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Announcement of 2015 Dividends for PBF unit holders

Melanesian Trustee Services Limited Board and Management announced early this month the 2015 dividend payout of K3, 141,873 to unit holders of the Pacific Balanced Fund.



CEO Kennedy Wemin, Director Joshua Bakirie and Lawrence Stephens, Corporate Affairs and Governance Manager gave details to a media conference earlier in the month.

"The Fund's performance has been overwhelming, reaching K616m in net assets in 2015 with a calculated net profit of K61.3m. As a result, the full year dividend distribution to shareholders is K3, 141,873" said Mr Stephens.

Unit holders will receive distributions for 2015 at 0.24 toea per unit, a 0.05 toea increase from 2014 results announced earlier this year. This brings the total dividends distributed to unit holders to K43m over 12 years, during which the Fund has achieved sustainable growth targets.

PBF has attained an asset growth rate 3% higher than PNG superannuation funds and 12% better than term deposits. When compared with international standards, PBF capital asset growth rate is more than double the Morgan Stanley International Index. "We are naturally pleased to be able to present a favourable report", Mr Wemin told the media.

"When compared with local and international growth rates, PBF is doing extremely well and we look forward to improving on this performance in the future, this will enable us to continue to provide annual returns to our unit holders" Mr Stephens said



▲ Mr Wemin, Mr Stephens and Mr Bakirie showing mock cheque of the dividend payment

PBF ROAD SHOW ENDS ON HIGH NOTE

Investors in Pacific Balanced Fund have filled meeting venues around the country to hear details of the Fund's progress and its relationship with MiBank (Nationwide Micro Bank).

Kennedy Wemin, CEO of MTSL, the Trustee for PBF, reported that the interest and attendance at meetings has been overwhelming. "Almost without exception each meeting we conducted has been crowded with eager unit holders".



Mr Wemin said that "the Pacific Balanced Fund roadshow has seen successful public meetings held in Lihir and Rabaul late last month. They were followed by gatherings in Wewak, Madang and Lae which saw meeting venues crowded beyond their capacity".

The meetings have been so popular extra sessions were conducted in several places to meet the demand. The roadshow was jointly organised with MiBank to promote the partnership between the Fund and the Bank.

The partnership allows PBF unit holders to open bank accounts with MiBank, to enable electronic dividend

payments.

Pacific Balanced Fund staff, who visited Lihir and Rabaul were positive about the responses from unit holders. Mr Wemin said that "we are hopeful that more unit holders in the Islands region will have heard about the visits and make contact with our office. We need to verify ownership of units and be certain that we have clear banking arrangements for paying the owners".

The Roadshow has been advertised by various forms of media, the most successful being messages sent to mobile phones. "We are finding that text messages to mobile phones have a huge impact", Mr Wemin explained.



PBF Trading Executive, Mr Isaac McNerbai said that "we utilised SMS blasts to inform subscribers on the Digicel network of our roadshow, this resulted in large crowds of unit holders and interested people attending our presentations in Momase and the Highlands region to hear more about the PBF story.

McNerbai added that "the roadshow is important as we needed those unit holders who invested in Investment Corporation to come in and be identified and verified under Pacific Balanced Fund to benefit from the K3m dividend payments"



It is also an opportunity for unit holders, already verified, to be presented with details of the Funds' remarkable progress over the past 10 years.

PBF targets K1.2 billion growth by 2020



Following the 2015 dividend announcement, Chief Executive Officer Mr Kennedy Wemin gave a presentation on Pacific Balanced Fund's financial performance, its achievements, unit holder benefits and the Fund's future outlook. Much emphasis was put in the Fund's competitive advantage in the local PNG market and also its performance comparison amongst similar Funds overseas.

When presenting Pacific Balanced Fund's future outlook, Mr Wemin says the Board and Management of MTSL has great plans to increase the Fund from K616m to a K1.2 billion fund over the next five years.

"If we maintain PBF's current performance without making any new investments in the next few years, the Fund would be valued at around K1.2 billion by 2020. However, we do have plans with potential local investments in agriculture and power sectors.

Earlier in the year, MTSL established PBF Agro Business Limited, a specialist business unit of the Fund to identify investment opportunities in commercial agriculture.

PBF Agro Business Limited has recently signed a Memorandum of Understanding (MOU) with Israeli company, Innovative Agro Industries Limited (IAI).

The MOU was signed after 12 months of discussions and negotiation which saw members of the MTSL board travel to Israel with IAI to see firsthand the level of agriculture based technological know-how there; and how a partnership can be created with IAI's expertise for the technology to be adopted and used in PNG to develop and change the current commercial agriculture landscape.

Agriculture has the potential to transform PNG from the current subsistence based farming to a mechanised system, with significant opportunity to service the local market demands and significant export potential.

There is also greater emphasis support by the Government of PNG (GoPNG) with plans to increase government investment to boost the sector.

The Fund is seeking to extend into this growing space either in primary production, midstream processing and/ or distribution within the agriculture sector. The recent acquisition by PBF Agro Business Limited of a 5000 hectare parcel of land from Koitaki Farm in the Sogeri mountain plains is earmarked for significant commercial agriculture project.

The Fund has significant capabilities

within this sector through the current investments within Trukai Industries Ltd and Associated Mills Ltd and will leverage this experience and sector understanding in evaluating and entering into new investment opportunities.



MELANESIAN TRUSTEE SERVICES LIMITED

Melanesian Trustee Services Ltd (MTSL) is the first ever licensed trustee company in Papua New Guinea under the Securities Act (1997) and is the licensed trustee to Pacific Balanced Fund and Pacific Property Trust. MTSL is also the acting fund manager to Pacific Balanced Fund. Both funds are private trusts owned by individuals, local companies and institutions from Papua New Guinea.

The license was granted by the Securities Commission in October 2000 through Section 72 of the Securities Act (1997) for the following classes of securities -. Unit Trusts, ii. Property Trusts & iii. Superannuation Fund

We are truly a Melanesian company and pride ourselves in;

- i. Valuing the qualities of integrity, credibility and business ethics whilst seeking to maintain the highest standards of trust and confidence for our clients.
- ii. Having "Trusting Melanesia" as our slogan and have a 100% local workforce and management, and located in the national capital city of Papua New Guinea, Port Moresby.



ABOUT PACIFIC BALANCE FUND

The Pacific Balanced Fund (PBF) was formerly known as Investment Corporation Fund of Papua New Guinea (ICFPNG). The Fund is a Unit Trust and was established in 1973 through the enabling Provisions of the Investment Corporation of Papua New Guinea (ICPNG) Act, (a 1971 Act of Parliament).

A new Trust Deed registered and approved by the Securities Commission of Papua New Guinea became operative as of 01st January 2002 succeeding the old management arrangement under a Management Declaration that expired on 31st December 2001.

Under the new structure saw the birth of Melanesian Trustee Services as the trustee to the fund and Pacific Equity and Investment Services Ltd as Fund Manager. The fund manager has relinquished its function to the trustee since June 2009.

The fund is now expanding to capture the market opportunities by creating the appropriate investment and wealth management trust.

Other trust funds will be created as subsidiaries or related trusts of Pacific Balanced Fund through similar arrangement where the Trustee will establish the Trust and pledge its investee company assets or invest in funds and raise the balance through floating of prospectus, commercial loan, or inviting investment partners.



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PACIFIC BALANCED FUND – ROLE IN SOCIETY

Pacific Balanced Fund as a Savings Fund for Papua New Guineans has on many occasions acknowledged the value of its relationship with community and society as a whole through donations to charity and sponsorship of members of the community for many charitable causes.



The Fund is also actively involved in the raising of financial literacy among various target groups such as children, teenagers and women of Papua New Guinea. It conducts roadshows and workshops in the various Provinces from time to time. These roadshows and workshops are organised by the Fund's Trustee. Some of the topics covered include basic financial concepts such as opening a savings account, creating a monthly budget, making prudent investments and other basic financial concepts.

In the recent Bank of PNG Financial expo held in Mt Hagen, PBF was present to exhibit the different products and services, the Fund decided to support the Government of PNG's initiative of developing a society of entrepreneurs.

The Fund is also very active in supporting local communities across PNG. It supports the communities through various sponsorships, volunteer work and fundraising initiatives. Some of the causes that the Fund identifies closely with include health, education as well as sports.



The Fund hosted the 'Biggest morning tea' as a fund raising initiative for the Papua New Guinea Cancer Foundation. The Foundation's aim is to raise awareness of cancer in Papua New Guinea and most importantly raise much needed funds so that it can continue its outreach programs in the urban and rural communities. Another organisation that has benefitted from the Fund is Life PNG Care (LPNGC). LPNGC is a community-based non-profit organisation whose main objective is to assist and empower underprivileged children, through its Strongim Pikinini Education program "Strengthening Children through Education".

In sports, the Fund has supported PNG Rugby Football Union National Under 20 side. Another beneficiary of the Fund's support was Lynette Vai; PNG's top female squash athlete who recently bagged two gold medals at the Pacific Games at the tender age of 17. On a grassroots level, the Fund also provided assistance to the Vadavada community for their local rugby league team.

The Fund has also supported numerous other organisations and communities. As an institution in Papua New Guinea, the Fund views these initiatives as part of its way of giving back to society and fulfilling its community social obligations. The Fund will continue to support worthy causes.

