



TE WĀNANGA O RAUKAWA
FOUNDATION

Quarterly Pānui

1 January – 31 March 2021

HIGHLIGHTS FOR Q4 – PROGRESS AGAINST STRATEGIC PLAN

 <p>44 2021 scholarships approved to Founding Iwi students to date</p> 	<p>Whaainga 1: Deliver a long term distribution and manage investment expenditure.</p> <p>Whaainga 2: Provide an annual distribution within parameters determined by the Board.</p> <p>Whaainga 3: Minimise risks to the capital fund.</p> <p>Whaainga 4: Create enduring relationships and partnerships.</p> <p>Whaainga 5: Support Iwi based language and custom revitalisation initiatives.</p>	 <p>Total equity growth from \$17.9m (2011) to \$27,674,599 (March 2021)</p> 
 <p>\$400k distribution approved to TWoR for the 2021 academic year</p> 		 <p>Our primary investment objective for the 2 years to 31 March 2021 has been achieved</p> 
 <p>\$20k funding approved for the National Weavers Hui hosted by Te Wānanga o Raukawa</p> 	 <p>Whakarongotai Marae Trustees gifted Te Atiawa Waitangi Tribunal Reports to the Te Wānanga o Raukawa Library</p> 	 <p>Direct Investment Opportunity investigated</p> 

INTRODUCTION

Te Wānanga o Raukawa Foundation (the **Foundation**) make available to its key stakeholders a pānui each quarter outlining the key highlights for that quarter (**Quarterly Pānui**). We are pleased to present the forth Quarterly Pānui for the Financial Year 1 April 2020 – 31 March 2021 (**Current Financial Year**). For

information on the background, purpose and people of the Foundation please see the following document 'TWoRF – Background, Purpose, People' which can be found on the 'Key Documents' tab of the website [Here](#).

KEY DEVELOPMENTS

This quarter has seen the following key developments:

Update on Foundation Scholarships 2021

44 Foundation scholarships have been approved to date for 2021 all going to Te Wānanga o Raukawa students who whakapapa to Ngāti Raukawa, Ngāti Toa or Te Ātiawa. We will provide another update in the next Quarterly Pānui. *Expression of Mānaakitanga, Pūkengatanga and Whakapapa.*

2021 Distributions

To Te Wānanga o Raukawa

The Foundation Board approved \$400,000 to Te Wānanga o Raukawa for its 2021 academic year. This is a significant increase on last year's distribution of \$227,000. Details of how this \$400,000 distribution is to be utilised is outlined in the previous Quarterly Pānui.

Founding Iwi

The Board once again approved \$10,000 to each of the three Founding Iwi representative entities for 2021 for educational/reo Māori projects.

The Kaihautū sought applications from Te Rūnanga o Toa Rangatira, Te Rūnanga o Raukawa and Whakarongotai Marae Trustees – each of these roopū have been

asked to submit a short project application by the end of October 2021 to access the \$10,000.

Each roopu must complete reporting requirements for previous years before their 2021 application is considered. The Whakarongotai Marae Trustees have completed their 2018 project in March this year – the gifting of research reports to the Te Wānanga o Raukawa Library.



Te Rūnanga o Raukawa will need to fully complete their 2018 project and provide a project report before the Foundation will consider any 2021 application from them.

National Weavers Hui October 2021

The Foundation approved a funding request of \$20,000 from the TWoR Awhirito Weavers National Hui Management Group (a project group of past/present TWoR Toiwhakarākai staff/students). This funding will go towards costs for hosting the National Weavers Hui at Te Wānanga o Raukawa. The National Weavers Hui is a cornerstone event for Te Roopu Rāranga Whatu o Aotearoa and Māori Weavers across the country. The hui will bring weavers together to nurture, develop and preserve the tikanga of rāranga, whatu and tāniko in traditional and contemporary contexts. The event invigorates ART connections within the field of traditional weaving arts, strengthening and showcasing ART weaving tikanga and practises.

This kaupapa aligns with the Foundation's purpose to support TWoR staff and students and the promotion of whakatupu matauranga. It also aligns with a key strategic objective of the Foundation to support language and custom revitalisation initiatives. We will share details of the event as they come available. *Expression of Manaakitanga, kaitiakitanga, whanaungatanga and whakapapa.*

Direct Investment Opportunity

Over January – March 2021 the Foundation investigated a local investment

opportunity. The other party involved withdrew their interest in progressing the opportunity in early April 2021.

There is a desire to explore investment opportunities within our rohe including opportunities that allow us to partner with other Māori organisations including our key stakeholders. We have an open door policy in this regard and welcome any discussions around investments that positively impacts Te Wānanga o Raukawa, Founding Iwi and/or the local rohe.

Te Pūia Tāpapa

Te Pūia Tāpapa (TPT) is a Māori direct investment fund. There are 30 limited partners of the fund who have collectively contributed \$115.5m. The key purpose of this fund is to progress long-term direct co-investments opportunities in NZ alongside other Iwi/Māori entities. TPT has a close relationship with the NZ Superfund. The Foundation currently has \$1m on-call with TPT (which equates to a 0.87% shareholding).

There have been three TPT investments made to date. Foundation contribution to these investments has been to the value of \$261,861 in total. TPT can call a further \$738,139 from the Foundation (total of \$1m). A summary of each investment is provided in the previous Quarterly Pānui. TPT intend to make 3-4

investments each year until the TPT fund is fully subscribed.
Expression of Kotahitanga and Kaitiakitanga.

Trusts Act 2019 and updates to the Foundation Trust Deed

The Foundation is a registered charitable Trust with charitable status as such we are

subject to the changes to Trust Law under the new Trusts Act 2019 which came into effect in 31 January 2021. We have sought legal advice on updates to our Trust Deed to reflect the updated legislation – amendments to the Trust Deed are under development. *Expression of kaitiakitanga.*

Quarterly Investment Update

The Foundation Trust Fund sits at \$27,674,599 as at 31 March 2021. The Fund has had an unrealised gain of \$524,116 over the month of March 2021. This equates to:

- a. 2.08% Fund monthly return;
- b. 1.91% return over the quarter (Jan, Feb March 2021);
- c. 16.90% return over 1 year;
- d. 9.29% return over 2 years.

The very high 12 month return (overall and for each Fund Manager notee below) is not indicative of necessarily good performance as it results from the very steep recovery of all markets following the Covid19 crash in Q1 2020.

Funds Invested in	Fund %
<p>Milford Balanced Fund A diversified fund with a significant allocation to fixed interest securities. The risk profile of this fund is medium (4/7 according to the Financial Markets Authority (FMA) risk indicator). The fund returned 26.6%¹ over the 12 months to 31 March 2021.</p>	39%
<p>Milford Dynamic Fund Primarily invests in small to mid-cap Australasian equities. The risk profile of this fund is med-high (6/7 according to the FMA risk indicator). The fund returned 65.6%² over the 12 months to 31 March 2021.</p>	5%
<p>Fisher Institutional Balanced Fund As a balanced Fund Fisher tends to have an even spread across all asset classes (cash, NZ fixed interest, Int fixed interest, NZ/AU equities, int equities,</p>	24%

¹ After deductions for charges but before tax.

² After deductions for charges but before tax.

property). The risk profile of this fund is low-med (3/7 according to the Financial Markets Authority (FMA) risk indicator). The fund returned 19.6% ³ over the 12 months to 31 March 2021.	
Harbour Income Fund The Fund is designed to give a favourable level of income. The Fund invests predominately in New Zealand fixed interest securities with some exposure to Australasian equities that pay a sustainable dividend yield. The risk profile of this fund is low-med (3/7 according to the FMA risk indicator). The fund returned 17% ⁴ over the 12 months to 31 March 2021.	32%
Te Pūia Tāpapa Māori Direct Investment Fund The Foundation's only direct investment. The key purpose of this fund is to progress long-term direct co-investments opportunities in NZ alongside other Iwi/Māori entities. There are 30 Māori/Iwi entities across NZ that have invested.	\$1m on call. \$261,861 called on as at 31 March 2021.

The Foundation has exceeded its primary investment objective, as expressed in the SIPO, over the 2 years to 31 March 2021. The **primary investment objective** is to see a return of CPI inflation rate (2% currently) + 3.5% which = 5.5%. The 2 years to 31 March 2021 has seen a total return on the Foundation's investments of 9.3%. *Expression of Kaitiakitanga*

FINANCIAL SUMMARY

The Foundation remains in a strong financial position. As at 31 March 2021 the Foundation's equity has grown from the original settlement amount of \$17.9m in 2011 to \$27,674,599.

The Foundation website, which includes all Quarterly Pānui, can be accessed at <https://www.tworfoundation.co.nz>

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³ After deductions for charges but before tax.

⁴ After deductions for charges but before tax.