

Auckland Future Fund Trustee Limited

Meeting of the Board of Directors Agenda (Open)

Thursday 28 November 2024 starting 1:15pm

At 135 Albert Street, Level 26, Room 1

Board:

Christopher Swasbrook	Chair
David Callanan	Director
Craig Stobo	Director

Auckland Council:

Cr Christine Fletcher	Lead Councillor
Ross Tucker	Group Chief Financial Officer
John Bishop	Group Treasurer/Lead Officer
Bram van Melle	Associate General Counsel – Commercial
Megan Holley	Treasury and Investments Relationship
Riika Poikela	Manager Group Treasury Operations Manger

#	Agenda Item	Attachment
	Open procedural Items	
1	Introduction/Karakia	-
2	Apologies	-
3	Declaration of director interests register	Yes
4	Confirmation of the 31 October 2024 meeting minutes	Yes
5	Health and safety	-
6	Public input (if any)	-
7	Forward work programme and meeting schedule 2025 (Megan Holley)	Yes
	Open Items for discussion/decision making	
8	Auditor appointment (John Bishop)	-
9	Status updates (Various)	-
10	Other business (if any)	-
	Procedural motion to exclude the public	
	Confidential items for discussion/decision making	
C1	Distributions	Confidential A
C2	Commercial activities	-
	Closing/Karakia	-

1. Introduction/Karakia

Board meetings are opened with a Karakia, followed by any remarks the chair wishes to make.

<i>Whakataka te hau ki te uru</i>	Get ready for the westerly
<i>Whakataka te hau ki te tonga</i>	And be prepared for the southerly
<i>Kia mākinakina ki uta</i>	It will be icy cold inland
<i>Kia mātaratara ki tai</i>	and bitterly cold on the shore
<i>E hī ake ana te ata kura</i>	May the dawn rise red-tipped
<i>He tio, he huka, he hauhu</i>	With ice, snow and frost
<i>Tīhei mauri ora!</i>	Let there be life!

2. Apologies

At the time of publishing the agenda, no apologies have been received.

3. Declaration of Director Interests Register (see attachment)

At each board meeting directors are asked to confirm any relevant interests they have so the register can be maintained and potential conflicts managed. The directors are also asked to identify any potential or perceived conflicts that might arise regarding any of the items on the agenda.

Recommendation - That the board confirms any additions, deletions or corrections to the director interests register.

4. Confirmation of the 31 October 2024 meeting minutes (see attachment)

Confirmation that the minutes of the previous board meeting are a true and correct record of the decisions and proceedings of the meeting.

Recommendation – That the board confirm the open and confidential minutes of its meetings held on 31 October 2024 as a true and correct record.

5. Health and safety

Opportunity to raise any health and safety information or concerns affecting the board or board activities.

6. Public input (if any)

At the time of publishing the agenda, the board has received no notification for public input.

7. Forward work programme and meeting schedule 2024-2025 (see attachment)

In accordance with best practice, the board will review its forward work programme at each meeting to ensure it remains relevant and can be adapted to changes in the company or the trust's requirements or risk profile.

Revisions to the workplan since the last meeting include:

- Approval of Liquidity Support Facility postponed to the next meeting.
- Approval of the draft AFF SIPO and review of the council's responsible investment policy moved to 2025.

At this meeting, the board are also requested to agree board meeting dates for December 2024 (if required) and all of 2025, to be entered into the forward work programme.

Recommendations – that the board:

- a) note the update to the work programme**
- b) agree meeting dates for 2025.**

8. Auditor appointment

The Office of the Auditor-General (OAG) will soon be appointing an auditor for the Auckland Future Fund. The OAG has invited the board to make any comments they wish the OAG to consider when they are appointing the auditor.

Recommendation – That the board directs the council to relay the board's comments, regarding the Auckland Future Fund's auditor appointment, to the Office of the Auditor-General.

9. Status updates

Brief updates will be provided on the following in-progress work:

- Local Bill Update ([Bram Van Melle](#))
- Liquidity Support Facility – Draft Indicative Term Sheet ([Board](#))

Recommendation – That the board note the updates.

10. Other business

Opportunity to address any other business raised that is not already on the agenda and is either for information only or requires an urgent decision.

Procedural motion to exclude the public

Recommendation - The board resolves to exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected under section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1. Commercial activities

The reason for passing the resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2. Distributions

The reason for passing the resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

Director Interests as at 28 November 2024

Member	Interest	Company/Entity
Christopher Swasbrook	Chair/Director	Auckland Future Fund Trustee Limited
	Board Member	Financial Markets Authority (FMA)
	Managing Director and Shareholder	Elevation Capital Management Limited (ECML) – FSP # 9601 – MIS Licensed Manager
	Director and Shareholder	Bethunes Investments Limited – principal investment (15%) SwimTastic Limited
	Director	Holland Family Stonebridge Holdings Limited
	Director	NZX-Listed New Zealand Rural Land Company Limited
	Director	NZRLC Dairy Holdings Limited (NZL subsidiary)
	Director	McCashin's Brewery Limited
	Director and Shareholder	EC Management Limited
	Director and Shareholder	Elevation Capital Funds Management Limited (FSP# 1007386) – MIS Licensed Manager
	Director and Shareholder	Elevation Capital Securities Limited
	Director	SSP NI Limited (NZL subsidiary)
	Chair	Auckland Art Gallery Advisory Board
	Investment	Elevation Capital Global Shares Fund via ECML
	Investment	New Zealand Rural Land Company shares & warrants (NZL.NZX) via ECML
	Investment	ECML Clients have holdings in various NZX, ASX and global companies – No client holds AIA shares.
	Banking	HSBC, Westpac, ASB
	Insurance	Vero, Berkshire Hathaway, Star, Partners Life, NIB, Fidelity Life, Southern Cross, AXA XL.
	KiwiSaver	SuperLife (NZX) – US500 Fund
	Past Directorships/Memberships	NZX Listed - Allied Farmers
		NZX Listed - Satara Co-operative Group – now part of Eastpack
		TIL Logistics Group Limited (formerly Bethunes Investments and before that Mowbray Collectables)
		New Zealand Rural Land Management Limited
		New Zealand Markets Disciplinary Tribunal (2013-2022)
		ALF Nominees Limited
		Clearwater Hotel 2004 Limited
		Lifestyles of New Zealand Queenstown Limited
		LONZ 2008 Holdings Limited
		LONZ 2008 Limited
		NZ Farmers Livestock Limited
		NZ Farmers Livestock Finance Limited
		QWF Holdings Limited
		Rural Funding Solutionz Limited

Member	Interest	Company/Entity
		UFL Lakeview Limited
		5M No. 2 Limited
		NZRegCo Listing Subcommittee (2008 – 2023)
		SwimTastic Limited & MRA Liquidation Limited
		SSL Liquidation Co Limited
		Ruapehu Alpine Lifts (RAL)
	Past Employment	Goldman Sachs JBWere (NZ) Limited 1997-2006
		ANZ McCaughan Securities Limited 1995-1997
David Callanan	Director	Auckland Future Fund Trustee Ltd
	Employee. General Manager, Corporate Trustee Services	Public Trust performs services and/or obtains services, under commercial arms-length terms, for/from many participants in the NZ financial markets including investments managers, Kiwisaver providers, securitisation issuers, fund administrators, custodians, etc. The services generally entail overseeing client activities on behalf of beneficiaries/investors in an independent, fiduciary capacity as the supervisor/trustee. David is not incentivised (i.e. bonus or similar) as a result of the delivery of these services other than ordinary remuneration as an employee for the general performance of the Public Trust business.
	Director	Various Public Trust subsidiaries, e.g. nominee companies; established for the purpose of undertaking corporate trustee services.
	Retail customer	ASB, Kiwibank, Milford Asset Management Kiwisaver, Australian Retirement Trust Superannuation Fund, ING Bank Australia, AIA Life Insurance, and NIB Health Insurance.
	Personal investments	Various ETFs and direct investments. Portfolio <\$10,000 via the Sharesies platform; includes Mercer and Vanguard funds.
	Chair	Corporate Trustees Association New Zealand; industry body representing corporate trustees.
Craig Stobo	Director	Auckland Future Fund Trustee Ltd
	Chair	Financial Markets Authority
	Chair	NZ LGFA
	Chair	NZ Windfarms
	Director	Desert Holdings
	Director	Sahara
	Director	Legend Terrace
	Director	Biomarine
	Director	Indi
	Director	Maverick

Member	Interest	Company/Entity
	Director	Stobo Group
	Adviser	Capital Solutions Group
	Adviser	AMP Financial Services Investment Committee
	Adviser	Saturn Portfolio Management Investment Committee
	Shareholder	Saturn Portfolio Management
	Pro Bono	
	Chair	Waitaki Boys High School Foundation
	Chair	Finance Risk and Audit Committee Cancer Society Auckland Northern
	Taumata	Otago University Business School

Auckland Future Fund Trustee Limited

Meeting of the Board of Directors – Open minutes

Thursday 31 October 2024 at 9.15am
At 135 Albert Street, Auckland / Microsoft Teams

Board:

Christopher Swasbrook	Chair
David Callanan	Director
Craig Stobo	Director (Online)

Auckland Council:

Cr Christine Fletcher	Lead Councillor
Ross Tucker	Group Chief Financial Officer
John Bishop	Group Treasurer/Lead Officer
Bram van Melle	Associate General Counsel – Commercial
Megan Holley	Treasury and Investments Relationship Manager
Tamsyn Matchett	Deputy Chief of Staff – Budget and Delivery (Items 1-11)
Dilin Abraham Kuriakose	Head of Operations Procurement (Item C1)
Andrew John	Head of Treasury (Item C1)

Public:

Hon Carlos Cheung MP	Member of Parliament (Items 1-11)
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Resolutions and actions agreed by the board in these minutes also constitute resolutions and actions of the company as sole trustee of the Auckland Future Fund, pursuant to the Trust Deed.

1. Introduction

The meeting was opened with a Karakia by David Callanan.

2. Apologies

None.

3. Director interests register

Resolution: The board confirm there are no additions, deletions or corrections to the director interests register.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

4. Confirmation of the 27 September 2024 meeting minutes

Resolution: The board confirm the minutes of its meeting held on 27 September 2024 as a true and correct record.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

5. Health and Safety

No business raised.

6. Public input

Hon Carlos Cheung MP explained the select committee process for the AFF local bill.

Resolution: The board thanked Hon Carlos Cheung MP for his attendance and information on the AFF Local Bill process.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

7. Forward work programme and meeting schedule 2024-2025

Resolutions: The board:

- a) approve the forward work programme
- b) note the Māori Outcomes Plan and Local Board Engagement Plan need to be completed in the 2024/2025 financial year as part of the AFF establishment.
- c) agree to confirm the meeting dates for 2024 by the end of the week
- d) instruct council staff to provide Governing Body reporting deadlines for the board to plan 2025 AFFTL meetings around.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

8. Statement of Intent 2024-2027 adoption

Resolution: The board adopted the final Auckland Future Fund Trustee Limited Statement of Intent 2024-2027.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

9. Directors and Officers Liability Insurance (D&O)

Resolution: The board*:

- a) approve placing Directors and Officers with Vero with a limit of \$20 million (side A) and \$10 million (side B) for an annualised premium of \$60,000
- b) confirm
 - (Insurance): the Company is authorised to implement Directors and Officers Insurance with Vero on the terms and conditions presented to the meeting pursuant to section 162(5) of the Companies Act 1993 and clause 9 of the Company's constitution, subject to the directors of the Company each signing a certificate for the purposes of section 162(6) of the Companies Act 1993
 - (Disclosure of Interests): each directors' interest in authorising the effecting of insurance will be noted in the interests register of the Company pursuant to section 162(7) of the Act
- c) sign the Director Certificate, in conjunction with these resolutions
- d) request the council contact Vero to complete the paperwork for the D&O placement on behalf of the directors.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

**For the purposes of this resolution, the D&O insurance to be implemented for the benefit of each director (the Relevant Director) shall be deemed to have been implemented severally and only approved if voted on by each director of the company other than the Relevant Director (who shall be deemed to have abstained on this matter) (each an Uninterested Director). Further, for the purposes of executing documents implementing the benefits of the Relevant Director, the Uninterested Directors shall be deemed to have delegated the necessary authority to any authorised signatory.*

10. Liquidity Support Facility - Draft Indicative Term Sheet

John Bishop spoke to the draft prepared by Auckland Council and Mayne Wetherell.

It was clarified that:

- the liquidity would only be called upon if all other funding options had been exhausted
- the liquidity agreement should not influence the board's investment decision making as required by the Auckland Future Fund Trust Deed.

AC staff recommended the board take independent legal advice on the draft term sheet. Bram Van Melle confirmed Simpson Grierson have appropriate independence to provide legal advice to the board on the draft term sheet.

Resolution: the board will:

- a) seek independent legal advice from Simpson Grierson on the draft indicative term sheet
- b) provide feedback and suggested changes to the council on the draft indicative term sheet

- c) prepare a letter to the council to supplement the final liquidity term sheet
- d) require the liquidity term sheet be reviewed by the board and the council every 12 months.

Moved: Chair Christopher Swasbrook. Seconded: Craig Stobo
Carried.

11. Other business

None.

Procedural motion to exclude the public

Resolution: The board resolve to exclude the public from the following part(s) of the proceedings of this meeting.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan
Carried.

The open meeting closed at 09:57am.

AFFTL Board Work Programme: Auckland Future Fund

Month	Activity	Board Dates
Sep-24	<ul style="list-style-type: none"> Approval of Trust Deed, Draft Statement of Intent, and Fund Administrator Service Agreement 	27-Sep 2025 <i>Inaugural Meeting</i>
Oct-24	<ul style="list-style-type: none"> Adoption of Final Statement of Intent Approval of Directors and Officers Liability Insurance (D&O) 	31 Oct 2024
Nov-24	<ul style="list-style-type: none"> Approval of 2025 meeting schedule 	28 Nov 2024
Dec-24	<ul style="list-style-type: none"> Approval of Liquidity Support Facility Planning for future meetings to meet accountabilities 	TBC
Jan-25		
Feb-25	<ul style="list-style-type: none"> Q2 Performance & Risk Reports Draft Statement of Intent 2025 – 2028 Approval of Draft SIPO and Responsible Investment Policy 	TBC
Mar-25		
Apr-25	<ul style="list-style-type: none"> Q3 Performance & Risk Reports 	TBC
May-25		
Jun-25	<ul style="list-style-type: none"> Public board meeting – Shareholder feedback on draft SOI 	TBC <i>Public Meeting</i>
Jul-25		
Aug-25	<ul style="list-style-type: none"> Q4 Performance & Risk Reports Financial Reporting for Year ended 30 Jun 2025 	TBC
Sep-25		
Oct-25	<ul style="list-style-type: none"> Public board meeting – Performance against SOI targets for year ended 30 Jun 2025 Q1 Performance & Risk Reports 	TBC <i>Public Meeting</i>
Nov-25		
Dec-25	<ul style="list-style-type: none"> Letter of Expectation received 	TBC
Jan-26		
Feb-26	<ul style="list-style-type: none"> Q2 Performance & Risk Reports Financial Reporting for half-year ended 31 Dec 2025 Draft Statement of Intent 2026 - 2029 	TBC
Mar-26		
Apr-26	<ul style="list-style-type: none"> Q3 Performance & Risk Reports 	TBC
May-26		
Jun-26	<ul style="list-style-type: none"> Public board meeting – Shareholder feedback on draft SOI Finalise SOI 	TBC <i>Public Meeting</i>
Jul-26		
Aug-26	<ul style="list-style-type: none"> Q4 Performance & Risk Reports AFFT & AFFTL Annual Report Financial Reporting for Year ended 30 Jun 2026 	TBC

Key CCO delivery dates

Statement of intent:

Draft SOI to shareholders – due 1 April 2025

Final SOI adopted – due 30 June 2025

CCO quarterly reports (including SOI performance and risk)

Q2 – due Friday 28 February 2025 (for six months ending 31 December 2024)

Q3 – due Monday 28 April 2025 (for quarter ending 31 March 2025)

Q4 – due Friday 29 August 2025 (for the year ending 30 June 2025)

Q1 – due Friday 31 October 2025 (for quarter ending 30 September 2025)

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Half year and annual financial reporting:

Half year financial results – due Friday 28 February 2025 (for the six months to 31 December 2024)

Full year financial results – due Friday 31 October 2025 (for the year ending 30 June 2025)

Audit and Risk Committee (Auckland Council):

Annual audit and financial risk report – estimated due date Friday 29 August 2025.

Representative attendance at Audit and Risk Committee meeting – Tuesday 16 September 2025.

Other policies to be established by AFFTL before 30 June 2025

Local board engagement policy

Māori Outcomes Plan