



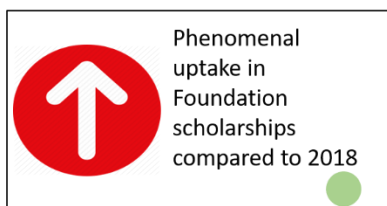
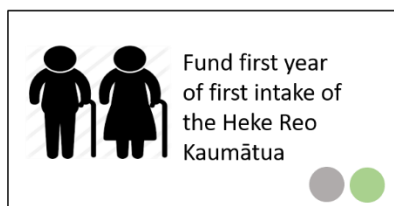
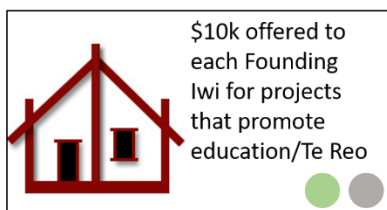
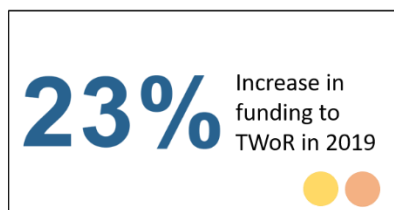
TE WĀNANGA O RAUKAWA
FOUNDATION

QUARTERLY REPORT 1

April, May, June 2019



HIGHLIGHTS FOR Q1



Whaainga 1: Deliver a long term distribution and manage investment expenditure.

Whaainga 2: Provide an annual distribution within parameters determined by the Board.

Whaainga 3: Minimise risks to the capital fund.

Whaainga 4: Create enduring relationships and partnerships.

Whaainga 5: Support Iwi based language and custom revitalisation initiatives.

INTRODUCTION

Te Wānanga o Raukawa Foundation (the **Foundation**) make available to its key stakeholders a report each quarter outlining the key highlights for that quarter (**Quarterly Report**). We are pleased to present the first Quarterly Report for the Financial Year 1 April 2019 – 31 March 2020 (**Current Financial Year**).

BACKGROUND

In 1981 the Iwi of Te Āti Awa, Ngāti Raukawa and Ngāti Toa Rangatira established Te Wānanga o Raukawa (**TWoR**) and functioned as an independent entity. In 1993, after 12 years of operating without Crown support, Te Wānanga o Raukawa became a “wānanga” pursuant to the Education Act 1989.

Although funded for the provision of education Te Wānanga o Raukawa did not receive establishment funding from the Crown. This led to TWoR, along with two other wānanga, bringing a claim before the Waitangi Tribunal under WAI 718. The claim concerned the Crown’s policies in relation to capital establishment funding for the three wānanga. The Waitangi Tribunal issued its report in 1999 entitled the “Wānanga Capital Establishment Report (1999)”. The report recommended, amongst other recommendations, that a one-off payment of a capital sum be made to each of the claimant wānanga for the expenditure of capital and labor that they invested in establishing their respective wānanga.

In 2008 TWR and the Crown recorded their settlement of the claim. In recognition of the efforts of the Founding Iwi in establishing TWR and supporting its activities, the Crown and TWR agreed in clause 20 of the Deed of Settlement, that \$17,970,000 of the settlement amount (“the agreed portion of the settlement amount”) was to be given to an independent charitable trust which would be established and controlled by the Founding Iwi or their representatives for the purpose of assisting TWR to contribute to the ongoing survival of Māori as a people in its provision of educational services to the Founding Iwi.

PURPOSE OF THE FOUNDATION

The purpose of the Foundation is to promote:

Akoranga: Teaching and learning.

Whakahaere: Operations and administration.

Whakatupu mātauranga: The exploration and creation of knowledge.

These activities maximise the contribution of the Foundation to the education and survival of Māori as a people through the provision of financial and other assistance to TWR, the staff (including kaiāwhina) and the students of TWR. All actions taken by the Board are in accordance with kaupapa tuku iho as stated in the Foundation Trust Deed.

WHAT WE DO

Whakatipu: We manage and grow the Trust fund through prudent investments to deliver on the Foundation’s purposes as set out above.

Tohatoha: We currently:

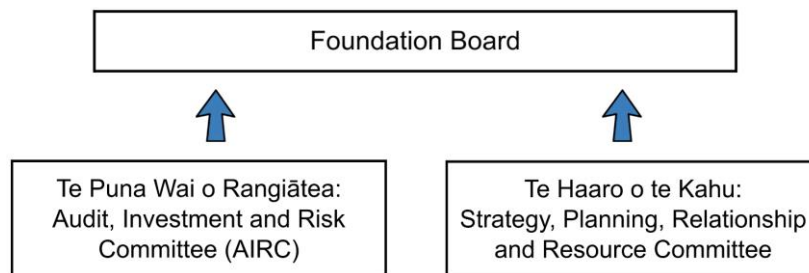
- Distribute annual lump sum distributions to TWR. TWR decide what they do with this putea within parameters set by the Foundation Board. The past two distributions made by the Foundation have been utilised by TWR as scholarships to its students; and
- Provide annual distributions to the three Founding Iwi for projects that promote akoranga, whakahaere and whakatipu matauranga.

FOUNDATION STRUCTURE

The day-to-day operations of the Foundation is managed by a Kaihautū. The Foundation Board operates with two sub-committees. The Board and sub-committees are supported by the Kaihautū. The sub-committees are:

Te Puna Wai o Rangiātea: Audit, Investment, and Risk Committee. The name of this sub-committee refers to the well-spring of Rangiātea which never runs dry, implying the committee should never allow its resources to disappear. Te Puna Wai o Rangiātea meet bi-monthly. The members of this Committee are: Robin Hapi (Committee Chair), Tā Matiu Rei, and Mereana Selby.

Te Haaro o te Kahu: Strategy, Planning, Relationship, and Resource Committee. The name of this sub-ommittee refers to the all seeing eye of the hawk in flight, denoting the strategic oversight the Committee provides. Te Haaro o Te Kahu meet at least four times a year. The members of this Committee are: Jeanette Grace (Committee Chair), Robin Hapi, John Barrett, Ann-Maree Ellison, and Ani Parata.



MEMBERSHIP



We note below the current Board membership (from left to right)

Name	Representation	Position
Robin Hapi	Current sitting Chairperson of TWoR	Te Puna Wai o Rangiātea Chairperson
Mereana Selby	Current sitting Tumuaki of TWoR	Trustee
Whatarangi Winiata	General Trustee	Trustee
Ani Parata	Te Atiawa	Trustee
Tā Matiu Rei	Ngāti Toa	Chairperson
John Barret	Ngāti Raukawa	Trustee
Queenie Rikiana- Hyland		Past Secretary
Jack Morris		Kaihautū
Absent: Ann-Maree Ellison	Te Atiawa	Trustee
Absent: Jeanette Grace	Ngāti Toa	Te Haaro o Te Kahu Chairperson

KEY DEVELOPMENTS

This quarter has seen a number of significant changes/developments:

Retirement of Matua Whatarangi

Matua Whatarangi resigned as a Trustee of the Foundation at the end of 2018. Matua Whatarangi was instrumental in the establishment of the Foundation. We thank Matua Whatarangi for his significant contribution to the Foundation over the years. On his retirement we gifted to Matua Whatarangi a Taonga Pekapeka carved from whalebone. Chris Gerretzen of Te Ati Awa descent and Pukenga – Toi Whakarākai Whare Toi, TWoR carved the taonga. Chris gave the following korero behind the piece:

The pekapeka is rare, unique to Aotearoa and unique in how it lives. When one looks at the design of the pekapeka one can see symmetry and balance. As a carver I see balance of mind and heart. I also see symmetry as the best result. Matua Whatarangi has these attributes. Mahia i runga i te rangimarie me te ngakau mahaki – with a peaceful mind and respectful heart we will get the best results.

Resignation of Jack Morris, Kaihautū

Jack Morris resigned as Kaihautū of the Foundation in April 2019. Jack was the first Kaihautū of the Foundation and led the establishment of the Foundation backend – developing the policies and processes of the Foundation. The Foundation saw the first distribution to TWR and the three Founding Iwi under Jack's guidance. Also under Jack's guidance the Foundation made its first investment in Managed Funds. We wish Jack all the best in his role as Chief Executive Officer of Raukawa ki Te Tonga Asset Holding Company.

2019/20 Annual Distribution

The Foundation Board agreed to make an annual distribution of \$245,000 for the Current Financial Year. This is a \$50,000 increase on last year's distribution. This distribution is comprised of:

- \$215,000 to TWR:
 - \$165,000 for scholarships to its students. Scholarships to ART students will be prioritised. Note that TWR manage the scholarship process.
 - \$50,000 to cover the cost of the Heke Reo Kaumātua Programme.
- \$30,000 contribution to the ART Confederation Iwi (\$10k each) for projects/initiatives that advance akoranga, whakatupu matauranga and whakahaere.

Heke Reo Kaumatua

The Foundation received a tōno from TWR for an additional \$50k in 2019 to fund the first year of the Heke Reo Kaumatua programme (**HRK**). The HRK was not a program that TWR had planned to run in 2019 – TWR unexpectedly but excitedly offered the program after a flurry of interest from kaumātua. After reviewing its annual budget and noting some significant decreases to its annual expenses the Foundation Board concluded that it could distribute a further \$50k to TWR. The Foundation Board saw this as a great opportunity to fund an initiative that supported our ART Kaumātua – some of the very kaiawhina that were instrumental in the establishment of TWR itself and the Whakatupuranga Rua Mano initiative.

TWRF Scholarships for 2019

The scholarship uptake for the Current Financial Year was phenomenal. The scholarships opened in December 2018 and closed soon after as the applications came streaming in. This is a stark difference on 2018 where it took 8 months for the scholarship fund to be fully utilised. The

Foundation is extremely happy with this outcome. This illustrates that the Foundation's simple way of delivering on its charitable purposes is valuable and effective.

We plan to include information on how many Foundation scholarships were distributed to TWoR students; across what programs; and how many of those went to ART students – in the next Quarterly Report.

Distribution to the Founding Iwi

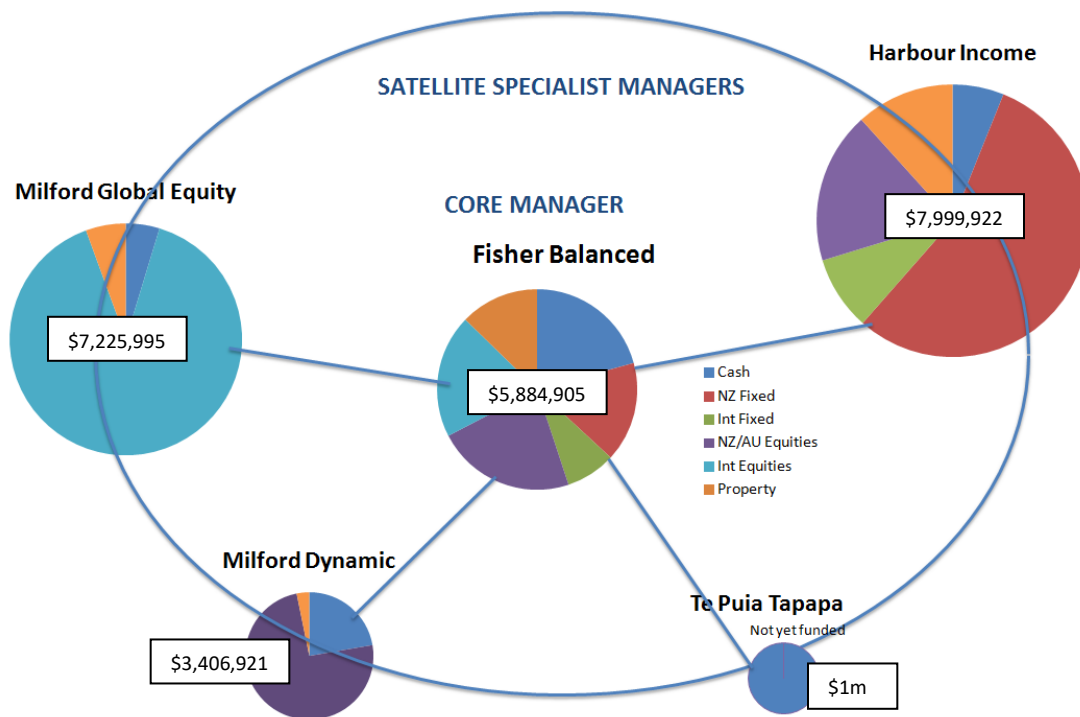
For the Current Financial Year the Board approved \$10,000 distribution to each of the three Founding Iwi. To receive the distribution the Founding Iwi must provide a project report for the project they undertook for the previous financial year then submit a proposal for a Project for the Current Financial Year.

Te Rūnanga o Toa Rangatira Hui Rangatahi

The Foundation received a project report from Te Rūnanga o Toa Rangatira for their 2018 project in 2018 which we have included in a previous quarterly report. We sought a project proposal from Te Rūnanga o Toa Rangatira for a 2019 project. Te Rūnanga o Toa Rangatira will run another Hui Rangatahi in July 2019 given the success of their Hui Rangatahi in 2018. The Foundation was supportive of this proposal.

Investments Update

The Trust fund structure is designed around a core balanced fund with specialist managers investing in specific markets as shown in the graphic below. Note that the wheels indicate the relative size of the investment in each manager and the colours represent the allocation to each asset class. Values are at 30 June 2019.



Investment	Initial amount invested	Current value (as at 30 June)
Fisher Institutional Fund ¹	\$5m	\$5,884,905
Harbour Income Fund ²	\$7.5m	\$7,999,922
Milford Global Equities ³	\$6.9m	\$7,225,995
Milford Dynamic Fund ⁴	\$3.4m	\$3,406,921
Total	\$22.8m	\$24.5m

The first quarter of the Current Financial Year has seen a much more positive result in terms of our return on investment in comparison to the last quarter of the last Financial Year. The fluctuation and volatility over the last six months have started to stabilise.

¹ Invested on 5 July 2017.

² Invested in November 2017.

³ Invested on 5 June 2018.

⁴ Invested on 28 August 2018.

REPORTS AND PROJECTS

The following reports/projects were completed in this period:

- Independent review of Board Remuneration.
- Proposal for the Foundation to fund the Heke Reo Kaumatua Programme.
- Review of Distribution Policy.

The Foundation Website can be accessed at <https://www.tworfoundation.co.nz>

FINANCIAL SUMMARY

The Foundation remains in a strong financial position. As at 30 June 2019 the Foundation's Equity has grown from the original settlement amount of \$17.9m to \$25.1m. This is a 40% increase on the original settlement amount and a .03% increase on last year of \$24.4m. This is a significant increase since inception and an appropriate increase on last year given the market volatilities of the last year.

