

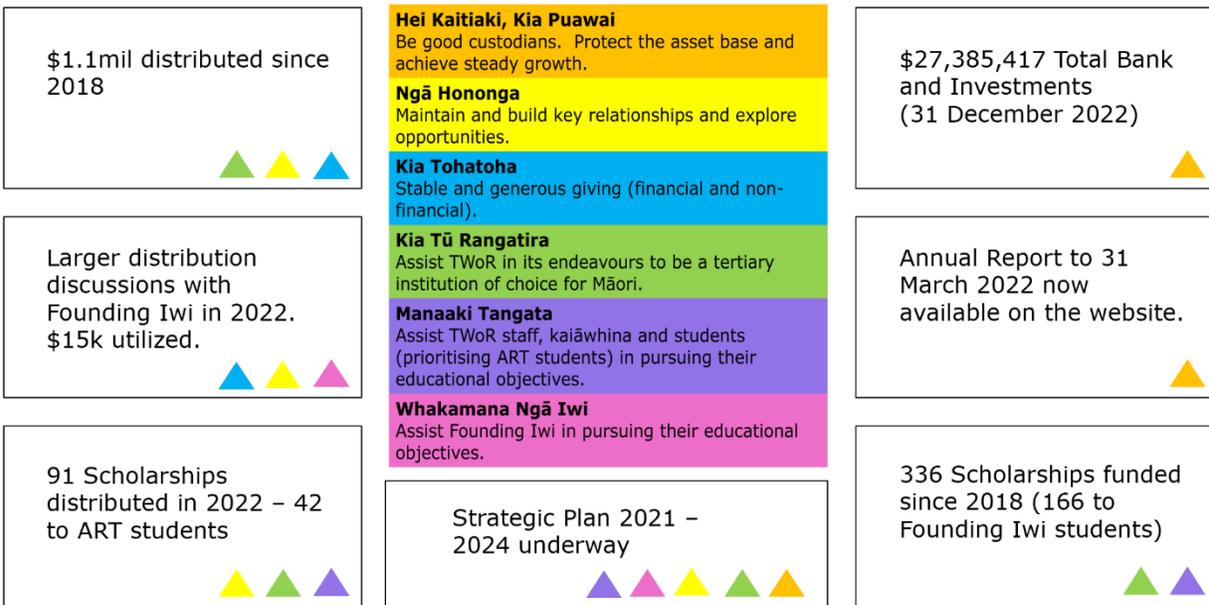


TE WĀNANGA O RAUKAWA
FOUNDATION

Quarterly Pānui

1 October – 31 December 2022

HIGHLIGHTS AND PROGRESS AGAINST STRATEGIC PLAN



INTRODUCTION

Te Wānanga o Raukawa Foundation (the **Foundation**) makes available to its stakeholders pānui outlining the key highlights. The Foundation is pleased to present this Pānui for the year ended December 2022. For information on the

background, purpose and people of the Foundation please see the website: www.tworfoundation.co.nz

KEY DEVELOPMENTS

The following are key developments from October, November, and December 2022:

Annual Report 2021/2022

The 2021/2022 Annual Report was distributed in December 2022. The Report highlights the year to 31 March 2022, and is the first year measuring against a revised SIPO and Strategic Plan (2021-2024).

Distributions to TWOR

The Foundation has made distributions totalling \$1,172,000 since 2017.

This year the Foundation made available \$515k for distribution to TWoR. \$215k was distributed for Scholarships. \$300k was distributed in November to support in projects aligned to our mission and vision for our key stakeholder.

Distributions to Founding Iwi

The Foundation Distribution Policy allows a distribution of up to 2% of the capital value of the fund annually. Annual distributions have been well within that in the period

from 2017 – 2020 (less than 1% annually).

This aligned with the Foundation's conservative strategy through to 2020. 2021 marked the beginning of a more ambitious direction for the Foundation.

Te Rūnanga o Toa Rangatira:

In response to our revised SIPO, we distributed \$15k in total to Te Rūnanga o Toa Rangatira in October to run an annual Hui Rangatahi program. An increase in \$5k to previous years, which is more aligned to our 2% Distribution Policy.

Whakarongotai Marae Trustees:

Whakarongotai intend to use their grant to hold a "Hui Kuikuitanga me te Korouatanga" for it's kaumātua to learn more whakapapa, karanga, whaikōrero and waiata to manaaki the paepae at Whakarongotai Marae. This was due to be held in 2021, and has been postponed. The Foundation will reach out in January 2023 to get an update.

INVESTMENT UPDATE

The markets continue to prove volatile and there is likely more of this to come for the Foundation in 2023. The Trust Fund is currently sitting at \$27.3m as at 31 December 2022. At the end of this year the Fund had achieved the following:

- a. 0.14% return over the quarter;
- b. -6.59% return over 1 year;
- c. 1.47% return over 2 years.

Funds Invested in
<p>Milford Balanced Fund</p> <ul style="list-style-type: none"> • A diversified fund with a significant allocation to fixed interest securities. The risk profile of this fund is medium. • The fund returned -5.99% over the 12 months to 31 December 2022.
<p>Milford Dynamic Fund</p> <ul style="list-style-type: none"> • Primarily invests in small to mid-cap Australasian equities. The risk profile of this fund is med-high. • The fund returned -13.50% over the 12 months to 31 March 2022.
<p>Harbour Income Fund</p> <ul style="list-style-type: none"> • The Fund is designed to give a favorable level of income to cover the Foundation's expenses and distributions to stakeholders. • The Fund invests predominantly 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. • The fund returned 2.49% over the 12 months to 31 December 2022.
<p>Te Pūia Tāpapa Māori Direct Investment Fund</p> <ul style="list-style-type: none"> • The Foundation's only direct investment, with \$314k currently invested. This leaves a balance of \$685k left of the \$1m capital call. The last capital call from Te Pūia Tāpapa was in April 2022. • The key purpose of this fund is to progress long-term direct co-investment opportunities in NZ alongside other Iwi/Māori entities. There are 30 Māori/Iwi entities across NZ that have invested.
<p>Fisher Institutional Balanced Fund</p> <ul style="list-style-type: none"> • In April the Board made the decision to shift the Investment Funds out of Fisher Funds and transferred this to the Milford Balanced Fund.

FINANCIAL SUMMARY

In 2021 the Foundation approved a new SIPO which sets out the overall investment mātāpono (principles), objectives and strategies for the Foundation.

Despite a volatile year, the Foundation is a long-term investor and still holds a strong financial position to ride it out. The Foundation's equity has grown from the original settlement amount of \$17.9m in 2011 to \$27.3 m at 31 December 2022.