



Overview of 2016

The success of 2016 wouldn't have been accomplished if it weren't for the efforts of our hardworking staff despite the highs and lows. As the year ends we reflect on some of the highlights.



Traditional dancers at the office opening

K3mil announced later in the year for 2015 distribution payment at K0.24t per unit. Formerly known as Investment Corporation Fund of PNG - Pacific Balanced Fund has improved its position in recent years and there are still many people that held units who should become aware of the progress the fund is making and contact the Trustee MTSL to claim their investments.

Nationwide Roadshow

A nationwide roadshow was carried out successfully mid-year in major regions, this allowed for unit holders to be informed of the growth and the performance of the fund. The roadshow also promoted the partnership with Mibank after increased shareholding from 13.6% to nearly 25% and arrangements for more than 7,000 accounts were set up in rural areas for 80% of our unit holders as well as a credit process permitting unit holders to use their investment in the fund to secure loans. We ran success stories of some of the unit holders who were able to be verified during the roadshow.

New Customer Service Office

We opened doors to our 20,000 unit holders when General Manager of Securities Commission Alex Tongayu officiated the opening of our new customer service centre at the ground floor of Defens Haus. The move enabled us to have a larger presence and an accessible office, with this establishment service was improved to electronically disburse payments for unit holders under arrangements with the banks which was an added benefit for they no longer had to wait for cheques.

Payments To Unit Holders

Distribution announcements were made for up to K5mil to be paid to unit holders for 2013 @ K0.18 per unit and K0.19t per unit for 2014 payments, and additional



Unit Holders in Lihir

Agriculture and Refinery Investments

During the same period PBF diversified into business arm PBF Agro partnering with Innovative Agro Industries Limited (IAIL) aiming to develop large scale commercial agriculture in the country. The fund seeks to extend into the agriculture sector in primary production, midstream processing and distribution. Further developments were carried out in the refurbishment of Metals Refining Operations Limited (investee company of PBF), the refinery installed new equipment to its foundry and laboratory and is set to resume operations in 2017.



PBF Agro GM - Jerry Kootz signing agreement with representatives of IAIL

MTSL Website

The business was brought to life on the internet successfully with a new look webpage which can be found at www.mtsl.com.pg should you wish to be directed to the Pacific Balanced Fund page please click on the link at "quick links" at the bottom left of the webpage.

PBF Performance Review Report Breakfast

Just before winding down for the year a joint breakfast was held with Port Moresby Chamber of Commerce Industry at the Yacht Club here in Port Moresby where the overall performance of the fund was presented to corporate organizations by Kunen Satkunasingam (Partner with PWC) who is now based in Melbourne. The performance review report was written by Price Waterhouse Coopers and focuses on the funds investment performance over the last few years. From 2002 with an asset value of K75m the fund experienced gaps in records and unit holder registers and despite legacy issues had grown to more than 8 times the original value over 14 years and is now worth over K616m.



SDA Youths (Rainbow Church) representing PBF at the PWC Corporate Challenge

17.5% Growth

PBF outperformed similar funds worldwide. Highlights of these achievements can be found in the performance review report, part of the funds strategic plan is to bring its value to K1.2b by the year 2020.

Community Efforts

Throughout the year we were also committed to community and corporate relations, we had supported the PNG Life Care INC, participated in the ANZ blood bank drive, supported the Insitute of Business Studies during the Sir Anthony Sigauru Walk Against Corruption as we are Corporate Member of Transparency International and supported many other organizations, most of whom we we will continue to support in the coming year.



MROL staff participating in the blood drive

PBF Unit Holder secures Mibank Loan



Steven Tambala receives confirmation from Mibank lending officer Solomon Singawur

Steven Tambala, a unit holder and agent of Pacific Balanced Fund in West Sepik Province was the first to secure a loan from Mibank's new credit process which benefits unit holders in obtaining a loan within their district using the investments that they have in the fund as collateral.

Steven had received confirmation when he was visiting Port Moresby from Mibank Lending Officer Solomon Singawur of Waigani branch.

The shareholding in Mibank allows this arrangement to come about, unit holders can acquire loans for business and or agribusiness activities which supports Micro Finance Banking in rural areas where the majority of unit holders are located.

Unit holders like Steven can use 50% of their unit value as security collateral in obtaining a loan as well as providing a copy of their unit certificate and 20% equity in cash.

More than 7, 000 accounts have been set up for the unit holders, to ensure ease of dividend distributions yearly. Hundred have already activated their account, whilst other still need to visit their nearest MiBank branch / agent with an identification card.

MROL's soft launch back into Mining and Petroleum Industry

Drawing more than 1, 000 participants and 50 exhibitors, the 14th PNG Mining and Petroleum Conference was successfully staged at the Hilton Hotel, Sydney from December 5th - 7th, 2016. The event hosted by the PNG Chamber of Mines and Petroleum provided updates on the industry's activities and allowed issues of concern to be openly discussed. The theme of the conference was "Delivering on Growth Opportunities" and keynote speakers and panelists discussed topics including economic growth, benefits and the 2017 budget outlook.



Staff at the MROL booth during the conference

The extractive industry including Metals Refining Operation Limited (MROL) has been urged to overcome challenges and take advantage of new opportunities as they emerge, some important issues noted was that there has been an increase in applications for alluvial mining leases and efforts are being made to properly regulate the sector and increase the level of mechanization. Entry of foreign investors who have come in and acquired assets such as Tolokuma Kainantu, Crater Mountain and Eddie Creek gold mines have turned them around from where they were 4 years ago and are now positioning these projects for commercial production in 2017.

It was an opportune time for MROL to soft launch back into the industry at the exhibition amongst other business to international investors, Senior Corporate Executives and Government Officials. Over the course of the three days, the booth attracted over 500+ visitors, and allowed MROL delegates to engage with leading industry experts and potential investors on expanding business relations.

The current world market price of gold will assist MROL in its business plans to start buying, refining and exporting gold in the first quarter of 2017.