

TRUST RESETTLEMENT

The Acorn Foundation offers simple, flexible and efficient solutions for the settlement of charitable or family trusts.



Why transfer a Trust to Acorn?

In New Zealand, recent law changes mean that many local trusts are facing a changing environment. There are many reasons why a charitable trust may find itself languishing, including:

- It's difficult to identify beneficiaries or spend the income of the trust;
- Current trustees are ageing, and it's becoming difficult to attract new trustees;
- The legal/compliance/reporting requirements are becoming too cumbersome;
- The work of administering the trust is becoming too onerous for the size of the fund;
- The trustees wish that they knew more about local issues and funding opportunities.

Many trusts are looking for solutions to make themselves more relevant to the present and future needs of our community. In some cases, it's important to prevent the further erosion of charitable gifts that were made by previous generations of philanthropists, as well as to give confidence to current donors that the gifts they make will be managed cost-effectively for their intended charitable purpose.

Transferring a trust to the Acorn Foundation provides a simple and effective option. Our low-cost structure enables capital to remain intact and protects it against future inflationary pressures, while distributing income from the investments back to our community.

WHY IS ACORN A GOOD OPTION?

Benefits of resettling an existing trust within Acorn's endowment fund structure include:

1. Plug into our existing organisation for a simple and stress-free transfer

Annual reports, Charities Service registration and ongoing compliance are already handled. Fund set-up is simple and straightforward. Once funds are transferred and the intended purpose of the fund set, fund holders can concentrate on the pleasure of giving to causes they are passionate about.

2. Retain an existing brand

Fund holders choose the name and the purpose of the fund, knowing that the Acorn Foundation is supporting effective philanthropy in the background.

3. Access professional fund management

Tap into the financial expertise of the team at Craigs Investment Partners, who have been managing the Acorn portfolio since 2003. With oversight from our highly experienced Investment Advisory Committee, as of 2021 the fund has averaged a 9.0% annual return since inception.

4. Partner with an organisation with granting know-how

Acorn has in-depth knowledge of the issues facing our community. Having granted more than \$2M to nearly 200 organisations in 2021 on behalf of our donors, we know where generosity gets the best results. Our extensive research and strong relationships with other local funders ensure that our donors' philanthropic interests are met.

5. Benefit from robust governance oversight

The Acorn Foundation has a well-established Board of Trustees and Committee members with diverse and complementary skillsets, and in-depth knowledge of the local community.

6. Ensure low ongoing costs

The Acorn Foundation takes an annual 1% fee. There are no additional legal, tax, accounting, insurance, staff, or record-keeping costs.

EXAMPLE: Goodwill Shop Trust

In 1975, a group of community members — many of whom were affiliated with St Enoch's Presbyterian Church — decided to set up a charity shop on Cameron Road. It was located where the Holland Beckett office building now stands.

When the land was acquired in 1997 for redevelopment, the shop was closed down. The proceeds from the shop were used to establish the Goodwill Shop Trust to support Christian faith in

the community and provide the ability for "quick response" in an emergency.

After many years of managing the trust, the surviving Trustees were very relieved to settle the funds under Acorn's guidance. This move ensured that the fund will be managed professionally and efficiently, so that each year it distributes money to address the greatest needs in the community — which was the original goal of the charity shop organisers.

For more information on how to resettle an existing trust with Acorn, please contact Lori Luke, CEO, on (07) 579 9839 or at lori@acornfoundation.org.nz.