

## Memorandum

**Date:** 15 December 2020  
**To:** Parish Secretaries, Parish Treasurers, Incumbents, Anglican Entities, Diocesan Finance Team, Parish Services Team  
**From:** Glen Cousins, Executive Director - Finance  
**Subject:** 2020 Final Distribution – Endowment Funds  
**Document:** 2020/024

### Endowment Fund Distributions Year ending 31 December 2020 and 2021

As you are aware it has been the past practice of the Endowment Fund to pay a distribution twice yearly, in July and January. At the time the interim distribution was paid in July 2020 it was foreshadowed that prevailing economic conditions were impacting on the financial returns of the Endowment Fund investments. This situation is continuing and is not expected to improve significantly during 2021

The Trustees are only able to pay Endowment Fund distributions from realised surpluses (ie predominantly revenue from interest and dividends less actual operating expenditure). The Trustees of Church Property for the Diocese of Newcastle (Trustees) have determined that for the year ending 31 December 2020 the Endowment Fund will not generate sufficient realised surpluses to pay a final distribution for the year ending 31 December 2020.

The indications at this stage are that the current low interest rate environment will extend into and beyond next year and that the broader economic conditions are also expected to remain volatile. This means that the rate of distribution, if any, for the 2021 year will not be determined until June 2021.

The Trustees remain committed to optimising the future capital growth of the Endowment Fund while providing consistent annual distributions to Endowment Fund holders, within acceptable investment risk parameters. However due to inherent fluctuations in both market values of investments and earnings generated by those investments the Trustees are unable to provide any assurances regarding the future capital growth of the Endowment Fund nor the rate of distributions payable to Endowment Fund holders into the future.

Should you require any further information please do not hesitate to contact me.

Yours sincerely,



Glen Cousins  
Executive Director - Finance