7	\$ 62.5		

Prudential Benchmark Reporting

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Capital Adequacy & Liquidity:	as at	30-06-18	No redraw calculated		
Capital Adequacy: (Target > 10% of Risk Weighted Assets)					
Assets			Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)			10%	\$ 4,698,846	\$ 469,885
Cash (Other Aust. Banks, ADI's)			20%	\$ -	\$ -
Anglican Loans -Unsecured			100%	\$ -	\$ -
Anglican Loans -Secured		\$ 19,235,077	50%	\$ 19,235,077	\$ 9,617,539
Undrawn Anglican Loans -Secured			50%	\$ 12,828,368	\$ 6,414,184
redraw funds available			50%	\$ -	\$ -
External Loans - Secured Commercial property			100%	\$ -	\$ -
Undrawn Ext. Loans - Secured Commercial property			100%	\$ -	\$ -
Equities			400%	\$ -	\$ -
Ord Minnett Subordinated Notes			50%	\$ 10,673,434	\$ 5,336,717
Other Investments			300%	\$ -	\$ -
Ord Cash			10%	\$ 65,213	\$ 6,521
		Total Assets		\$ 47,500,939	\$ 21,844,846
N.B. As Asset Values include undrawn loans, figures won't reconcile with the Balance Sheet.					
Risk Concentration:					
Internal loans (< 30% of Total Assets)					
		<u>Total Assets:</u>	<u>Limit Amount:</u>		
Limit	30%	\$ 47,500,939	\$ 14,250,282		
Loans > 30% of TA			\$ 12,382,162	200%	\$ 1,868,119
					\$ -
External loans (< 5% of Total Assets)					
		<u>Total Assets:</u>	<u>Limit Amount:</u>		
Limit	5%	\$ -	\$ -		
Loans > 5% of TA			\$ -	400%	\$ -
					\$ -
				Total Risk Weighted Assets	\$ 21,844,846
				8%	\$ 1,747,588
				+ 2% Buffer	\$ 436,897
				Required Capital 10%	\$ 2,184,485
Equity:					
		2017 Management	Accumulated Funds		\$ 1,258,316
			Asset Reserves		\$ 8,456
			Adjustments		
		Management results	YTD profit after distribution		\$ 66,177
			Total Equity		\$ 1,332,949
			"Surplus" Capital		-\$ 851,536
			Actual Capital Adequacy ratio		6.10%
Liquidity (> 10% of Total Assets):					
Total Assets:				\$ 47,505,629	
Minimum Liquidity requirement		10%			\$ 4,750,563
<u>Actual position:</u>					
Cash				\$ 4,764,059	
Undrawn Bank OD Facility				\$ 1,600,000	
Total Actual Liquidity					\$ 6,364,059
"Surplus" Liquidity					\$ 1,613,496
Actual Liquidity Ratio					13.4%

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Prudential Guidelines:	as at	30-06-18	No redraw calculated		
Depositors in excess of 5% of Liabilities					
			<u>Client</u>	<u>Deposit Amount</u>	<u>% of Liabilities</u>
Total Liabilities		\$ 33,113,120	Corp Trustees	\$ 11,000,000	33%
plus redraw funds			St Cuthberts	\$ 4,200,000	13%
		\$ 33,113,120			0%
					0%
				\$ 15,200,000	46%
External Loan in excess of 5% of Total Assets					
			<u>Borrower</u>	<u>Loan Amount</u>	<u>% of Assets</u>
				0	
Internal Loan to any one anglican entity not to exceed 30% of TA					
			<u>Borrower</u>	<u>Loan Amount</u>	<u>% of Assets</u>
			SCAS	\$ 12,382,162	26%
Asset Targets					
				<u>Target</u>	<u>Actual</u>
Cash		\$ 4,764,059		20%	10.03%
Ord Hybrids		\$ -		0%	0.00%
Secured External loans				0%	0.00%
Secured Anglican loans		\$ 32,063,446		70%	67.49%
Unsecured Anglican loans		\$ -		0%	0.00%
Ord Minnett Subordinated Notes		\$ 10,673,434		10%	22%
Other Investments P&E w d value		\$ 4,690		0%	0.01%
		\$ 47,505,629		100%	100.00%
Maximum % of Cash invested with any one institution, 20% of Total Assets					
			<u>Bank</u>	<u>Inv. Amount</u>	<u>% of Assets</u>
			AMP	\$ 2,000,000	4.2%
					0.0%
Minimum % of Cash investments with maturity dates < 45 days, 12%					
					<u>Actual %</u>
				\$ 2,618,656	55.0%
Floating Rate Note/CDO investments to be "A" rated					
Investments currently below this benchmark:					
			<u>Rating</u>	<u>Maturity Date</u>	<u>Market Value</u>
Australian Unity Ltd			BBB+	15-12-20	\$ 1,192,879
Members Equity			BBB	29-08-19	\$ 1,732,181
Auswide Credit Union			BBB-	12-06-19	\$ 506,455
Bendigo Bank			BBB+	13-12-21	\$ 1,044,277
					\$ 4,475,792
Westpac Covenants:					
				<u>Requirement</u>	<u>Actual</u>
Tier 1 Capital				\$ 2,184,485	\$ 1,332,949
Liquid assets with maturity terms < 45 days				\$ 571,687	\$ 2,618,656
Min. liquid assets (Deposits, FRN & CDOs)				\$ 9,501,126	\$ 15,437,493
of not less than 20% of Total Assets				20%	32%

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Yours faithfully

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