

## Auckland Future Fund Trustee Limited

### Meeting of the Board of Directors Agenda (Open)

Thursday 13 March 2025 starting 3:30pm

At 135 Albert Street, Level 29, 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 Manager
Riika Poikela	Group Treasury Operations Manager

#	Agenda Item	Attachment
	<b><i>Open procedural Items</i></b>	
1	Introduction/Karakia	
2	Apologies	
3	Declaration of director interests register	Yes
4	Confirmation of the 13 February 2025 meeting minutes	Yes
5	Health and safety	
6	Risks	
7	Public input (if any)	
8	Compliance and forward work programme ( <a href="#">Megan Holley</a> )	Yes
	<b><i>Open Items for discussion/decision making</i></b>	
9	Mayor's Letter of Expectations 2025-2028 ( <a href="#">Megan Holley</a> )	Yes
10	Draft Statement of Intent 2025-2028 ( <a href="#">Megan Holley</a> )	Yes
11	Status updates ( <a href="#">Megan Holley/John Bishop</a> )	
12	Other business	
	<b><i>Procedural motion to exclude the public</i></b>	
	<b><i>Confidential items for discussion/decision making</i></b>	
C1	Global investment manager	
	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 13 February 2025 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 13 February 2025 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. Risks

Opportunity to raise any new or inflated risks concerns affecting the board, board activities or the fund.

## 7. Public input (if any)

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

## 8. Compliance and forward work programme (see attachment)

At the 13 February 2025 board meeting, the board resolved for a compliance schedule for the Auckland Future Fund to be combined with the work programme.

The first version of this is presented to the board for review and provide feedback.

Other than the additional compliance tasks added, the work programme has been updated since the last meeting to postpone the public board meeting from 12 June 2025 to 17 July 2025. This is to align with the revised statement of intent timeline and ensure the board has received and been able to review shareholder feedback before the public meeting.

All items are currently on track.

### ***Recommendations – That the board:***

- a) approve the new compliance and forward work programme format***
- b) approve the postponement of the public board meeting from June to July to align with the revised statement of intent timetable.***

## 9. Mayor's Letter of Expectations 2025-2028 (see attachment)

The Letter of Expectations 2025-2028 was received from the Mayor on 7 March 2025. It provides direction for the board's statement of intent 2025-2028.

### ***Recommendation – That the board receive the Letter of Expectations 2025-2028.***

## 10. Draft Statement of Intent (SOI) 2025-2028 (see attachment)

The draft SOI is presented to the board for review before submission to Governing Body by 1 April 2025.

Governing Body will then provide shareholder feedback which will be discussed at the AFFTL public board meeting on 17 July 2025, before submitting the final SOI to Governing Body by 31 July 2025.

### ***Recommendations – That the board:***

- a) approve the draft Statement of Intent 2025-2028 for submission to Governing Body on or before 1 April 2025, pending design work up and other editorial changes***
- b) delegate approval of further amendments to the chair***
- c) note shareholder feedback will be received following the Governing Body meeting on 29 May 2025.***

## 11. Status updates

- Local bill
- Term deposits

**Recommendation – That the board note the status updates.**

## 12. 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 – That 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. Global investment manager

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.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.  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).	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 13 March 2025

Director	Interest	Company/Entity
Christopher Swasbrook	Chair/Director	Auckland Future Fund Trustee Limited
	Board Member	Financial Markets Authority (FMA)
	Managing Director and Shareholder	Elevation Capital Limited (ECL) – FSP # 9601
	Chair/Director and Shareholder	Bethunes Investments Limited
	Director	Holland Family Stonebridge Holdings Limited
	Director	NZX-Listed New Zealand Rural Land Company Limited
	Director	NZRLC Dairy Holdings Limited (NZL subsidiary)
	Chair/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 ECL
	Investment	New Zealand Rural Land Company shares & warrants (NZL.NZX) via ECL
	Investment	ECL 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	Kernel – Global 100 Fund
	Past	NZX Listed - Allied Farmers
	Directorships/Memberships	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
		UFL Lakeview Limited

Director	Interest	Company/Entity
		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
	Director	Stobo Group

Director	Interest	Company/Entity
	Adviser	Capital Solutions Group
	Adviser	AMP Financial Services Investment Committee
	Adviser	Saturn Portfolio Management Investment Committee
	Adviser	To the Director-General of the Department of Conservation
	Shareholder	Saturn Portfolio Management
	<b>Pro Bono</b>	
	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 13 February 2025 at 2.16pm**  
**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
John Bishop	Group Treasurer/Lead Officer
Ross Tucker	Group Chief Financial Officer
Bram van Melle	Associate General Counsel – Commercial
Megan Holley	Treasury and Investments Relationship Manager
Riika Poikela	Group Treasury Operations Manager (Online)
Andrew John	Head of Group Treasury

**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**

NA.

#### **3. Director interests register**

Christopher Swasbrook and Craig Stobo disclosed changes to their interests.

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

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



**4. Confirmation of the 28 November 2024 meeting minutes**

**Resolution: The board confirm the open and confidential minutes of its meeting held on 28 November 2024 as a true and correct record.**

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

**5. Health and Safety**

No business raised.

**6. Risks**

No business raised.

**7. Public input**

No business raised.

**8. Forward work programme**

**Resolutions: The board:**

- a. note the updated forward work programme**
- b. agree the compliance schedule for the Auckland Future Fund be combined with the work programme.**

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

**9. Liquidity facility agreement**

**Resolutions: The board:**

- c. approve the liquidity facility agreement and request the council counter-sign the agreement**
- d. agree the final liquidity facility agreement be included in the open minutes of the meeting.**

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

**10. Term deposits**

**Resolutions: Closer to the maturity date of the term deposits, the board, with support from the council's Treasury team, will determine the appropriate course of action for the funds until the global investment manager is appointed.**

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

**11. Status updates**

**Resolution: The board notes the updates.**

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

**12. Other business**

No business raised.

**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 2:36pm.**

# **Future Fund Liquidity Facility**

**relating to Auckland Council**

Dated 14 February 2025

**Mayne  
Wetherell**

## Contents

1.	Interpretation .....	2
2.	Facility .....	7
3.	Conditions Precedent .....	7
4.	Advances .....	8
5.	Interest .....	8
6.	Repayment, Prepayment and Cancellation .....	9
7.	Representations and Warranties .....	9
8.	Covenants .....	10
9.	Change in Circumstances .....	11
10.	Payments .....	12
11.	Taxes .....	12
12.	Events of Default .....	13
13.	Default Interest .....	14
14.	Indemnities .....	15
15.	Notices .....	16
16.	Costs and Expenses .....	17
17.	Set-off .....	17
18.	General .....	18
19.	Governing Law and Jurisdiction .....	19
20.	Absence of Crown Guarantee .....	19
	Schedule 1 .....	21
	Schedule 2 .....	22

## Parties

Auckland Council (**Borrower**)

Auckland Future Fund Trustee Limited in its capacity as trustee of the Trust (**Lender**)

## Agreed terms

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### 1. Interpretation

1.1 **Definitions:** In this agreement, unless the context otherwise requires:

**Act** means the Local Government Act 2002.

**Advance** means a cash advance in Dollars under the Facility or, as the context requires, the outstanding balance of such cash advances from time to time, including any interest capitalised pursuant to clause [5.1](#).

**Annual Plan** means the report prepared and adopted by the Borrower under section 95 of the Act for each forthcoming financial year of the Borrower.

**Annual Report** means the report prepared and adopted by the Borrower under section 98 of the Act at the end of each financial year of the Borrower.

**Authorised Signatories** means, in respect of the Borrower, the persons nominated by the Borrower as its authorised signatories for the purposes of this agreement by notice to the Lender accompanied by specimen signatures of those persons.

**Available Facility** means, at any time, the Facility Limit at that time less the aggregate of the Outstanding Amount at that time.

**Bank Bill Rate** means, on any date:

- (a) the rate per annum rounded upwards, if necessary, to the nearest four decimal places quoted as the bid settlement rate on the Reuters monitor system page “BKBM” (or any page which replaces that page) at or about 10.45 am on that date for Bills accepted by a registered bank having a tenor equal to three months;
- (b) if no bid settlement rate is published for Bills of that tenor in accordance with paragraph [\(a\)](#) above, the rate per annum reasonably determined to be equal to the arithmetic mean (rounded upwards, if necessary, to four decimal places) of the rates quoted on request by the Reference Banks for the purchase of Bills accepted by a registered bank which have a tenor equal to three months at or about 11.00 am on such date; or

- (c) if the Bank Bill Rate cannot be determined in accordance with paragraphs (a) or (b) above, then it shall be the bid rate determined at about 11.00 am on that date, as conclusively determined in good faith having regard to comparable indices then available to the then current Bill market, for Bills accepted by a registered bank having a tenor of three months,

provided that, if in any case, that rate is less than zero, the Bank Bill Rate shall be deemed to be zero.

**Bill** means a bill of exchange as defined in the Bills of Exchange Act 1908, and any reference to the drawing, acceptance or other dealing of or with a Bill is reference to a drawing, acceptance or other dealing within the meaning of that act.

**Charged Assets** has the meaning given to that term in the Debenture Trust Deed.

**Crown** means The Sovereign in right of New Zealand acting by and through the Minister of Finance.

**Debenture Trust Deed** means the debenture trust deed dated 2 December 2010 between the Borrower and Trustees Executors Limited as trustee (as amended and restated from time to time).

**Distribution Policy** means, on any date, the Auckland Future Fund Distribution Policy current on that date.

**Dollars, Dollar and \$** means the lawful currency of New Zealand.

**Drawdown Date** means, in respect of an Advance, the date on which that Advance is, or is to be, advanced under the terms of this agreement.

**Drawdown Notice** means, in respect of an Advance, a notice from the Borrower substantially in the form of Schedule 1.

**Effective Date** means the later of the date on which the Lender confirms to the Borrower in writing that:

- (a) all of the shares held by the Borrower in Auckland International Airport Limited have been transferred to the Fund; or
- (b) each of the conditions precedent in clause [3.1](#) have been satisfied or waived.

**Enforcement Event** has the same meaning as in the Debenture Trust Deed.

**Event of Default** means an event described in clause [12.1](#) while such event continues unwaived or unremedied.

**Facility** means the facility made available under this agreement.

**Facility Debt** means all indebtedness from time to time owing to the Lender by the Borrower in respect of this agreement.

**Facility Limit** means, on any date, an amount equal to the value of the Liquid Assets of the Fund as at that date less:

- (a) the Distribution Amount as defined in, and specified or calculated in accordance with, the Distribution Policy as being payable to the Borrower within the next 12 months; and
- (b) \$10,000,000,

or such other amount as may be agreed between the parties.

**Fund** means the Auckland Future Fund.

**Governance Event** means the appointment of any receiver, manager, commissioner or any person appointed pursuant to section 258 of the Act in respect of the Borrower or all or any material part of its assets.

**Interest Payment Date** means, in respect of an Advance, the last day of each 3-month period following the Drawdown Date of that Advance and each Repayment Date for that Advance.

**Interest Rate** means, in respect of an Advance, the greatest of:

- (a) the rate equal to the sum of the Bank Bill Rate on the Drawdown Date of that Advance and the Margin;
- (b) the rate equal to the then applicable Distribution Rate as defined in, and specified or calculated in accordance with, the Distribution Policy; or
- (c) the rate of return which the Lender is required to earn on the Advance in order to ensure that the Lender and the Fund remain compliant with the Long Term Plan (and the objectives of the Fund).

**Liability Management Policy** means the liability management policy prepared and adopted by the Borrower under section 102(2)(b) of the Act, as amended from time to time.

**Liquid Assets** means the assets of the Fund which, at any time, are held by the Fund as highly liquid assets such as cash, cash equivalents (as recognised by generally accepted accounting principles in New Zealand) and publicly listed assets including but not limited to equity and/or bond securities, commodities, currencies and managed investment schemes.

**Long Term Plan** means the long term plan prepared and adopted by the Borrower under section 93 of the Act, as amended from time to time.

**Margin** means, in relation to an Advance, 2.00% per annum.

**NZ GAAP** means generally accepted accounting practice as defined in section 8 of the Financial Reporting Act 2013.

**Outstanding Amount** means, on any date, the aggregate principal amount of all Advances outstanding on such date.

**Potential Event of Default** means any event or circumstance which, with the giving of notice and/or the lapse of time, would constitute an Event of Default.

**Reference Banks** means ANZ Bank New Zealand Limited, ASB Bank Limited, Bank of New Zealand and Westpac New Zealand Limited and/or such other bank or banks as the Lender may stipulate in consultation with the Borrower.

**Repayment Amount** means, in respect of an Advance and a Repayment Date, the amount specified in the Drawdown Notice for that Advance as being the principal amount to be repaid on that Repayment Date.

**Repayment Date** means, in respect of an Advance, the date or dates specified as the repayment dates of that Advance in the Drawdown Notice.

**RWT-Exempt Status** means "RWT-exempt status" as defined in section YA 1 of the Income Tax Act 2007.

**Security Stock Certificate** has the same meaning as in the Debenture Trust Deed.

**Trust** means the trust established in relation to the Fund on the terms set out in the trust deed dated 27 September 2024.

1.2 **References:** Except to the extent that the context otherwise requires, any reference in this agreement to:

**business day** means a day (other than a Saturday or Sunday) on which registered banks (within the meaning of the Banking (Prudential Supervision) Act 1989) are open for business in Auckland and Wellington.

a **clause** or **Schedule** is a reference to a clause of, or a Schedule to, this agreement.

a **directive** includes any present or future directive, regulation, request, requirement, voluntary credit restraint programme or notification by any means or a change in interpretation or application thereof by any governmental agency (in each case, whether or not having the force of law but, if not having the force of law, compliance with which is in accordance with the general practice of persons to whom the directive is addressed).

a **law** includes common law and any constitution, decree, judgment, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure, in each case of any jurisdiction whatever, and **lawful** and **unlawful** shall be construed accordingly.

something having a **material adverse effect** means something (a) having a material adverse effect on the financial condition of the Borrower or (b) which materially adversely affects the



Borrower's ability or willingness to perform and comply with its obligations under this agreement or the Debenture Trust Deed or (c) which materially adversely affects the validity or enforceability of this agreement or the Debenture Trust Deed.

a **person** includes an individual, company, corporation, local authority, an association of persons whether corporate or not, a trust or a state or agency of a state whether of central government or local government (in each case, whether or not having separate legal personality).

a **registered bank** has the same meaning as in the Banking (Prudential Supervision) Act 1989.

**same day funds** means cleared funds immediately available for disbursement.

**security interest** includes a mortgage, pledge, charge, lien, hypothecation, encumbrance, deferred purchase, title retention, financial lease, sale and re-purchase and sale and leaseback arrangement, a security interest (as that term is defined in the Personal Property Securities Act 1999) and a preferential arrangement of any kind the practical effect of which is to secure a creditor, but does not include any of the foregoing arising solely by operation of law or (in the case of deferred purchase or title retention) the general conditions of sale of a supplier which both arises in the ordinary course of business and is discharged within 90 days.

**tax** means any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called, imposed or levied by any competent governmental agency, together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing, and **taxation** shall be construed accordingly.

**written** and **in writing** include all means of reproducing words in a tangible and permanently visible form.

### 1.3 Miscellaneous:

- (a) **Introduction and headings:** The introduction to and headings in this agreement are inserted for convenience only and shall be ignored in construing this agreement.
- (b) **General:** Unless the context otherwise requires, words denoting the singular number also include the plural and vice versa and words denoting any gender include all genders.
- (c) **Legislation:** References to any legislation or to any provision of any legislation shall be deemed to be references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless otherwise stated, to New Zealand legislation, and, unless the context otherwise requires, shall also include any statutory instruments issued under any such legislation or provision.
- (d) **Documents:** References to any document (however described) shall include references to that document as modified, novated, supplemented, varied or replaced from time to time.

- (e) **Parties:** References to any party to this agreement or any other document shall include its successors or permitted assigns.
- (f) **Time:** References to a time of day shall be references to New Zealand time unless otherwise stated.
- (g) **Things done:** Anything which may be done at any time may also be done from time to time.

- 1.4 **Business Day Convention:** Where any date which is specified in, or determined pursuant to the terms of, this agreement would otherwise fall on a day that is not a business day, that date will be adjusted so that it will be the first following day that is a business day, unless that day falls in the next calendar month, in which case that date will be adjusted so that it will be the first preceding day that is a business day.

## 2. Facility

- 2.1 **Facility:** On and from the Effective Date, the Lender agrees to make the Facility available to the Borrower on the terms and conditions of this agreement.
- 2.2 **Purpose:** The Borrower shall use the proceeds of the Facility for general corporate purposes, including to support the Borrower's liquidity requirements.

## 3. Conditions Precedent

- 3.1 **Conditions Precedent to Facility:** No Drawdown Notice may be given by the Borrower in respect of an Advance until the Lender has confirmed by written notice to the Borrower that it has found to be satisfactory to it in form and substance, the following documents:
- (a) this agreement duly executed by all parties to it; and
  - (b) a certificate by the chief executive of the Borrower substantially in the form set out in Schedule 2.
- 3.2 **Conditions precedent to Advances:** The obligation of the Lender to make each Advance is conditional upon:
- (a) **Security Stock Certificate:** a Security Stock Certificate in the aggregate nominal amount of not less than the Facility Limit on the date of the Drawdown Notice having been issued to the Lender;
  - (b) **Representations true:** the representations and warranties of the Borrower set out in clause [7.1](#) being true and accurate in all respects by reference to the facts and circumstances existing on the relevant Drawdown Date; and
  - (c) **No Event of Default:** no Event of Default or Potential Event of Default having occurred and remaining unremedied or unwaived.

## 4. Advances

4.1 **Availability:** Subject to compliance with clauses [3.2](#) and [4.2](#) the Lender shall make an Advance available to the Borrower in Dollars provided that a Drawdown Notice is given to the Lender not later than 10.00 am on the day falling five business days (or such other period as agreed between the Lender and the Borrower) prior to the Drawdown Date of the proposed Advance advising:

- (a) **Amount:** the amount of the Advance, which shall be a minimum of \$50,000,000 and integral multiples of \$10,000,000 or such other amount agreed between the Lender and the Borrower, provided that:
  - (i) the amount requested in the Drawdown Notice may not exceed the Liquid Assets of the Lender as at the Drawdown Date; and
  - (ii) the Lender's obligation to make the Advance shall be limited to the lower of the amount requested in the Drawdown Notice and an amount equal to the total proceeds received from the sale of the Liquid Assets.
- (b) **Repayment Dates and Repayment Amounts:** the Repayment Dates for that Advance and the Repayment Amount to be repaid on each Repayment Date, provided that the final Repayment Date shall fall on or before the date that is the 3 year anniversary of the Drawdown Date of that Advance; and
- (c) **Drawdown Date:** the Drawdown Date, which must be a business day.

4.2 **Maximum amount:** The Borrower shall not be entitled to request any Advance when the making of that Advance would exceed the Available Facility on the Drawdown Date.

## 5. Interest

5.1 **Interest payment:** The Borrower shall pay to the Lender interest on each Advance at the applicable Interest Rate for that Advance for the period from the Drawdown Date for that Advance to the final Repayment Date of that Advance. On each Interest Payment Date of an Advance, at the option of the Borrower, the Borrower shall either:

- (a) pay to the Lender the interest accrued on that Advance; or
- (b) notify the Lender that it wishes to capitalise the interest payable in accordance with clause [\(a\)](#) above, in which case, that Advance shall be increased by such amount.

5.2 **Calculation:** Interest will accrue daily and will be calculated on the outstanding principal amount of the relevant Advance on each day and on the basis of the actual number of days elapsed, including the Drawdown Date but excluding the final Repayment Date, and a 365 day year.

## 6. Repayment, Prepayment and Cancellation

- 6.1 **Repayments:** The Borrower shall repay to the Lender each Repayment Amount on each Repayment Date and the outstanding amount of each Advance on the final Repayment Date.
- 6.2 **Prepayment right:** The Borrower may prepay all or any part of any Advance (being a minimum amount of \$50,000,000 and thereafter integral multiples of \$10,000,000) if it gives the Lender not less than five business days' written notice (which notice shall be irrevocable) of its intention to make such prepayment, and the date and amount thereof. Any such prepayment shall be paid to the Lender no later than 12.00pm on the relevant date nominated.
- 6.3 **Prepayment amount:** Any prepayment pursuant to clause [6.2](#) shall be accompanied by:
- (a) **Interest:** accrued interest on the amount prepaid; and
  - (b) **Other sum:** any other sum in respect of the amount prepaid then due to be paid to the Lender under any provision of this agreement.
- 6.4 **Re-drawing:** Any amount repaid in accordance with clause [6.1](#) or prepaid in accordance with clause [6.2](#) shall be available to be re-drawn in accordance with this agreement.

## 7. Representations and Warranties

- 7.1 **Representations and Warranties:** The Borrower represents and warrants to the Lender that:
- (a) **Status:** it is a territorial authority named as a local authority in Schedule 2 to the Act;
  - (b) **Power and authority:** it has:
    - (i) the power to enter into, exercise its rights and perform and comply with its obligations under this agreement and the Debenture Trust Deed; and
    - (ii) taken all necessary action required on its part to authorise the entry into, execution and delivery of this agreement and the Debenture Trust Deed and the performance of all the obligations expressed to be binding on it;
  - (c) **Protected transaction:** the entry by the Borrower into, and the performance by the Borrower of, this agreement and the Debenture Trust Deed:
    - (i) is in compliance with the Act; and
    - (ii) is not contrary to any provision of the Act;
  - (d) **No laws violated:** neither the entry by it into, nor the performance by it of, this agreement or the Debenture Trust Deed will:

- (i) violate or contravene any law to which it is subject; or
- (ii) conflict with, or result in any breach of, any agreement or document to which it is a party or by which it or any of its assets may be bound; and
- (e) **No default:** no Event of Default has occurred and is continuing unremedied or unwaived, nor will any Event of Default result from the execution and performance of this agreement.

7.2 **Repetition:** The representations and warranties contained in clause [7.1](#) will be deemed to be repeated by the Borrower on each Drawdown Date and each Repayment Date by reference to the facts and circumstances then existing.

7.3 **Acknowledgement:** The Borrower acknowledges that the Lender has been induced to enter into this agreement on the basis of the representations and warranties contained in clause [7.1](#).

## 8. Covenants

8.1 **Notification:** The Borrower shall, subject to the Act and to the Local Government Official Information and Meetings Act 1987, promptly upon becoming aware of the same notify the Lender of:

- (a) **Event of Default:** the occurrence of any Event of Default or Potential Event of Default and, upon receipt of a request to that effect, shall confirm in writing signed by an Authorised Signatory that, except as previously notified to the Lender, no Event of Default or Potential Event of Default has occurred which is continuing unremedied or unwaived;
- (b) **Authorised Signatories:** each change in its Authorised Signatories, giving specimen signatures and evidence satisfactory to the Lender of the authority of each new Authorised Signatory; and
- (c) **Invalidity:** each actual or potential invalidity or unenforceability of this agreement or the Debenture Trust Deed or any provision hereof or thereof.

8.2 **Validity:** The Borrower shall take all steps required under any applicable law to enable it to perform and comply fully with its material obligations under this agreement or the Debenture Trust Deed or required on its part for the validity or enforceability of this agreement and the Debenture Trust Deed.

8.3 **Compliance with Law:** The Borrower shall duly comply with all laws where failure to do so could have a material adverse effect on the Borrower.

8.4 **Reporting:** For so long as the Facility remains unexpired or uncanceled, the Borrower shall, on request by the Lender, provide to the Lender:

- (a) **Information:** a copy of each of the Annual Plan (adopted within the terms of section 95 of the Act) and the Annual Report (adopted within the terms of section 98 of the Act) for the current, forthcoming, and previous, financial years respectively and the most recent Long Term Plan and the Liability Management Policy (within the meaning of sections 93 and 102(2)(b) of the Act);
- (b) **Amendments:** details of any material amendments to the Long Term Plan or Liability Management Policy which have been approved and adopted by the Borrower;
- (c) **Semi Annual Financial Information:** unaudited financial statements of the Borrower as at the end of that financial half-year which have been prepared for external dissemination; and
- (d) **Other information:** any other information which the Lender reasonably requires with respect to the financial statements (within the meaning of clause 29 of Schedule 10 of the Act), the Charged Assets and the financial position of the Borrower.

## 9. Change in Circumstances

9.1 **Illegality:** If at any time the Lender reasonably determines that it is or will become unlawful, impractical or contrary to any law, treaty or directive of any agency of state or other regulatory authority to make, fund or continue to provide all or part of the Facility, to charge or receive interest at any applicable rate or to comply with any of its obligations or exercise any of its rights under this agreement or the Debenture Trust Deed then, upon the Lender notifying the Borrower:

- (a) **Cancel:** the Lender may cancel its commitment under the Facility; and
- (b) **Repay:** the Borrower will repay or cause to be repaid the Facility Debt owing to the Lender under this agreement either promptly or, if permitted by the law, treaty or directive, not later than the date on which the circumstances giving rise to such notification will arise.

The Lender shall promptly notify the Borrower in writing of the happening of such events upon becoming aware of the same.

9.2 **Mitigation:** Without limiting the Borrower's obligations under clauses [9.1\(b\)](#) or [11.2](#), the Lender shall, at the request and cost of the Borrower, use all reasonable efforts to consult with the Borrower, with a view to avoiding or minimising the effect of clauses [9.1\(b\)](#) or [11.2](#) (as the case may be) on the Borrower on a basis which will not have any material adverse effect on the Lender other than to the extent that it is indemnified by the Borrower to the reasonable satisfaction of the Lender.

## 10. Payments

- 10.1 **Currency of Account:** The Dollar is the currency of account and payment for each amount at any time payable by the Borrower under this agreement.
- 10.2 **Payments by the Borrower:** All payments to be made by the Borrower under this agreement to the Lender shall be made in same day funds not later than 12.00pm in the place of payment on the due date to the bank account as shall have been previously notified by the Lender to the Borrower.
- 10.3 **Payments to and from Lender:** On each Drawdown Date, the Lender will make the relevant Advance available to the Borrower by 12.00 pm in same day funds and to the bank account as shall have been previously notified by the Borrower to the Lender.
- 10.4 **Order of distribution:** If any amount received by the Lender from the Borrower is less than the total sum remaining and/or becoming due under this agreement on that date, the Lender shall, irrespective of any contrary appropriation by the Borrower, apply that amount in or towards payment of the following sums in the following order:
- (a) **Interest, costs and expenses:** firstly, in or towards payment of any interest then due on the Advance and any costs and expenses then due and payable to the Lender pursuant to clause [16](#);
  - (b) **Principal:** secondly, in or towards payment pro rata of any Outstanding Amount then due to the Lender; and
  - (c) **Other:** thirdly, in or towards payment of any other amounts then due and payable to the Lender under this agreement.

## 11. Taxes

- 11.1 **Payments to be free and clear:** All amounts payable by the Borrower under this agreement shall be paid:
- (a) **Conditions:** free and clear of any restriction or condition;
  - (b) **Taxes:** free and clear of and (except to the extent required by law) without any deduction or withholding for or on account of any tax; and
  - (c) **Other amounts:** without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.
- 11.2 **Gross-up:** If:
- (a) **Withholding by Borrower:** the Borrower is required by law to make any deduction or withholding in respect of New Zealand tax from any amount paid or payable by it under this agreement; or



- (b) **Payment by Lender:** the Lender is required by law to make any payment, on account of tax (other than tax on overall net income of the Lender or any of its branches or lending offices), on or in relation to any amount received or receivable by it under this agreement,

then:

- (c) **Borrower shall pay:** the Borrower shall ensure that any such deduction or withholding does not exceed the legal minimum and shall pay any such tax or other amount required to be deducted or withheld to the relevant taxation or other authority before the date on which penalties attach thereto;
- (d) **Gross-up:** the amount payable by the Borrower in respect of which that deduction or withholding (pursuant to clause 11.2(a)) or payment (pursuant to clause 11.2(b)) is required to be made shall (except where such arises as a consequence of clause 11.4(a) not being, or ceasing to be, true and accurate) be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment the Lender receives and retains (free from any liability in respect of any such deduction, withholding or payment) a net amount equal to the amount which it would have received and so retained had no such deduction, withholding or payment been required to have been made; and
- (e) **Receipt:** the Borrower shall deliver to the Lender promptly after such deduction or withholding is required by law to be made, a receipt issued by the applicable taxation or other authority evidencing that such deduction or withholding has been made.

11.3 **Tax credit:** If and to the extent that the Lender subsequently actually receives and is able to identify (in the normal course of its business and operations) any tax credit or refund in respect of any deductions or withholding in respect of which any additional amounts have been paid by the Borrower pursuant to this clause 11, the Lender, will, but only if and to the extent that in the Lender's sole opinion acting in good faith it is appropriate to do so, account to the Borrower for the amount of such tax credit or refund. Nothing in this clause imposes any obligation whatever on the Lender to disclose any information about its own tax affairs, and the Lender may arrange such affairs however it thinks fit.

11.4 **Resident withholding tax:** The Lender:

- (a) represents and warrants to the Borrower that it has RWT-Exempt Status or is otherwise exempt from resident withholding tax; and
- (b) undertakes to notify the Borrower immediately if it ceases to have or ceases to be entitled to have RWT-Exempt Status or otherwise be exempt from resident withholding tax.

## 12. Events of Default

12.1 **Events:** Each of the following constitutes an Event of Default:



- (a) **Enforcement Event:** an Enforcement Event occurs;
- (b) **Governance Event:** a Governance Event occurs;
- (c) **Non-Payment:**
  - (i) any amount of, or in respect of, principal or interest payable by the Borrower under this agreement is not paid to the Lender at the time, and in the manner, specified in this agreement (unless the Borrower satisfies the Lender that non-payment is due solely to an administrative or technical error beyond the control of the Borrower and payment is subsequently made within two business days of the normal due date); or
  - (ii) any other sum payable under this agreement is not paid by the Borrower within five business days after the due date for payment of such sum;
- (d) **Material default:** material default is made by the Borrower in the performance or observance of any material covenant, condition or other provision binding on the Borrower under this agreement (other than as to the payment or repayment of all or any part of the Facility Debt) or under the Debenture Trust Deed, whether or not the Lender has waived any prior similar default, and such default continues for more than 30 days after receipt by the Borrower of a notice in writing from the Lender specifying the default and requiring such default to be remedied.

12.2 **Cancellation:** At any time after the occurrence of any of the events in clause [12.1](#) and while such is continuing unremedied or unwaived, the Lender may by notice to the Borrower cancel the Facility, whereupon the Borrower shall repay to the Lender the Facility Debt, either immediately or at the expiration of such period as the Lender may specify.

## 13. Default Interest

- 13.1 **Default interest payable:** If the Borrower does not pay any sum payable by it to the Lender under this agreement when due, it shall pay interest on the amount from time to time outstanding in respect of that overdue sum for the period beginning on its due date and ending on the date of its receipt by the Lender (both before and after any judgment) in accordance with this clause [13](#).
- 13.2 **Rate of default interest:** Interest payable under clause [13.1](#) shall be calculated and payable by reference to successive periods, each of which (other than the first, which shall begin on the due date) shall begin on the last day of the previous period. Each such period shall be of a duration of not less than 30 days (except where ending on the date of payment) selected by the Lender from time to time and the rate of interest applicable for a particular period shall be the rate per annum equal to the aggregate of 2% per annum and the Interest Rate on the overdue sum for that particular period.
- 13.3 **Payment of default interest:** Interest payable under clause [13.1](#) shall be payable on the last day of each period in respect of which it is calculated and on the date of receipt of the overdue

sum by the Lender. Any interest which is not paid when due shall be added to the overdue sum and shall itself bear interest accordingly.

## 14. Indemnities

14.1 **Miscellaneous indemnities:** The Borrower indemnifies the Lender against any reasonable and direct cost, loss, expense or liability sustained or incurred by it as a result of:

- (a) **Non-fulfilment:** an Advance or any part thereof not being made by reason of non-fulfilment of any of the conditions in clauses [3.1](#) or [3.2](#) (as applicable);
- (b) **Non-payment:** any amount payable by the Borrower under this agreement not being paid when due (but, so far as appropriate, credit shall be given to it for any interest received under clause [13](#));
- (c) **Event of default:** the occurrence or continuance of any other Event of Default;
- (d) **Governance Event:** the occurrence or continuance of a Governance Event and any action lawfully taken by the Lender to protect its position under this agreement or the Debenture Trust Deed as a result of such Governance Event occurring or continuing;
- (e) **Other than due date:** the receipt or recovery by the Lender of all or any part of any amount payable hereunder (by prepayment or acceleration or otherwise) otherwise than on the due date relating to such amount; or
- (f) **Alleged Breach of Duty:** any claim or allegation that the Lender's compliance with this agreement has resulted in a breach, by the Lender, of its duties as trustee of the Trust.

14.2 **Separate obligations:** Without double counting, the indemnities in this clause [14](#) shall respectively:

- (a) **Obligations:** constitute obligations separate and independent from each other and the other obligations under this agreement;
- (b) **Causes of action:** give rise to separate and independent causes of action; and
- (c) **Survival:** continue in full force and effect despite any judgment, order, claim or proof for any liquidated amount under this agreement or any judgment or order.

14.3 **No prejudice:** Save as expressly agreed by the Lender, no release, delay, forbearance, compromise or any other indulgence given by the Lender to the Borrower or any amendment, alteration or other variation of any of the provisions of this agreement shall discharge, release, prejudice or affect the liability of the Borrower under this clause [14](#).

14.4 **Borrower shall pay:** The Borrower shall upon demand by the Lender, pay to the Lender all amounts payable pursuant to an indemnity contained in clause [14.1](#).

- 14.5 **Irrevocability:** This clause [14](#) is unconditional and irrevocable, shall survive the termination, expiry or cancellation of this agreement and is not to be discharged or impaired by any act, omission, matter or thing that might discharge or impair it, but for this clause.

## 15. Notices

- 15.1 **Writing:** Each notice or other communication to be given or made to any party to this agreement shall:

- (a) **Writing:** be given or made in writing by letter or email and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to that party at the address or email address, and marked for the attention of the person (if any), from time to time designated by that party to the other for the purposes of this agreement;
- (c) **Deemed delivery:** not be effective until received by that party, and any such notice or communication shall be deemed to be received by that party:
  - (i) (if given or made by letter) when left at the address of that party or three business days after being put in the post, postage prepaid, and addressed to that party at that address; or
  - (ii) (if given or made by email) at the time the notifying party receives an acknowledgment of receipt of delivery from the recipient's email address or (if earlier) two business days, in place of receipt, after the email was sent (unless the notifying party receives an error message relating to the sending of the email before that time),

provided that any notice or communication received or deemed received after 4.00 pm on a business day or on a day which is not a business day shall be deemed not to have been received until 9.00 am on the next business day.

- 15.2 **Initial address and numbers:** The initial address, person (if any) and email address (if any) so designated by each party, are, in the case of the Borrower and the Lender, set out below:

**The Borrower:** Auckland Council  
135 Albert Street  
Auckland 1010  
**Attention:** Head of Group Treasury

**The Lender:** Auckland Future Fund Trustee Limited  
135 Albert Street  
Auckland 1010  
**Attention:** Treasury and Investments Relationship Manager

## 16. Costs and Expenses

16.1 **Costs and expenses:** The Borrower shall pay upon demand all reasonable and direct costs and expenses on a full indemnity basis (including legal fees and goods and services taxes thereon) incurred by the Lender in connection with:

- (a) **Establishment:** the negotiation, preparation and execution of this agreement and any related documentation (and any amendments, variations, supplements to or of the same) and the obtaining or maintaining of any authorisation, clearance or consent necessary or desirable in the opinion of the Lender for the validity or enforceability of this agreement and any related documentation;
- (b) **Enforcement:** the enforcement or preservation of, or the attempted enforcement or preservation of, any rights under this agreement or recovering any sum due under this agreement; and
- (c) **Release etc:** the granting of any release, waiver or consent, or any variation of this agreement, required by the Borrower.

16.2 **Stamp duty and taxes:** The Borrower shall pay all New Zealand stamp, documentary, transaction, registration and other like duties and taxes (including fines, interest and penalties), if any, which may be payable or determined to be payable in connection with the execution, delivery, registration, performance, enforcement or variation of this agreement and will indemnify and hold the Lender harmless against all costs directly or indirectly resulting from any failure to pay or delay in paying any such taxes.

## 17. Set-off

17.1 **Set-off:** Without prejudice, and in addition, to any right of set-off, combination of accounts, lien or other right to which the Lender is at any time entitled (whether by law, contract or otherwise), subject to the provisions of the Debenture Trust Deed, the Lender may at any time after the occurrence of an Event of Default arising solely under clause [12.1\(c\)](#) and while such is continuing, without prior notice or demand (but with prompt subsequent notice), apply any amount owed to (or become owing by it to) the Borrower in or towards satisfaction of any amount payable by the Borrower under this agreement, and for such purpose is authorised to accelerate the date for payment of any amount owing by it to the Borrower, notwithstanding the terms upon which such amount is so owing. The Lender may exercise such rights notwithstanding that the balance on such account and such liabilities may not be expressed in the same currency, and the Lender is authorised to effect any necessary conversions at the market rate of exchange then prevailing. The Lender's rights under this clause are contractual rights affecting the terms on which credit balances are held, and do not, and shall not be construed to, constitute a security interest over, or proprietary interest in, any such credit balance.

## 18. General

- 18.1 **Limitation of liability:** Clause 13 of the Trust Deed is incorporated into this agreement as if set out in full.
- 18.2 **Agreement binding:** This agreement shall be binding upon and shall be for the benefit of the parties and their respective successors, permitted assignees and transferees.
- 18.3 **No assignment:** Neither party may assign or transfer all or any of its rights, benefits or obligations under this agreement.
- 18.4 **Remedies cumulative:** The rights, powers and remedies provided in this agreement are cumulative and not exclusive of any rights, powers or remedies provided by law.
- 18.5 **Amendment:** Any provision of this agreement may be amended only by agreement in writing between the Borrower and the Lender.
- 18.6 **Waivers and consents:** Any waiver may be given at any time but only if the Lender agrees in writing. Any consent under any provision of this agreement must also be in writing. Any such waiver or consent may be given subject to any conditions thought fit by the person(s) consenting to it and shall be effective only in the instance and for the purpose for which it was given.
- 18.7 **No implied waivers:** No failure on the part of the Lender, or any officer of the Lender, to exercise, and no delay on its part in exercising, any right, power or remedy under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 18.8 **Partial invalidity:** If at any time any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, that illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions hereof nor shall the legality, validity or enforceability of those provisions under the law of any other jurisdiction in any way be affected or impaired thereby.
- 18.9 **Counterparts:** This agreement may be executed in counterparts (including scanned PDF counterparts), each of which when taken together shall constitute one and the same instrument, and each party hereto may execute this agreement by signing any such counterpart.
- 18.10 **Survival:** The payment and indemnity obligations of the Borrower under this agreement shall constitute a continuing obligation, separate and independent from other obligations under this agreement and shall survive payment of the Facility Debt and any termination, cancellation or expiration of this agreement. The payment and indemnity obligations owing to the Lender shall likewise constitute a continuing obligation, separate and independent from other obligations under this agreement and shall survive payment of the Facility Debt and any termination, cancellation or expiration of this agreement.

## 19. Governing Law and Jurisdiction

- 19.1 **Governing law:** This agreement shall be governed by and construed in accordance with the laws of New Zealand.
- 19.2 **Jurisdiction:** The Borrower agrees that any legal action or proceeding arising out of or in connection with this agreement may be brought in the courts of New Zealand and irrevocably submits to the non-exclusive jurisdiction of those courts.

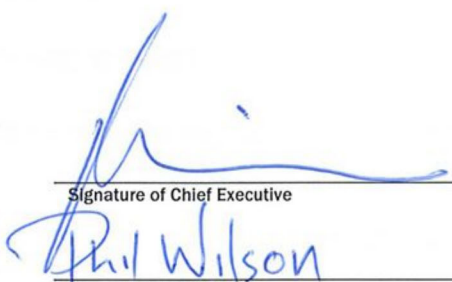
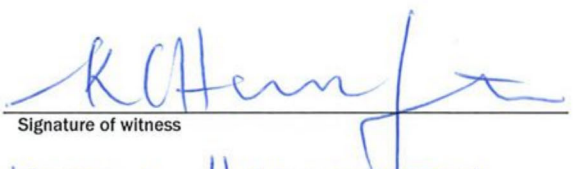
## 20. Absence of Crown Guarantee

- 20.1 **Absence of Crown guarantee:** No obligation of the Borrower under or in respect of this agreement or the Facility is guaranteed by the Crown.
-

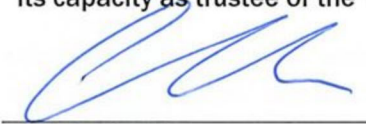

## Execution Page

## Borrower

Signed by Auckland Council by:

  
Signature of Chief ExecutivePhil Wilson  
Name of Chief Executive  
Signature of witnessKERRY HARRINGTON  
Name of witnessEXECUTIVE ASSISTANT  
OccupationAUCKLAND  
City/town of residence

## Lender

Signed by Auckland Future Fund Trustee Limited in  
its capacity as trustee of the Trust by:  
Signature of directorChristopher Grant  
Name of director  
Signature of directorDAVID CHARLES CALLANAN  
Name of director

## Schedule 1

### FORM OF DRAWDOWN NOTICE

To: Auckland Future Fund Trustee Limited in its capacity as trustee of the trust established in relation to the Auckland Future Fund

From: Auckland Council

Date:

**Future Fund liquidity facility agreement dated**

**2025 (Agreement)**

1. The Borrower wishes to borrow an Advance as follows:
  - (a) Drawdown Date:
  - (b) Amount:
  - (c) Repayment Dates and Repayment Amounts:
  - (d) Payment instructions:
  - (e) Bank account:
2. The Borrower confirms that, as at the date of this Drawdown Notice:
  - (a) the representations and warranties contained in clause [7.1](#) of the Agreement are true and correct by reference to the facts and circumstances subsisting as at that date; and
  - (b) no Event of Default or Potential Event of Default (each within the meaning of the Agreement) has occurred and remains unremedied or unwaived.

By:

---

Authorised Signatory



## Schedule 2

### FORM OF CERTIFICATE

#### Chief Executive Certificate

To: Auckland Future Fund Trustee Limited in its capacity as trustee of the trust established in relation to the Auckland Future Fund

Mayne Wetherell

I, [●], the Chief Executive of Auckland Council (**Borrower**) certify as follows:

#### 1. Authorisations

1.1 As at the date of this certificate, the Borrower has, passed or obtained all necessary authorisations (**Authorisations**) to:

- (a) approve the transactions (**Transactions**) contemplated by the documents listed in schedule 1 of this certificate (**Documents**) and each Document itself;
- (b) authorise signing of the Documents by the Chief Executive (or other relevant person) on behalf of the Borrower in the manner in which they have actually been signed or delegate sufficient authority to the person(s) who authorised execution of the Documents to give that Authorisation; and
- (c) authorise the persons specified in schedule 2 to give any notices and other communications and take any other action required under or in connection with the Documents or the Debenture Trust Deed (as defined in the agreement) on behalf of the Borrower.

1.2 The Authorisations remain in full force and effect.

#### 2. Compliance with the Act

2.1 For the purposes of section 118 of the Local Government Act 2002 (**Act**), the Borrower's entry into the Documents is a protected transaction (as defined in the Act) and, in entering into the Documents and the performance of its obligations under the Documents and the Debenture Trust Deed and all other documentation contemplated by or entered into in connection with the Documents and the Debenture Trust Deed, the Borrower has complied with the Act.

#### 3. Due execution

3.1 The Documents have been properly and duly executed by the Borrower.

#### 4. Authorisations

- 4.1 All consents and other authorisations required by the Borrower in connection with the entry into, execution and performance of the Documents and the Transactions have been obtained on an unconditional and unqualified basis and remain in full force and effect.

#### 5. Authorised signatures

- 5.1 Schedule 2 sets out the true signatures of the persons who have been authorised to give any notices and other communications, and to take any other action required, under or in connection with the Documents or the Debenture Trust Deed on behalf of the Borrower.

This certificate is given by me in my capacity as Chief Executive of the Borrower in good faith on behalf of the Borrower and I shall have no personal liability in connection with the issuing of this certificate.

Dated:

---

Chief Executive

## Schedule 1 – Documents

4

1. A liquidity facility agreement dated on or before the date of this certificate between Auckland Council and Auckland Future Fund Trustee Limited in its capacity as trustee of the trust established in relation to the Auckland Future Fund.
2. Any other document contemplated by, or necessary or required give effect to, the above documents or the Transactions.

## Schedule 2 – Authorised Signatories

4

Title	Name	Signature

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
Sep-24	Board meeting	27/09	TIRM							✓
	• Trust deed									
	• Fund services agreement									
	• Draft SOI									
	Directors' interests register reviewed	27/09	Board							✓
	Forward work programme plan reviewed	27/09	TIRM							✓
	Establishment update to Governing Body	26/09	TIRM							✓
	Approve fund administration service agreement	27/09	Board							✓
	Approve Trust Deed	27/09	Board							✓
Oct-24	Approve draft SOI	27/09	Board							✓
	Adopt constitution	27/09	Board							✓
	Board meeting	31/10	TIRM							✓
	• SOI adoption									
	• D&O insurance									
	Directors' interests register reviewed	31/10	Board							✓
	Forward work programme plan reviewed	31/10	TIRM							✓
	Adopt SOI	31/10	Board							✓
	Board meeting	28/11	TIRM							✓
Nov-24	• Meeting schedule									
	Directors' interests register reviewed	28/11	Board							✓
	Forward work programme plan reviewed	28/11	TIRM							✓
Dec-24	Update authorised signatory list	31/12	TIRM							✓
Jan-25	-									-
Feb-25	Board meeting	13/02	TIRM							✓
	• Liquidity agreement									

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
	• Financial statements									
	Directors' interests register reviewed	13/02	Board							✓
	Forward work programme plan reviewed	13/02	TIRM							✓
	Execute liquidity agreement	29/02	Board							✓
	Half year financial statements	13/02	AC							✓
Mar-25	Board meeting	13/03	TIRM							
	• Receive Letter of Expectations									
	• Draft SOI									
	Directors' interests register reviewed	13/03	Board							
	Compliance and work programme plan reviewed	13/03	TIRM							
	Receive letter of expectation	07/03	Board							
	Update authorised signatory list	30/03	TIRM							
	Website review	30/03	TIRM							
Apr-25	Roll term deposits	10/03	Board							
	Board meeting	17/04	TIRM							-
	• Q3 Performance and risk reporting									
	Global investment manager appointment	30/04	GIM							-
	Directors' interests register reviewed	17/04	Board							-
	Compliance and work programme plan reviewed	17/04	TIRM							-
	Quarterly financial statements	17/04	AC							-
	Quarterly CCO report	28/04	TIRM							-
May-25	Draft SOI provided to shareholder	01/04	TIRM							-
	Board agenda published to website	11/04	TIRM							-
	Board meeting	16/05	TIRM							-
	• SIPO									
										Delayed due to LoE delay

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
	Establishment update to Governing Body	29/05	TIRM							-
	Global investment manager report (for prior month)	31/05	GIM							-
	Directors' interests register reviewed	16/05	Board							-
	Compliance and work programme plan reviewed	16/05	TIRM							-
	Receive shareholder feedback on draft SOI	29/05	Board							-
	Attendance at CCO Oversight Committee	13/05	Board							-
	Board agenda published to website	09/05	TIRM							-
Jun-25	Board meeting	12/06	TIRM							-
	• Six-month GL and bank account reporting									
	Global investment manager report (for prior month)	30/06	GIM							-
	SIPO completed	30/06	Board							-
	Approve Local Board Engagement Plan	30/06	Board							-
	Approve Māori Outcomes Plan	30/06	Board							-
	Directors' interests register reviewed	12/06	Board							-
	Compliance and work programme plan reviewed	12/06	TIRM							-
	D&O renewal	30/06	Board							-
	Board agenda published to website	06/12	TIRM							-
	Public meeting notification (for next month)	23/06	TIRM							-
Jul-25	Update authorised signatory list	30/06	TIRM							-
	Shareholder meeting exemption	TBA	AC							
	Board meeting (public)	17/07	TIRM							-
	• Shareholder feedback on draft SOI									
	Global investment manager report (for prior month)	31/07	GIM							-
	Climate disclosures reporting and other Disclosures in terms of NZX etc	TBA	AC							

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
	Directors' interests register reviewed	17/07	Board							-
	Compliance and work programme plan reviewed	17/07	TIRM							-
	Provide updated SOI for final submission	31/07	Board							-
	Board agenda published to website	18/07	TIRM							-
	Distribution to Auckland Council	TBA	GIM							-
	Board meeting	14/08	TIRM							-
Aug-25	<ul style="list-style-type: none"> <li>Adoption of SOI 2025 – 2028</li> <li>Q4 Performance &amp; Risk Reports</li> <li>Financial Reporting for Year ended 30 Jun 2025</li> </ul>									
	Global investment manager report (for prior month)	31/08	GIM							-
	ARC annual audit and financial risk report	TBA	AC							-
	Letter of representation to auditors	TBA	AC							-
	Directors' interests register reviewed	14/08	Board							-
	Compliance and work programme plan reviewed	14/08	TIRM							-
	Quarterly financial statements	31/08	AC							-
	Quarterly CCO report	29/08	TIRM							-
	Shareholder final SOI approval	30/08	AC							-
	Board agenda published to website	08/08	TIRM							-
	Board meeting	19/09	TIRM							-
	<ul style="list-style-type: none"> <li>Annual reports</li> </ul>									-
	Global investment manager report (for prior month)	30/09	GIM							-
Sep-25	Directors' interests register reviewed	19/09	Board							
	Compliance and work programme plan reviewed	19/09	TIRM							
	Audit and risk presentation to AC Audit and Risk Committee	16/09	Board							-



Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
	Annual Report	30/09	AC							-
	Board agenda published to website	12/09	TIRM							-
	Public meeting notification (for next month)	22/09	TIRM							-
	Update authorised signatory list	30/09	TIRM							-
	Access cards renewed	30/09	TIRM							-
	Annual service agreement review	30/09	Board							-
	Review Trust Deed compliance	30/09	TIRM							-
	Review Constitution compliance	30/09	TIRM							-
Oct-25	Board meeting (Public)	17/10	TIRM							-
	• Performance against SOI targets for 30 Jun 2025									
	• Q1 Performance & Risk Reports									
	Global investment manager report (for prior month)	30/10	GIM							-
	Directors' interests register reviewed	17/10	Board							-
	Compliance and work programme plan reviewed	17/10	TIRM							-
	Annual return for Companies Register	30/10	TIRM							-
	Review Responsible Investment Policy	31/10	Board							-
	Quarterly financial statements	17/10	AC							-
	Quarterly CCO report	TBA	TIRM							-
	Board agenda published to website	10/10	TIRM							-
	Board meeting	20/11	TIRM							-
Nov-25	• TBA									
	Global investment manager report (for prior month)	30/11	GIM							-
	Directors' interests register reviewed	20/11	Board							-
	Compliance and work programme plan reviewed	20/11	TIRM							-
	Attendance at CCO Oversight Committee	TBA	Board							-

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
Dec-25	Board agenda published to website	14/11	TIRM							-
	Board meeting	18/12	TIRM							-
	• Letter of Expectation received									
	• Six-month GL and bank account reporting									
	Global investment manager report (for prior month)	31/12	GIM							-
	Directors' interests register reviewed	18/12	Board							-
	Compliance and work programme plan reviewed	18/12	TIRM							-
	Receive letter of expectation	19/12	Board							-
Jan-26	Board agenda published to website	12/12	TIRM							-
	Update authorised signatory list	19/12	TIRM							-
	Global investment manager report (for prior month)	31/01	GIM							-
	Tax return	TBA	AC							-
Feb-26	Board meeting	12/02	TIRM							-
	• Q2 Performance & Risk Reports									
	• Financial Reporting for half-year ended 31 Dec									
	• Draft Statement of Intent 2026 - 2029									
	Global investment manager report (for prior month)	28/02	GIM							-
	Review liquidity agreement	12/02	Board							-
	Letter of representation to auditors	TBA	Board							-
	Directors' interests register reviewed	12/02	Board							-
	Compliance and work programme plan reviewed	12/02	TIRM							-
	Half year Report	12/02	AC							-
	Quarterly financial statements	12/02	AC							-
	Quarterly CCO report	TBA	TIRM							-
	Board agenda published to website	06/02	TIRM							-

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
Mar-26	Board meeting	19/03	TIRM							-
	• TBA									
	Global investment manager report (for prior month)	31/03	GIM							-
	Directors' interests register reviewed	19/03	Board							-
	Compliance and work programme plan reviewed	19/03	TIRM							-
	Draft SOI provided to shareholder	01/03	TIRM							-
	Attendance at CCO Oversight Committee	TBA	Board							-
	Board agenda published to website	13/03	TIRM							-
	Update authorised signatory list	31/03	TIRM							-
Apr-26	Website review	31/03	TIRM							-
	Board meeting	TBA	TIRM							-
	• Q3 Performance & Risk Reports									
	Global investment manager report (for prior month)	30/04	GIM							-
	Directors' interests register reviewed	TBA	Board							-
	Compliance and work programme plan reviewed	TBA	TIRM							-
	Quarterly financial statements	TBA	AC							-
	Quarterly CCO report	TBA	TIRM							-
	Receive shareholder feedback on draft SOI	TBA	Board							-
May-26	Board agenda published to website	TBA	TIRM							-
	Board meeting	TBA	TIRM							-
	• TBA									
	Global investment manager report (for prior month)	31/05	GIM							-
	Directors' interests register reviewed	TBA	Board							-
	Compliance and work programme plan reviewed	TBA	TIRM							-
	Attendance at CCO Oversight Committee	TBA	Board							-

Month	Task	Due	Who	Required by					Status	Comments
				CCO policy	Comp Act	LGA	LGOMA	Services agreement	Other	
	Board agenda published to website	TBA	TIRM						-	
	Public meeting notification (for next month)	TBA	TIRM						-	
Jun-26	Board meeting (Public)	TBA	TIRM						-	
	<ul style="list-style-type: none"> <li>Shareholder feedback on draft SOI</li> <li>Finalise SOI</li> <li>Six-month GL and bank account reporting</li> </ul>									
	Global investment manager report (for prior month)	30/06	GIM						-	
	Local Board Engagement Plan	30/06	Board						-	
	Māori Outcomes Plan	30/06	Board						-	
	Directors' interests register reviewed	TBA	Board						-	
	Compliance and work programme plan reviewed	TBA	TIRM						-	
	D&O renewal	30/06	Board						-	
	Provide updated SOI for final submission	TBA	Board						-	
	Board agenda published to website	TBA	TIRM						-	
	Update authorised signatory list	30/06	TIRM						-	
	Review Responsible Investment Policy	30/06	Board						-	

07 March 2025

Chris Swasbrook  
Chair  
Auckland Future Fund Trustee Limited

**Via email:** [chris.swasbrook@elevationcapital.co.nz](mailto:chris.swasbrook@elevationcapital.co.nz)

9

Tēnā koe Chris,

### **Letter of Expectation for Statement of Intent 2025-2028**

This letter of expectation sets out the council's priorities and expectations to inform the development of the draft Statement of Intent (SOI) 2025-2028 of Auckland Future Fund Trustee Limited (AFFTL).

The content of this letter was approved by the Governing Body on 27 February 2025, with delegation to the Mayor and Councillor Fletcher (as your Lead Councillor) to finalise and issue this letter of expectation. (GB/2025/8)

The Governing Body has also approved extensions of the statutory deadlines for the AFFTL SOI process, as per the Local Government Act 2002 (Schedule 8, section 4). Due dates are:

- submission of the draft SOI is on or before 1 April 2025
- final submission of the SOI is on or before 31 July 2025.

Council also notes that AFFTL will produce a Statement of Investment and Policy Objectives (SIPO) that sets out the investment governance and management framework, philosophy, strategies and objectives of the Fund and will provide council with the final policy no later than 30 June 2025.

### **Part 1. Expectations of all CCOs**

There are a several common expectations for CCOs that are not applicable to AFFTL given that it does not deliver services or infrastructure directly to Aucklanders or manage physical assets on council's behalf. The remaining common expectations applicable to AFFTL are:

- CCOs are expected to focus on delivering year two of the LTP 2024-2034. Final SOIs (including financial information and performance measures) should be aligned with the final 2025/2026 Annual Budget and the strategic priorities contained within.
- As part of the CCO reform package approved by the Governing Body on 12 December 2024, council will also be pursuing a range of non-structural changes to support the reset of the CCO model as it applies to all substantive CCOs. Any additional requirements or changes arising from this will be communicated to CCOs.

- CCOs should adhere to the Statement of Expectations of Substantive CCOs (to be updated in 2025), which explains how CCOs should conduct their business and manage their relationships with council and other interested groups.
- As such, CCOs should work with the government, only where interests are aligned and messages are consistent with those of Auckland Council. CCOs should inform council of any conversation with the government on any new proposal or legislative reform. These engagements should be summarised in your quarterly reporting.
- Given AFFTL's recent establishment, it is expected that technology, people, procurement, corporate support, data, customer experience and digital services are provided by Group Shared Services and no duplication is created by AFFTL.
- Auckland Council Group is committed to upholding its obligations derived from Te Tiriti o Waitangi and to achieving better outcomes for Māori. AFFTL is expected to share this commitment and contribute to its delivery, including through (but not limited to):
  - a) AFFTL completing its first Achieving Māori Outcomes (AMO) Plan, which includes key performance indicators to track progress over time. Once the AMO is established, AFFTL should report on this as part of the quarterly performance report. Ngā Matārāe (Council's Māori Outcomes Directorate) are available to offer support to CCOs with navigating Kia Ora Tāmaki Makaurau Māori Outcomes Framework and any updates to this framework.
  - b) As required, work collaboratively with Ngā Matārāe and other Māori Outcomes specialists across the council group to take a whole-of-council-group approach to delivering outcomes for Māori.

## Part 2. Key expectations of Auckland Future Fund Trustee Limited

The key expectation for AFFTL is to deliver distributions to council from the Auckland Future Fund (the Fund) in 2025/2026 in accordance with the Fund Distribution Policy. This is in line with the purposes of the Fund (as set out in the Trust Deed):

- To maintain or increase the real value of assets that are put into the Fund over time so they can continue to benefit future generations; and,
- To provide a strong return to Auckland Council to fund services and infrastructure.

Staff are available to expand aspects of this letter if required. Please contact Alastair Cameron, Manager CCO Governance and External Partnerships to discuss.

Ngā mihi



Wayne Brown  
**MAYOR OF AUCKLAND**

cc:

Cr Christine Fletcher, Lead Councillor  
Cr Shane Henderson, Chair CCO Direction and Oversight Committee  
Alastair Cameron, Manager CCO Governance and External Partnerships

[Front page image]

**Draft** Statement of Intent

Auckland Future Fund Trustee Limited

1 July 2025 to 30 June 2028

Contents

Message from the chair of the board ..... 3

Part 1: Strategic overview ..... 4

1.1 Purpose and functions ..... 4

1.2 Auckland Future Fund structure ..... 4

1.3 Objectives, nature and scope of activities – ‘what we do’ ..... 5

1.4 Response to the council’s strategic objectives and outcomes ..... 6

1.5 About us – statement of the board’s approach to governance ..... 8

Part 2: Statement of performance expectations ..... 10

2.1 How we will deliver – the annual work programme ..... 10

2.2 How we will assess performance – performance measures and targets ..... 10

2.3 Financials ..... 11



## Message from the chair of the board

I am pleased to present this statement of intent as Auckland Future Fund Trustee Limited (sole trustee for Auckland Future Fund) enters its first full year in operation.

Last year the AFFTL board sold Auckland Council's remaining shareholding in Auckland International Airport Ltd for \$1.319 billion to capitalise the Auckland Future Fund. It was a very successful sale earning \$30.6 million more than expected due to a higher share price than budgeted and minimal fees.

We are now focused on appropriately investing the proceeds to meet the purpose of the fund (as set out in the Trust Deed):

- To maintain or increase the real value of assets that are put into the fund over time so they can continue to benefit future generations.
- To provide a strong return to Auckland Council to fund services and infrastructure.

To achieve these, in April 2025, the board appointed [XXX] as global investment manager for the fund. The board and [XXX] have collaborated to establish the fund's first Statement of Investment Policy Objectives (SIPO). The SIPO sets out the intended investment strategies and objectives of the fund, including strategic asset allocation, asset classes and benchmarks, and rebalancing and hedging settings. We are now operating under the fund's SIPO and governing documents to deliver on the purpose of the trust and ensuring we provide the annual distribution to the council as set out in the Auckland Future Fund Distribution Policy.

Other responsibilities for AFFTL this year are:

- reviewing Auckland Council's Responsible Investment Policy and providing recommendations to the Governing Body. This will be carried out in conjunction with the managers of the council's Self-Insurance Fund which the policy also applies to.
- jointly with the council, supporting the Auckland Council (Auckland Future Fund) Bill as it progresses through Parliament.

It is a privilege to lead this exciting opportunity for Auckland to generate strong investment returns with a fund that is a crucial new asset for the city's future prosperity and resilience. We look forward to the year ahead, delivering for Aucklanders, continuing to build strong relationships with our Lead Councillor, the Mayor, and other elected members and to engage with Houkura (Independent Māori Statutory Board) to identify how we can support positive outcomes for Māori.

Christopher Swasbrook  
Chair  
Auckland Future Fund Trustee Limited

## Part 1: Strategic overview

### 1.1 Purpose and functions

As part of the Long-term Plan 2024-2034, Auckland Council (Council) decided to establish a long-term investment fund, to be called the Auckland Future Fund (the Fund), to improve the council's financial and physical resilience.

The fund is held in trust pursuant to a Deed of Trust. The initial trustee is the Auckland Future Fund Trustee Limited, a company incorporated under the Companies Act 1993.

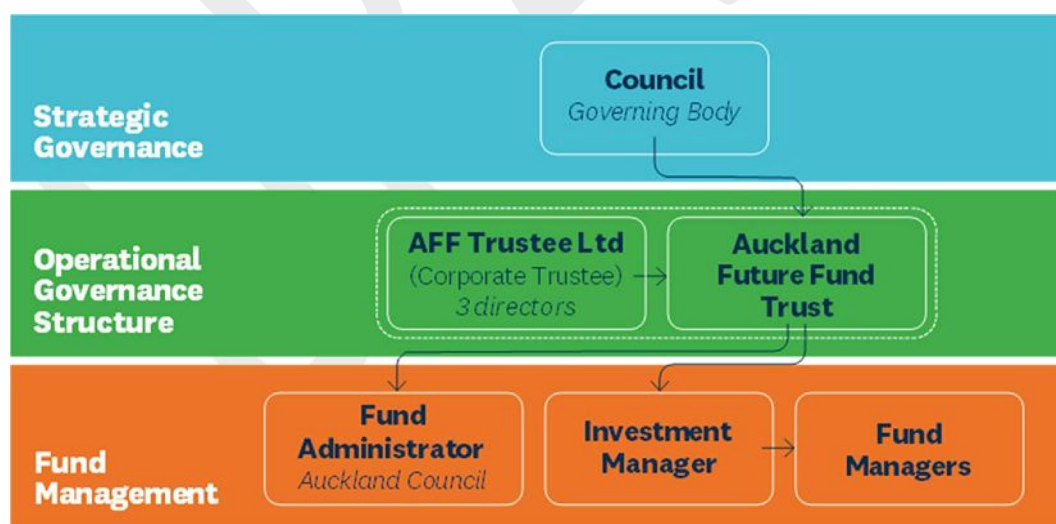
The trustee role is to advance and achieve the purposes of the Auckland Future Fund, which are set out in the Trust Deed as follows:

- To maintain or increase the real value of assets that are put into the Fund over time so they can continue to benefit future generations; and
- To provide a strong return to Auckland Council to fund services and infrastructure.

### 1.2 Auckland Future Fund structure

The structure of AFF is shown in the following diagram, with the key components being:

- **Strategic Governance** – Auckland Council sets the strategic direction.
- **Operational Governance** – Auckland Future Fund Trustee Limited (AFFTL) is the trustee of the Auckland Future Fund trust that has stewardship of the fund.
- **Management** – the trustee and the trust are supported by a Fund Administrator under a services agreement with Auckland Council. AFFTL is charged with sourcing and managing professional/independent managers for the trust's assets.



AFFTL is a substantive council-controlled organisation (CCO) of Auckland Council.

The fund was initially capitalised with the council's shareholding in Auckland International Airport Limited (AIAL), and the council will work to identify opportunities to make further capital contributions to the fund.

Trust decisions are made independently by us in accordance with the governing documents of the fund, which include:

- Auckland Future Fund Trust Deed
- Auckland Future Fund Policy
- Auckland Future Fund Distribution Policy
- Responsible Investment Policy.

All investment and transactional decisions of the fund are made by us in accordance with the Trust Deed, Trusts Act 2019, and governing documents.

### 1.3 Objectives, nature and scope of activities – ‘what we do’

Unlike the other CCOs of Auckland Council, we do not directly provide services to Aucklanders beyond the protection of the value of the long-term assets with which we have been entrusted.

We are an enabler of services by providing strong returns to the council that can be used to fund services and infrastructure, reducing council’s reliance on rates. We achieve this by being responsible for the stewardship of the fund, including overseeing its investments and distributions to the council.

We have a long-term focus on protecting the real value of the fund over time and managing the shorter-term variations that are inherent in the financial markets.

Purpose	Objectives	Activities	Performance Measures
<ul style="list-style-type: none"> <li>• To maintain or increase the real value of assets that are put into the Fund over time so they can continue to benefit future Generations.</li> <li>• To provide a strong return to Auckland Council to fund services and infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase Auckland’s financial and physical resilience.</li> <li>• Ensure basic infrastructure and services can continue to be delivered affordably.</li> <li>• Increase trust and confidence that the Council delivers value for current and future residents.</li> <li>• Effective stewardship of the Auckland Future Fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring the independent Investment Managers appointed to invest the Fund’s assets.</li> <li>• Ensuring compliance with the Responsible Investing Policy and other reporting requirements.</li> <li>• Making distributions to the Council in accordance with the Auckland Future Fund Distribution Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Real Growth of the Fund.</li> <li>• Gross Return on Fund.</li> <li>• Net Return on Fund.</li> <li>• Distribution to the council.</li> </ul>

### Potential additional responsibilities

We acknowledge that there is potential for the council as shareholder to request that we undertake additional responsibilities, under the existing AFF Trust Deed or by an additional mandate to AFFTL. We would expect to be empowered and resourced to manage any additional responsibilities to best achieve the council's commercial and other objectives. We commit to constructively engaging with the council on any potential additional responsibilities.

## 1.4 Response to the council's strategic objectives and outcomes

### The Statement of intent (SOI)

Our annual SOI is required by the Local Government Act 2002 and publicly states our activities and intentions for the next three years, and how they contribute to the council's objectives. Our SOI provides an opportunity for council to influence the direction of AFFTL and provides a basis for the accountability of performance. The SOI is prepared each year in response to the Mayor's Letter of Expectations (LoE).

### Mayor's annual letter of expectations

The Mayor's Letter of Expectations (07 March 2025) sets out the council's priorities and expectations to inform the preparation of this SOI. It sets out common expectations across all council-controlled organisations (CCOs), and expectations specific to us. A copy of the LOE is published on our website ([aucklandfuturefund.co.nz](http://aucklandfuturefund.co.nz)).

### Common CCO expectations

There are a several common expectations for CCOs that are not applicable to AFFTL given that it does not deliver services or infrastructure directly to Aucklanders or manage physical assets on council's behalf. The remaining common expectations that are applicable to AFFTL are summarised below:

- delivering year two of the Long-term Plan 2024-2034
- compliance with the Statement of Expectations of substantive CCOs.
- engagement with government
- ensuring no duplication is created by AFFTL
- supporting Māori outcomes
- providing any support for the CCO reform (if required).

For AFFTL this will include:

- working with the council on a joint submission to Select Committee for the Auckland Council (Auckland Future Fund) Bill
- completing our first Achieving Māori Outcomes (AMO) Plan
- as required, working collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the council group to take a whole-of-council-group approach to delivering outcomes for Māori.

We will work with council staff and Lead Councillor to implement these requirements. This SOI is aligned with the Long-term Plan 2024-2034 and its applicable policies.



### AFFTL specific expectations

The expectation included in the LOE relating specifically to AFFTL is to deliver distributions to council in accordance with the Auckland Future Fund Distribution Policy.

Following the successful sale of council's remaining Auckland International Airport shareholding and the capitalisation of the fund, the focus of AFFTL this year is to appropriately invest the funds in order to meet the purposes of the fund (as set out in the Trust Deed)

## Auckland Plan 2025

The Auckland Plan 2050 is Auckland Council's vision for a world-class city. It is the long-term spatial plan for Tāmaki Makaurau Auckland, which sets the strategic direction for the region and is underpinned by a set of six outcomes to achieve this vision.

As already noted, AFFTL is not a direct service provider; however, this does not mean that it doesn't contribute indirectly to the strategic outcomes of the council as noted below:



## Contributions to the council's Strategies

### Auckland Council Financial Strategy

AFFTL also directly contributes to the first three of the identified four near-term goals of the council's financial strategy:

- Increase Auckland's financial and physical resilience
- Ensure basic infrastructure and services can continue to be delivered affordably
- Increase trust and confidence that we are delivering value for current and future residents
- A new approach to partnering with central government to provide regional leadership and deliver better outcomes for Aucklanders.

The financial markets in which the fund will invest impacts its ability to deliver on the council's outcomes and goals. By taking a long-term perspective and diversifying its investments, AFF will seek to manage risks.

### Achieving Māori Outcomes

A thriving Māori identity and Māori wellbeing outcome of the Auckland Plan 2050 highlights in Tāmaki Makaurau is our point of difference. Kia Ora Tamaki Makaurau – Māori Outcomes Framework identifies how the council group contributes towards this thriving Māori identity and other outcomes.

AFFTL will work on developing an Achieving Māori Outcomes plan and reporting that is appropriate for the organisation, reflecting its scope and the nature of its activities. This will include consideration for how AFFTL aligns with the Māori Outcomes strategic direction for the council group, gives effect to He Waka Kōtuia audit recommendations and engages with Māori (mana whenua, mātaawaka, and Māori entities).

Due to the nature of its activities, the AFFTL might not directly contribute to these outcomes; however, by managing risk and providing strong returns to the council, it enables the achievement of these outcomes across the group.

### Local Boards

The investment and distribution activities of AFFTL are not a local activity and so do not require engagement with local boards when making decisions. Distributions to the council will be used to fund a range of activities, potentially including local activities decided by the council through its planning.

### Climate Change

AFFTL will be guided by the Responsible Investment Policy which includes climate change considerations.

## 1.5 About us – statement of the board’s approach to governance

Auckland Future Fund Trustee Limited (AFFTL) is the corporate trustee of the Auckland Future Fund trust. Its board consists of three directors (appointed by the council) and meets regularly.

We will act in accordance with Auckland Council expectations as outlined within the CCO Accountability Policy and other key policies, along with its statutory obligations under the Companies Act 1993 and the Trusts Act 2019.

Our core responsibilities are to:

- develop and negotiate Statements of Intent with the council
- act consistently within the guidelines provided in the Statement of Expectations
- actively review and direct the overall strategy, policies and delegations of AFFTL
- obtain full and timely information necessary to discharge its obligations
- identify, evaluate and mitigate controllable risk factors
- manage and monitor the fund’s performance
- report to the council on the performance of the CCO.

Managing risk is a key component of our role and we will utilise independent and reliable advice on key assumptions and forecasts upon which we make decisions.

### Fund Administrator Services Agreement

Where possible, we use Auckland Council's Group Shared Services to ensure we do not create duplication. Additionally, we will continue to utilise other services of the council through a services agreement. Through this agreement we will not need to employ staff to undertake our activities and can leverage off the scale and skills of the council.

### Houkura / Independent Māori Statutory Board

We are committed to working alongside the council and Houkura / Independent Māori Statutory Board where applicable to meet the requirements of the tri-annual Treaty of Waitangi Audit and Houkura's Schedule of Issue of Significance to Māori.

### Climate Related Disclosures reporting

AFFTL and the fund have no statutory requirement to prepare climate reporting in their own right. However, as a council group entity, we will participate in the council's group reporting processes and provide the council with information, including, if necessary, information obtained from investment and fund managers, to enable the council to meet its reporting requirements as a climate reporting entity, complying with the New Zealand External Reporting Board's Aotearoa New Zealand Climate Standards.

### Meetings

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009).

Purpose of Public Meeting	Date	Form of Public Notification
Consider shareholder comments on draft SOI for 2025-2028	12 June 2025	Board meetings will be advertised on our website and through the public notices section of the New Zealand Herald normally five days prior to the meeting date.
Consider prior year performance against SOI targets (2024-2025)	17 October 2025	

Members of the public are welcome to attend the two statutory meetings (as outlined in the table above). We will hold as much of our board meetings in the open as possible. If required, a public-excluded session will be held at each meeting to discuss confidential matters.

Agendas and board papers (with confidential information redacted or excluded) will be posted on the Auckland Future Fund website (aucklandfuturefund.co.nz) prior to each meeting. Members of the public are invited, via the Auckland Future Fund website, to present to the board on issues relevant to AFFTL or the fund.

## Part 2: Statement of performance expectations

This section sets out our performance expectations. As AFFTL does not deliver capital projects or services directly to Aucklanders, our expectations are focused on achieving the purposes of the fund:

- To maintain or increase the real value of assets that are put into the fund over time so they can continue to benefit future generations; and
- To provide a strong return to Auckland Council to fund services and infrastructure

### 2.1 How we will deliver – the annual work programme

AFFTL (through the Fund) is tasked with delivering strong returns while protecting the real value of the fund for future generations. We will achieve this by working with our appointed global investment manager [XXX]. We have also appointed Mapua Wealth as Independent Advisor to the Board for the first year establishing the fund. The expected returns are set out in the council's Auckland Future Fund Distribution Policy and outlined in the performance measures (page [X]).

#### Statement of investment and policy objectives (SIPO)

In collaboration with the global investment manager, we prepared the first SIPO for the fund in [June] 2025. All investments and investment management must align with the SIPO. The document sets out the investment governance and management framework, philosophy, strategies and objectives of the fund. A copy of the SIPO is available on our website ([aucklandfuturefund.co.nz/en/governance](http://aucklandfuturefund.co.nz/en/governance))

#### Auckland Council Responsible Investment Policy

We are also required to follow Auckland Council's Responsible Investment Policy which sets out the council's principles and guidelines for investing responsibly. We will work with the global investment manager and the managers of the council's Self Insurance Fund to review the policy and make recommendations to the council's Governing Body on any proposed amendments or updates. The current policy can be found on the council's website [Responsible Investment Policy](#)

### 2.2 How we will assess performance – performance measures and targets

The four objectives of the fund (see diagram on page [4]) can be summarised into two overarching objectives that link to the purposes of the fund: strong returns and to protect the real value of the Fund over time.

The performance measures and applicable targets, which are subject to audit, related to these two overarching objectives are detailed below and are as specified in the Auckland Future Fund Distribution Policy.



The initial distribution rate in the policy was calculated by assessing the expected long-term median return on the fund, deducting the expected costs of operating and transacting the fund, and then retaining a portion of that net return to protect the long-term real value of the fund.

Objective	Performance Measure	Targets		
		2025/26	2026/27	2027/28
Strong returns	Gross Return on Fund	7.64%	7.64%	7.64%
	Net Return on Fund	7.24%	7.24%	7.24%
	Distribution to council	5.24%	5.24%	5.24%
Protect the real value of the Fund	Real Growth of Fund	2.00%	2.00%	2.00%

## 2.3 Financials

The following prospective financial statements for AFFTL have been prepared based on:

- 2024/25: expected results as at 30 June
- 2025/26: revised budget as per the council's 2025/2026 annual budget
- 2026/27 and 2027/28: Long-term plan 2024-2034 (LTP) figures.

These prospective financial statements have been prepared for the Statement of Intent 2025-2028. The information may not be appropriate for any other purposes. Actual financial results achieved for the periods covered are likely to vary from the information presented, and the variations may be material. Other than normal market volatility, it is not anticipated that there will be any factors that may lead to a material difference between information in the prospective financial statements and the actual financial results prepared in future reporting periods.

The prospective financial statements have been prepared using the actual financial position as at 31 March 2025 as a starting point. It is not intended that these prospective financial statements will be updated after they have been authorised for issue.

## Prospective Statement of Comprehensive Revenue & Expense

\$ million	2024/25 Actual	2025/26 Revised budget	2026/27 LTP	2027/28 LTP
<b>Revenue</b>				
Dividend revenue	36.32	73.36	74.83	76.33
<b>Total revenue</b>	36.32	73.36	74.83	76.33
<b>Expenditure</b>				
Operating and transaction costs	2.58	5.20	5.31	5.41
<b>Total expenditure</b>	2.58	5.20	5.31	5.41
<b>Operating surplus before tax</b>	33.74	68.16	69.53	70.92
<i>Operating surplus after tax attributable to:</i>				
AFF Trust	33.74	68.16	69.53	70.92
<i>Other comprehensive income</i>				
Gain on revaluation of financial assets held at fair value through other comprehensive revenue and expenditure	12.88	26.02	26.54	27.07
<b>Total other comprehensive income after tax</b>	12.88	26.02	26.54	27.07
<b>Total comprehensive income after tax</b>	46.62	94.18	96.07	97.98

## Prospective Statement of Financial Position

\$ million	2024/25 Actual	2025/26 Revised budget	2026/27 LTP	2027/28 LTP
<b>ASSETS</b>				
Bank	2.58	5.20	5.31	5.41
Other financial assets	1300.83	1326.85	1353.39	1380.45
<b>Total assets</b>	1303.41	1332.05	1358.69	1385.86
<b>LIABILITIES</b>				
Accounts payable	2.58	5.20	5.31	5.41
<b>Total liabilities</b>	2.58	5.20	5.31	5.41
<b>Net assets</b>	1300.83	1326.85	1353.39	1380.45
Contributed Equity	1287.95	1287.95	1287.95	1287.95
Retained earnings	0	0	0	0
Revaluation reserve	12.88	38.9	65.44	92.50
<b>Total equity</b>	1300.83	1326.85	1353.39	1380.45

## Prospective Statement of Changes in Equity

\$ million	2024/25	2025/26	2026/27	2027/28
	Actual	Revised budget	LTP	LTP
	0	1300.82	1326.84	1353.38
<b>Opening balance 1 July</b>				
Total comprehensive revenue and expenses for the year	46.62	94.18	96.06	97.98
<i>Owner transactions</i>				
Contributed equity	1287.95	0	0	0
Distribution to the council	-33.74	-68.16	-69.53	-70.92
<b>Closing balance as at 30 June</b>	<b>1300.82</b>	<b>1326.85</b>	<b>1353.38</b>	<b>1380.45</b>

## Prospective Statement of Cashflows

\$ million	2024/25	2025/26	2026/27	2027/28
	Actual	Revised budget	LTP	LTP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Dividends and interest received	36.32	73.36	74.83	76.33
Operating and transaction costs paid	0	-2.58	-5.20	-5.31
<b>Net cash from operating activities</b>	<b>36.32</b>	<b>70.78</b>	<b>69.63</b>	<b>71.02</b>
<b>Net cash from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Distributions paid	-33.74	-68.16	-69.53	70.92
<b>Net cash from financing activities</b>	<b>-33.74</b>	<b>-68.16</b>	<b>-69.53</b>	<b>70.92</b>
<b>Net increase/(decrease) in cash</b>	<b>2.58</b>	<b>2.62</b>	<b>0.10</b>	<b>0.11</b>
Opening cash balance	0	2.58	5.20	5.31
<b>Closing cash balance</b>	<b>2.58</b>	<b>5.20</b>	<b>5.31</b>	<b>5.41</b>

## Basis of preparation

AFFTL is a council-controlled organisation (CCO) of Auckland Council council-controlled organisation, domiciled in New Zealand and governed by the following legislation:

- Local Government Act 2002 (LGA 2002)
- Local Government (Auckland Council) Act 2009 (LGACA 2009)

AFFTL's principal address is 135 Albert Street, Auckland Central, New Zealand

AFFTL (whether acting in its capacity as trustee of the Auckland Future Fund Trust or otherwise) is not a reporting entity under the FMCA.

The prospective financial statements are presented in New Zealand dollars (NZD) and are rounded to the nearest million dollars unless otherwise stated. AFFTL is a non-GST registered entity, any expenses incurred with GST will be fully recognized as part of the expense. Additionally, revenue will not be subject to GST charges.

As a CCO of Auckland Council, AFFTL's primary objective is to support services and facilities for the community as a social benefit, accordingly AFFTL has designated itself as a public benefit entity (PBE) for financial reporting purposes. The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The prospective financial statements have been prepared on a going concern basis and the accounting policies applied are consistent with those used by the Auckland Council Group for the year ended 30 June 2024.

## Accounting standards issued but not yet effective

The Auckland Council Group will adopt the following accounting standard in the reporting period after the effective date.

### 2024 Omnibus Amendments to PBE Standards, issued October 2024

The 2024 Omnibus Amendments include updates to PBE IPSAS 1 Presentation of Financial Reports to clarify the principles for classifying a liability as current or non-current. The amendments are effective from reporting periods beginning on or after 1 January 2026. The group has not assessed the effect of the amendments in detail.

### PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sector entities was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed the effect of the new standard in detail.

## Significant accounting policies

Accounting policies that are considered critical to the portrayal of AFFTL's financial condition and results, and contain judgements, estimates and assumptions about matters that are inherently uncertain have been included in the notes to these prospective financial statements.

### Derivative financial instruments

AFFTL may use derivative financial instruments, such as forward foreign currency contracts and interest rate swaps, to mitigate risks associated with foreign currency and interest rate fluctuations. The group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date

### Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities are recognised in the Statement of Comprehensive Revenue and Expense.

### Current and deferred income tax

Income tax expense comprises both current tax and deferred tax and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by balance date. Income tax expense is charged or credited to the surplus or deficit in the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity or other comprehensive income.

Current tax is the amount of income tax payable based on the taxable surplus for the current period, plus any adjustments to income tax payable in respect of prior periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which AFFTL expect to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting surplus nor taxable surplus.

AFFTL is currently in the process of applying for income tax exemption. AFFTL is anticipate that income will be exempt from income tax under the Income Tax Act 2007.

### Cash and cash equivalents

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments and are net of bank overdraft. The carrying value of cash on hand, on demand bank deposits and short-term deposits with original maturities of less than three months approximates the fair value.

### Financial assets and liabilities

For the purpose of measurement, AFFTL's financial assets and liabilities are classified into categories according to the purpose for which the financial assets and liabilities are held.

Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Fair value through other comprehensive revenue and expenditure	Fair value	Other comprehensive revenue and expenditure
Financial assets at amortised cost	Amortised cost less provision for impairment	Surplus or deficit
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit

Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied.

The fair values for financial assets and financial liabilities at amortised cost have been calculated as the net present value of future cashflows using discount rates from appropriate interest rate curves. The valuation for foreign debt instruments is based on market data from Bloomberg.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

[Back page image]

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