

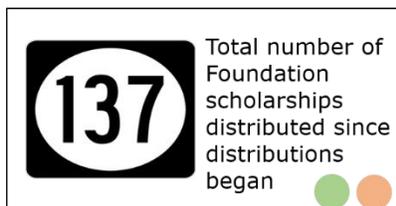
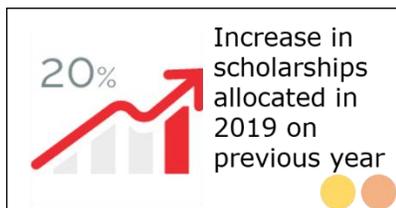
TE WĀNANGA O RAUKAWA
FOUNDATION

QUARTERLY REPORT 2

July, August, September 2019



HIGHLIGHTS FOR Q2



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 second 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 the kaupapa tuku iho as set out 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:

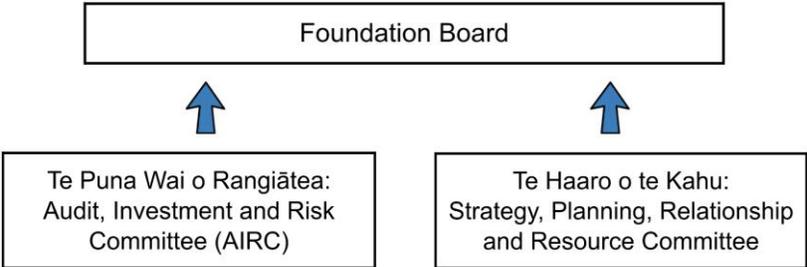
- Distribute annual lump sum distributions to TWR. TWR decide what they do with this putea within parameters set by the Foundation Board. The past two distributions made by the Foundation have been utilised by TWR as scholarships to its students; and
- Provide annual distributions to the three Founding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

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-committee 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)

<i>Name</i>	<i>Representation</i>	<i>Position</i>
Emma Winiata		Kaihautū
Mereana Selby	Current sitting Tumuaki of Te Wānanga o Raukawa	Trustee
Tā Matiu Rei	Ngāti Toa	Trustee, Te Wānanga o Raukawa Foundation Chairperson
Jeanette Grace	Ngāti Toa	Trustee, Te Haaro o te Kahu Chairperson
Margaret Winiata		Foundation Accountant
Ann-Maree Ellison	Te Atiawa	Trustee
Ani Parata	Te Atiawa	Trustee
Robin Hapi	Current sitting Chairperson of of Te Wānanga o Raukawa	Trustee, Te Puna Wai o Rangiātea Chairperson
John Barrett (absent)	Ngāti Raukawa	Trustee

KEY DEVELOPMENTS

This quarter has seen a number of significant developments:

New Kaihautū

We are pleased to announce that Emma Winiata (Ngāti Raukawa, Ngaruahine) has been employed as Kaihautū of the Foundation as of 3 August 2019. Emma has been the secretary of the Foundation since July 2018 so has an intimate knowledge of the Foundation and its key stakeholders. Emma comes from a legal and consulting background working for kaupapa Māori legal/consulting firms in her career. We are excited to have Emma on board to assist in delivering on the strategic objectives of the Foundation.

TWoRF Scholarships for 2019

As mentioned in the previous Quarterly Report the scholarship uptake for the Current Financial Year was phenomenal. As a reminder \$215,000 was the approved distribution to TWoR for the Current Financial Year. With \$50,000 of that specifically set aside for those enrolled in the Heke Reo Kaumātua program

For the 2019 Academic Year there have been 76 Foundation scholarships approved. Of the 76 scholarships 41 were for ART applicants and 35 were for general applicants. We provide a summary of the spread of scholarships below.

Summary of Scholarship Applications		
Total approved to date	76	
ART Scholarships approved	41	
Ngāti Toa Rangatira		10
Te Āti Ata ki Whakarongotai		3
Ngāti Raukawa ki te Tonga		23
General Scholarships approved	35	
Additional to be awarded (HReoKau)	7	
<i>some recipients affiliate to more than one of the ART iwi</i>		

Tohu	General Scholarships	ART Scholarships
Heke Kaitiakitanga Pūtaiao	-	1
Heke Mātauranga Maori	2	-
Heke Reo *	4	5
Heke Reo Kaumātua	2	17
Heke Rongoā	3	2
Heke Toi Whakarākai	-	1
Heke Toiora Whānau	2	1
Poutuarongo Kaitiakitanga Pūtaiao	4	2
Poutuarongo Mātauranga Māori	3	-
Poutuarongo Reo	5	6
Poutuarongo Toiora Whānau	7	5
Tāhuhu Ahunga Tikanga	1	-
Tāhuhu Mātauranga Māori	1	1
Tāhuhu Te Reo Māori	-	1
Tāhuhu Whakahaere	2	-
	36	42

** includes two students also enrolled in Poutuarongo Toiora Whānau*

2018 and 2019 Scholarship Data

For the 2018 academic year \$165,000 was distributed to TWR for scholarships. For the 2019 academic year \$215,000 was distributed to TWR for scholarships (\$50,000 of that amount was set aside for students enrolled in Heke Reo Kaumātua).

Here is a comparison summary over the 2018 and 2019:

	2018	2019
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ART Scholarships	17	41
General Scholarships	44	35
TOTAL	61	75

- The Foundation has funded 137 separate scholarships over 2018 and 2019. Of those 137 scholarships 58 (or 42%) were for ART students. The remaining 79 (or 58%) were for general students.
- There was a 20% increase in scholarships distributed in 2019 on the previous year. This is attributable to the \$50,000 increase in distribution to TWR.
- There was a 58% increase in ART scholarships distributed in 2019 on the previous year. This is mainly attributable to the number of ART students enrolled in HRK.
- The data and observations outlined above illustrate that the Foundation Scholarship Program is valuable and effective. We are now able to start gathering useful quantitative data about the educational/reo Māori impact of our scholarship program.

Audit

The Foundation received an excellent audit result of its 2018/2019 financial accounts. Comments from the Auditor included:

We have issued an audit opinion with no modifications. There were no significant issues arising from the audit. We are pleased with the financial systems and procedures in place.

The audited financial accounts will be included in the 2018/2019 Annual Report which is will be finalised and distributed by the end of the year.

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

We sought a project proposal from Te Rūnanga o Toa Rangatira for a 2019 project which was received earlier in the year. Te Rūnanga o Toa Rangatira ran a successful hui rangatahi in the

July 2019 school holidays. There were 50 rangatahi in attendance. The hui rangatahi focused on the following values that align with the values of Te Rūnanga o Toa Rangatira and the kaupapa tuku iho of the Foundation;

- **Manaakitanga, Kotahi Tatou & Tino Rangatiratanga:** building marae capacity by connecting the rangatahi with their Marae and learning the traditional skills of whaikōrero, kaikaranga, te reo etc.
- **Whakatau tika & Wairuatanga:** ensuring rangatahi are settled on the first day and are prepared for each activity, to contribute to their self-learning and behavior.
- **Kaitiakitanga:** Provide an opportunity to support and encourage taura to take up TWR courses and programmes or consider fields of work, that those who present to the rangatahi, are currently in. They travelled to and

were hosted by TWR for one of the days.

- **Whanaungatanga:** building connections between rangatahi and understanding whakapapa links.
- **Ahi Kaa:** Capturing film and photos for archival and reporting purposes.



Investment Update

Outlined below is a summary of the Foundation’s Managed Fund Investments:

Investment	Initial amount invested	Current value (as at 30 September 2019)
Fisher Institutional Fund ¹	\$5m	\$6,030,675
Harbour Income Fund ²	\$7.5m	\$8,174,184
Milford Global Equities ³	\$6.9m	\$7,414,448

¹ Invested on 5 July 2017.

² Invested in November 2017.

³ Invested on 5 June 2018.

Milford Dynamic Fund⁴	\$3.4m	\$3,754,664
Total	\$22.8m	\$25.3m

Quarterly Investment Report as at 30 September 2019

The Foundation Statement of Investment Policies and Objectives (**SIPO**) requires that quarterly investment reports be prepared that analyses investment performance of the Foundation’s assets (the **Fund**) and the performance of the managers appointed to manage the Fund on the Foundation’s behalf. Outlined below are some key highlights from the quarterly investment report:

The Fund’s Return

The following table sets out the return of the Fund and the Foundation’s Fund Managers over the last year, 6 months and 3 months.

	Total Fund	Fisher Balanced	Harbour Income	Milford Dynamic	Milford Global
30/09/2019					
12 months	7.15%	8.52%	8.96%	6.86%	6.99%
6 months	8.27%	6.27%	5.52%	17.61%	10.05%
3 months	3.85%	2.70%	2.23%	8.67%	4.25%

SIPO Objectives

The Foundation has met its investment objectives, as expressed in the SIPO, over the 12 months to 30 September 2019:

- The primary investment objective is to see a return of CPI inflation rate (1.7% currently) + 3.5% which = 5.2%. The year to 30 September has seen a total return on the Foundation’s investments of 7.15%.
- The secondary investment objective is to see to manage the risk of the total portfolio so that negative returns are expected to occur no more frequently than one year in five on average and that any such losses might be recouped in following years. This has also been met – considering the fact that the fund did earn a negative return in the 4th quarter of 2018 of -6.75% and that has been fully recovered and more.

The Fund Managers

⁴ Invested on 28 August 2018.

The Fund Managers have performed against their benchmarks as noted below:

Annual returns After Fees	Fund Return	benchmark return	over year ending	Peer Rankng to 31-Jul
Milford Global Equity	5.16%	3.02%	31-Aug	8/17
Milford Dynamic Fund	5.35%	3.22%	31-Aug	1/4
Milford Conservative	7.81%	8.63%	31-Aug	N/A
Fisher Balanced	7.58%	10.28%	31-Aug	3/9
Harbour Income	8.72%	9.73%	31-Aug	3/6
Note Peer Ranking - from Aon Investment Survey				
The Milford GE fund is notionally ranked in the Int Shares				

FINANCIAL SUMMARY

The Foundation remains in a strong financial position. As at 30 September 2019 the Foundation's equity has grown from the original settlement amount of \$17.9m to \$25.9m.

REPORTS AND PROJECTS

The following reports/projects were completed in this quarter:

- Quarterly Report 1 and 2
- Audited Financial Accounts
- 2019 Interim Foundation Scholarship Report
- Te Rūnanga o Toa Rangatira Hui Rangatahi Summary Report
- Investment Report for Q2

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

I roto I ngā mihi,



Emma Winiata
Kaihautū