

Auckland Future Fund Trustee Limited

Meeting of the Board of Directors Agenda (Open)

Friday 16 May 2025 starting 10:15am

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
Tracy Gers	Group Financial Controller
James Colvin	Principal Solicitor Corporate and Finance

#	Agenda Item	Attachment
	<i>Open procedural Items</i>	
1	Introduction/Karakia	
2	Apologies	
3	Declaration of director interests register	Yes
4	Confirmation of the 13 March 2025 meeting minutes	Yes
5	Health and safety	
6	Risks	
7	Public input (if any)	
8	Compliance and forward work programme (Megan Holley)	Yes
	<i>Open items for discussion/decision making</i>	
9	Q3 CCO Performance and risk reporting (Megan Holley)	Yes
10	2025 distribution (John Bishop)	
11	Term deposits (John Bishop)	
12	Financial statement reporting preparation (Tracy Gers)	Yes
13	Local bill (Megan Holley)	Yes
14	Liquidity facility major transaction file note (Bram Van Melle)	Yes

#	Agenda Item	Attachment
15	Status updates (John Bishop/Megan Holley) <ul style="list-style-type: none"> • Additional capital to the fund • Statement of intent 	
16	Other business	
	<i>Procedural motion to exclude the public</i>	
	<i>Confidential items for discussion/decision making</i>	
C1	Global investment manager	
C2	Custodian	
	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 March 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 March 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 risk 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)

The work programme has been updated since the last meeting including some minor edits and the following changes to the programme:

- SIPO delivery delayed one month as the global investment manager appointment is ongoing.
- First Māori Outcomes Plan delivery updated from 30 June 2025 to 30 June 2026 in line with the 2025-2028 Statement of Intent.
- Attendance at CCO Governance and Oversight Committee meetings changed to Governing Body meetings as AFF will continue to report to Governing Body.

Recommendations – That the board approve the updated compliance and forward work programme.

9. Q3 CCO performance and risk reporting (see attachment)

Auckland Council CCOs are required to report quarterly to the council. The reports include progress updates against the statement of intent.

This report covers the 4 months 1 December 2024 – 31 March 2025, as it is the first report since the fund was capitalised.

As there was no April AFFTL board meeting, the report was approved by the chair before being submitted to the council. The CCO Governance team will present the AFFTL Q3 report at the 29 May 2025 Governing Body meeting.

Recommendation – That the board receive the Q3 2025 CCO performance and risk report.

10. 2025 distribution

Section 6.3 of the **Auckland Future Fund Trust Deed** states: *“The Trustee shall procure that distributions are made from the Fund to Auckland Council, from time to time, in accordance with the Auckland Future Fund Distribution Policy. In respect of the first Financial Year, Auckland Council and the Trustee, each acting reasonably, will agree the distribution date(s); in respect of each subsequent year, distributions dates will be agreed as part of the Statement of Intent.”*

The **Auckland Future Fund Distribution Policy** in the council’s Long-term Plan 2024-2034 requires that *“for the financial year ending 30 June 2025 the Distribution Amount will be the amount equal to the applicable Distribution Rate calculated as a percentage of the capital value of the Fund as at the date the Fund was settled on the AFF Trust, pro-rated for the portion of the financial year that the Fund has been invested”*

Accordingly, the distribution for the financial year ending 30 June 2025 will be \$38,426,876. As agreed at the 13 March 2025 AFFTL board meeting, the distribution will be paid on 30 June 2025.

AFF Distribution 2025	
AIAL Shares	163,231,446
Price	8.08
Gross Proceeds	1,318,910,084
Advisory Fees	250,000
Legal Fees	97,891
Net Proceeds	1,318,562,193
Days (9 Dec-20 Jun)	203
Distribution Rate	5.24%
Distribution	38,426,876

The distribution is higher than budgeted (\$33,744,16) due to:

- higher than budgeted sale price
- lower than budgeted transaction costs
- the transaction being completed earlier than the budget assumption.

The distribution is expected to be paid with the cash currently held in AFF's bank account. The payment would be made by the council treasury team under the payment process delegations approved by the board at the 28 November 2024 AFFTL meeting.

Recommendations – That the board:

- **confirm the 2025 distribution complies with the Auckland Future Fund Trust Deed and the Auckland Future Fund Distribution Policy**
- **approve the 2025 Auckland Future Fund distribution amount of \$38,426,876**
- **agree the distribution will be paid by cash currently held by Auckland Future Fund**
- **approve the council to action the distribution payment on 30 June 2025.**

11. Term deposits

The AFF term deposits matured on 9 May 2025. As agreed by the board on 8 May 2025, the council's treasury team has entered the following new term deposits for AFF:

Bank	Value	Rate	Tenor
ANZ	\$200m	3.49%	2 months
BNZ	\$230m	3.48%	1 month
WBC	\$500m	3.50%	2 months

Additionally, \$411,683,302.39 has been left on call (earning OCR) as below:

- ASB: \$398,797,256.34
- BNZ: \$12,886,046.05

Below is a summary of the term deposit and on call interest earnings on the AIAL share sale proceeds from 9 December 2024 to 30 April 2025.

Opening balance	\$1,318.91 million	From sale of AIAL shares
Interest to date	\$22.01 million	9 Dec to 30 Apr including accrued interest
Closing balance of investments as at 30 Apr	\$1,340.92 million	

Average (simple) return to 30 Apr: 4.26%.

Recommendation – That the board note the updated term deposit and interest position.

12. Financial statement reporting preparation (see attachment)

Auckland Council Group's Financial Control team have prepared a memo outlining the financial reporting requirements for AFF and AFFTL for 30 June 2025 and future reporting periods. It also determines the appropriate accounting standards for financial reporting purposes.

The advice concludes that AFF/AFFTL will apply PBE Tier 1 standards for financial reporting, which will align with Auckland Council's financial reporting policies.

Recommendations – That the board:

- **receive the memo from Financial Control**
- **note the financial reporting requirements for AFF and AFFTL**
- **agree the judgements and assumptions in the memo**
- **agree the appropriate accounting standards for financial reporting purposes.**

13. Local Bill (see attachment)

Christopher Swasbrook, Councillor Christine Fletcher and Mayor Wayne Brown jointly presented a written and an oral submission to the Governance and Administration Committee. The written submission is provided as attached. A recording of the oral submission on 9 April 2025 can be found here: <https://vimeo.com/showcase/10758255?video=1069420867>

The select committee report is due to Parliament on 19 August 2025.

Recommendation – That the board note the update on the Auckland Future Fund Bill.

14. Liquidity facility major transaction file note (see attachment)

AFFTL entered into a liquidity facility agreement with the council on 14 February 2025. The council's Legal team has have noted that the agreement could be perceived as a major transaction and reviewed whether requirements for a major transaction have been met.

As per the file note attached, Legal consider the previous council resolutions, mandates and actions constitute the required shareholder approvals for a major transaction.

Recommendation – That the board note the legal judgements in the file note.

15. Status updates

- Additional capital to the fund
- Statement of intent

Recommendation – That the board note the status updates.

16. 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.	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2. Custodian

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

Director Interests as at 12 May 2025

Director	Interest	Company/Entity
Christopher Swasbrook	Chair/Director	Auckland Future Fund Trustee Limited
	Board Member	Financial Markets Authority (FMA)
	Director and Shareholder	CGS&CVS Limited
	Chair/Director and Shareholder	Bethunes Investments Limited (in wind up)
	Director	Holland Family Stonebridge Holdings Limited
	Director & Shareholder	NZX-Listed New Zealand Rural Land Company Limited
	Director	NZRLC Dairy Holdings Limited (NZL subsidiary)
	Chair/Director	McCashin's Brewery Limited
	Director and Shareholder	CGS&CVS #2 Limited
	Director and Shareholder	Elevation Capital Funds Management Limited (FSP# 1007386) – MIS Licensed Manager
	Director and Shareholder	Swasbrook Securities Limited
	Director	SSP NI Limited (NZL subsidiary)
	Chair	The Helen Clark Foundation
	Chair	Auckland Art Gallery Advisory Board
	Investment	Elevation Capital Global Shares Fund via CGS&CVS Limited
	Investment	New Zealand Rural Land Company shares & warrants (NZL.NZX) via CGS&CVS Limited
	Investment	ECFML Clients have holdings in various NZX, ASX and global companies – No client holds AIA shares.
	Banking	HSBC, Westpac, ASB, Wise
	Insurance	Vero, Berkshire Hathaway, Star, Partners Life, NIB, Fidelity Life, Southern Cross, AXA XL.
	KiwiSaver / Other Savings	Kernel – Global 100 Fund & Dividend Aristocrats Fund
	Past Directorships/Memberships	NZX Listed - Allied Farmers
		NZX Listed - Satara Co-operative Group – now part of Eastpack
		TIL Logistics Group Limited (formerly Bethunes Investments and before that Mowbray Collectables)
		New Zealand Rural Land Management Limited
		New Zealand Markets Disciplinary Tribunal (2013-2022)
		ALF Nominees Limited
		Clearwater Hotel 2004 Limited
		Lifestyles of New Zealand Queenstown Limited
		LONZ 2008 Holdings Limited
		LONZ 2008 Limited
		NZ Farmers Livestock Limited
		NZ Farmers Livestock Finance Limited

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

Director	Interest	Company/Entity
	Director	Indi
	Director	Maverick
	Director	Stobo Group
	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
	Pro Bono	
	Chair	Waitaki Boys High School Foundation
	Chair	Finance Risk and Audit Committee Cancer Society Auckland Northern
	Taumata	Otago University Business School

Auckland Future Fund Trustee Limited

Meeting of the Board of Directors – Open minutes

Thursday 13 March 2025 at 3.26pm
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 (Online)
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)

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 disclosed a new interest which was added to the interests register.

Resolution: 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 13 February 2025 meeting minutes

Resolution: The board confirm the open and confidential minutes of its meeting held on 13 February 2025 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. Compliance and forward work programme

Resolutions: The board:

- a. note the 2025/2026 SIPO dates have been updated to reflect the requirements in the trust deed
- b. approve the new compliance and forward work programme format
- c. approve the postponement of the public board meeting from June to July to align with the revised statement of intent timetable.

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

Ross Tucker joined the meeting at 3.29pm.

9. Mayor's Letter of Expectations 2025-2028

Resolution: The board receive the Letter of Expectations 2025-2028.

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

10. Draft Statement of Intent 2025-2028

Resolutions – The board:

- a. agree to provide any further amendments to the draft Statement of Intent 2025-2028 to Megan by Monday 17 March 2025
- b. agree the payment date for the distribution will be 30 June 2026
- c. delegate final approval of the draft statement of intent to the chair
- d. note shareholder feedback will be received following the Governing Body meeting on 29 May 2025.

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

11. Status updates

Auckland Council (Auckland Future Fund) Bill

The local bill passed its first reading in the House and has been referred to the Governance and Administration Select Committee. Submissions close on 8 April 2025. The council will work with the AFFTL chair on a joint submission (as resolved by the Governing Body on 27 February 2025).

Term deposits

As agreed by the board on 10 March 2025, the council's treasury team entered the following deposits for AFFTL, maturing 9 May 2025 (60 days):

Bank	Value	Rate
ANZ	\$200m	3.80%
BNZ	\$230m	3.67%
WBC	\$500m	3.795%

Additionally, \$403,817,547.04 has been left on call (earning OCR) as below:

- ASB: \$395,480,911.34
- BNZ: \$8,336,635.70

Resolution: The board note the updates.

Moved: Chair Christopher Swasbrook. Seconded: David Callanan.
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 ended at 3:44pm.

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
Sep-24	Board meeting	27/09	TIRM							✓	
	<ul style="list-style-type: none"> 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							✓	
	Approve draft SOI	27/09	Board							✓	
	Adopt constitution	27/09	Board							✓	
Oct-24	Board meeting	31/10	TIRM							✓	
	<ul style="list-style-type: none"> SOI adoption D&O insurance 										
	Directors' interests register reviewed	31/10	Board							✓	
	Forward work programme plan reviewed	31/10	TIRM							✓	
Nov-24	Adopt SOI	31/10	Board							✓	
	Board meeting	28/11	TIRM							✓	
	<ul style="list-style-type: none"> Meeting schedule 										
Dec-24	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							✓	
	<ul style="list-style-type: none"> Liquidity agreement 										

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	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	08/03	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							NA	Board meeting cancelled
	Global investment manager appointment	30/04	GIM								Delayed
	Directors' interests register reviewed	17/04	Board							NA	
	Compliance and work programme plan reviewed	17/04	TIRM							✓	
	Quarterly financial statements	17/04	AC							✓	
	Quarterly CCO report	28/04	TIRM							✓	
	Draft SOI provided to shareholder	01/04	TIRM							✓	Delayed due to LoE delay
May-25	Board agenda published to website	11/04	TIRM							NA	
	Board meeting	16/05	TIRM							-	
	• Q3 Performance and risk reporting										
	Establishment update to Governing Body	29/05	TIRM							-	Lead by CCO Governance

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	Global investment manager report (for prior month)	31/05	GIM							NA	
	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 Governing Body	31/05	TIRM							-	CCO not required to attend
	Board agenda published to website	09/05	TIRM							✓	
Jun-25	Board meeting	12/06	TIRM							-	
	<ul style="list-style-type: none"> Six-month GL and bank account reporting Shareholder feedback on SIPO Finalise SIPO D&O renewal Annual distribution Draft SIPO 										
	Global investment manager report (for prior month)	30/06	GIM							-	
	Draft SIPO to shareholder	13/06	Board							-	
	Receive shareholder feedback on draft SIPO	20/06	Board							-	
	SIPO adopted	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 the following month)	23/06	TIRM							-	
	Update authorised signatory list	30/06	TIRM							-	
	Shareholder meeting exemption	TBA	AC							-	
	Declare annual distribution	12/06	Board							-	Expected at May meeting

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	Annual distribution paid to Auckland Council	30/06	GIM							-	
Jul-25	Board meeting (public)	17/07	TIRM							-	Public meeting moved from June due to LoE delay
	• 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							-	
	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							-	
Aug-25	Board meeting	14/08	TIRM							-	
	• Adoption of SOI 2025 – 2028										
	• Q4 Performance & Risk Reports										
	• Financial Reporting for Year ended 30 Jun 2025										
	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							-	
Sep-25	Board meeting	19/09	TIRM							-	
	• Annual report										

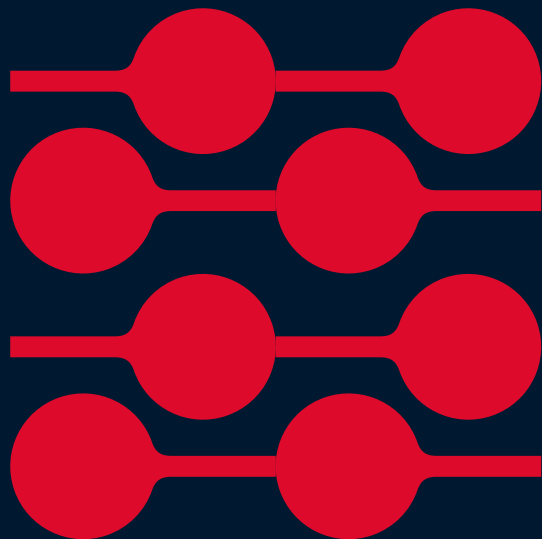
Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	Global investment manager report (for prior month)	30/09	GIM							-	
	Directors' interests register reviewed	19/09	Board							-	
	Compliance and work programme plan reviewed	19/09	TIRM							-	
	Audit and risk presentation to AC Audit and Risk Committee	16/09	Board							-	
	Attendance at Governing Body	25/09	TIRM								
	Annual Report	30/09	AC							-	
	Annual Report published to website	30/09	TIRM							-	
	Board agenda published to website	12/09	TIRM							-	
	Public meeting notification (for the following 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) • Performance against SOI targets for 30 Jun 2025 • Q1 Performance & Risk Reports	17/10	TIRM							-	
	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							-	

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	Board agenda published to website	10/10	TIRM							-	
Nov-25	Board meeting	20/11	TIRM							-	
	• 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							-	
	Board agenda published to website	14/11	TIRM							-	
Dec-25	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										
	• Liquidity agreement review										

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	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	28/02	AC							-	
	Half year report published to website	28/02	TIRM							-	
	Quarterly financial statements	12/02	AC							-	
	Quarterly CCO report	TBA	TIRM							-	
	Board agenda published to website	06/02	TIRM							-	
Mar-26	Board meeting • TBA	19/03	TIRM							-	
	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							-	
	Website review	31/03	TIRM							-	
Apr-26	Board meeting • Q3 Performance & Risk Reports	TBA	TIRM							-	
	Global investment manager report (for prior month)	30/04	GIM							-	
	Directors' interests register reviewed	TBA	Board							-	
	Compliance and work programme plan reviewed	TBA	TIRM							-	

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	Quarterly financial statements	TBA	AC							-	
	Quarterly CCO report	TBA	TIRM							-	
	Receive shareholder feedback on draft SOI	TBA	Board							-	
	Board agenda published to website	TBA	TIRM							-	
	Draft SIPO provided to Shareholder	02/04	Board							-	
May-26	Board meeting • TBA	TBA	TIRM							-	
	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							-	
	Board agenda published to website	TBA	TIRM							-	
	Public meeting notification (for the following month)	TBA	TIRM							-	
	Receive shareholder feedback on draft SIPO	19/05	Board							-	
Jun-26	Board meeting (Public) • Shareholder feedback on draft SOI • Finalise SOI • Shareholder feedback on SIPO • Finalise SIPO • Six-month GL and bank account reporting • Annual distribution	TBA	TIRM							-	
	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							-	

Month	Task	Due	Who	Required by						Status	Comments
				CCO policy	Comp Act	LGA	LGOIMA	Services agreement	Other		
	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							-	
	Adopt SIPO	30/06	Board							-	
	Declare annual distribution	12/06	Board								
	Annual distribution paid to Auckland Council	30/06	GIM								



Quarterly Performance Report

Auckland Future Fund

2024/2025 Quarter 3

For the 4 months ended 31 March 2025



Q3 – At a glance



Executive Summary

This report provides an update for the prior four months 1 December 2024 to 31 March 2025 as this is Auckland Future Fund's first CCO quarterly report.

- The Auckland Future Fund sold Auckland Council's remaining shares in Auckland International Airport Limited (AIAL) on 4 December 2024.
- The shares were sold for \$8.08 per share (over \$1.31 billion), exceeding the LTP 2024-2034 projection of \$7.89 per share after transaction costs
- While the board works to appoint a global investment manager (GIM), the proceeds from the share sale have been placed in secure term deposits and interest-earning bank accounts to ensure they continue earning a return so that the AFF can provide its annual distribution to the council.
- The Auckland Council (Auckland Future Fund) Bill has passed its first reading in Parliament in January 2025. The Mayor, Lead Councillor and AFFTL Chair are preparing a joint submission to the Governance and Administration Select Committee.



Highlights

- **Liquidity Facility Agreement:** The council and AFF agreed on the terms of a liquidity facility in February (as required by the LTP). Under the liquidity agreement, in a case of extreme financial emergency where no other financing options are available, the council could call on the liquidity support to temporarily borrow money from AFF. The liquidity support agreement replaces some of the council's current bank standby facilities, saving approximately \$1 million per annum in costs. The agreement will be reviewed annually by AFF and the council.
- **Auckland International Airport Ltd share sale:** AFF was capitalised on 4 December 2024 with the sale of AIAL shares. See further details on page 3.
- **Auckland Council (Auckland Future Fund) Bill:** The bill is progressing through Parliament. See further details on page 4.



Issues/Risks

- **Global Investment Manager (GIM) appointment delay:** The appointment is a critical decision for the long-term performance of AFF and, therefore, the board are carrying out a thorough procurement process. While there is no GIM appointed, the proceeds from the share sale are in secure term deposits and interest-earning bank accounts which provide a lower gross return than the 7.64% budgeted in the LTP. This won't affect the distribution to the council because that is set by the initial value of AFF.
- **Market Volatility:** AFF has not been impacted by the recent financial market volatility as the funds are held in term-deposits. However, market conditions will need to be closely monitored when the funds are invested. AFFTL will be working closely with the GIM to mitigate market risks.



Key Performance Measures

Annual performance target tracking

Performance measure	Prior year result	FY25 Year end target*	FY25 YTD projected status	Commentary
Gross return	NA	7.64%	At risk	The AFF board will appoint an experienced independent global investment manager (GIM) before investing the funds. The GIM is a critical role to the future success of AFF. As such, the board are carrying out a thorough procurement process which is ongoing. In the meantime, the funds are in secure term deposits and interest earning bank accounts to ensure they continue earning a return. The return rate for these placements is below the 7.64% long-term average return expected once the funds are invested. The reduced returns will be partly offset by the reduced management costs while no GIM is appointed.
Net return	NA	7.24%	At risk	
Distribution to council	NA	5.24%	On track	The annual distribution for 2024/2025 is expected to be approximately \$38 million. As per the Auckland Future Fund Distribution Policy, the amount is 5.24% of the value of the fund at capitalisation, pro rata for the period that AFF has been capitalised for. The distribution will be paid on 30 June 2025.
Real growth of the fund	NA	2%	At risk	The AFF distribution policy does not adjust for AFF value fluctuations in the first 3 years of the fund. Therefore, due to the reduced net return, the distribution for 2024/2025 will be greater than the net return. Despite this, the value of the fund at financial year end is still expected to be above budget due to the higher-than budgeted proceeds from the AIAL share sale.

*For the first year of Auckland Future Fund, the annual target calculations are prorated for the portion of the year that the fund is capitalised (203 days).

Financial performance overview

\$million	YTD FY25 Q3	FY25 Forecast	FY25 Budget	Forecast Variance	Notes
Opening value	1,318.91	1,318.91	1,287.95	30.96	
Gross return	17.94	30.88	49.20	(18.32)	Refer to the annual performance target tracking for comments
Management costs	(0.24)	(0.40)	(2.58)	(2.18)	For YTD there are no fees for the global investment manager. However, there are other expenses for the fund, predominately director fees and insurance.
Net return	17.70	30.48	46.62	(16.14)	
Distribution to council	NA	(38.43)	(33.74)	4.69	There is no distribution as at 31 March 2025 as distributions are paid annually on 30 June.
Real growth of the fund	17.70	(7.95)	12.88	(20.82)	Refer to the annual performance target tracking for comments
Closing value	1,336.85	1,310.96	1,300.83	10.13	The closing value for Q3 is higher than the forecast closing balance at financial year end as the distribution is not paid until 30 June 2025.

Highlights – further detail

Auckland International Airport Ltd share sale

- The AFFTL board sold Auckland Council's remaining shares in Auckland International Airport Limited on 4 December 2024.
- The shares were sold for \$8.08 per share (over \$1.31 billion), exceeding the Long-term Plan 2024-2034 projection of \$7.97 per share (\$7.89 per share after transaction costs).
- The board required all bids on the shares to be inclusive of any transaction costs. The board was independently advised by PwC on the sale, with Simpson Grierson providing independent legal services.
- The sale prompted over 50 media stories in the first two days across mainstream and business media. The coverage was generally very favourable for the council and AFF.

	LTP	Actual	Variance
Sale proceeds	\$1.301 billion	\$1.319 billion	\$18 million
Transaction and advisory costs	\$13 million	\$0 transaction costs \$350,000 in legal and advisory fees	\$12.65 million
Net proceeds	\$1.288 billion	\$1.319 billion	\$30.65 million

Progress on legislative protection – Auckland Future Fund Bill

- As part of the Long-term Plan 2024-2034, Governing Body agreed to promote an Auckland Council (Auckland Future Fund) Bill to provide additional protection of the Auckland Future Fund to ensure it is a long-term financial investment for the benefit of the current and future communities of the Auckland Region.
- Throughout 2024, council staff worked closely with the Parliamentary Counsel Office and others to finalise the drafting of the Auckland Council (Auckland Future Fund) Bill.
- In December 2024, the council publicly notified its intent to promote the draft bill, as required under Parliamentary Standing Orders. The notification was displayed at the central library, in the NZ Herald, on the council website and on AFF's website.
- On 28 January 2025, Dr Carlos Cheung MP introduced the Bill to the House. This bill passed its first reading in the House and was referred to the Governance and Administration Select Committee.
- The council and AFF will submit a joint written submission to the committee on the bill in April 2025 and present to the committee on 9 April 2025.
- The overall timeline for the completion of the bill is dependent on Parliamentary process.

Memo on Financial Statement Preparation for Auckland Future Fund

for the year ended 30 June 2025 and subsequent periods

12

Contents

Purpose	2
Conclusion	2
Background.....	3
Reporting requirements.....	4
Local Government Act 2002 and Local Government (Auckland Council) Act 2009	4
Companies Act 1993	5
Determination of Accounting Standards – IFRS of PBE	5
Considerations from legislation and accounting standards	5
Application to AAFTL.....	6
Assessment.....	6
Reporting Tier Classification under PBE Standards	6
Considerations from accounting standards	6
Application to AAFTL.....	7
Public accountability	7
Large	7
Additional considerations	7
Assessment.....	7

Memo

7 February 2025

To: Tracy Gers, Group Financial Controller
Yvonne Teo, External Stakeholder Group Reporting Manager
SuLing Yeo, Financial Accounting Manager

cc: John Bishop, Group Treasurer
Ross Tucker, Group CFO
Megan Holley, Treasury and Investments Relationship Manager
Auckland Future Fund Trustee Limited Board of Directors

From: Jonnon Goh, Lead Financial Analyst

Subject: Financial Statements preparation for Auckland Future Fund for the year ended 30 June 2025 and subsequent periods

12

Purpose

This memorandum outlines the financial reporting requirements for Auckland Future Fund (AFF) and Auckland Future Fund Trustee Limited (AFFTL) from 30 June 2025. It also determines the appropriate accounting standards for financial reporting purposes.

Conclusion

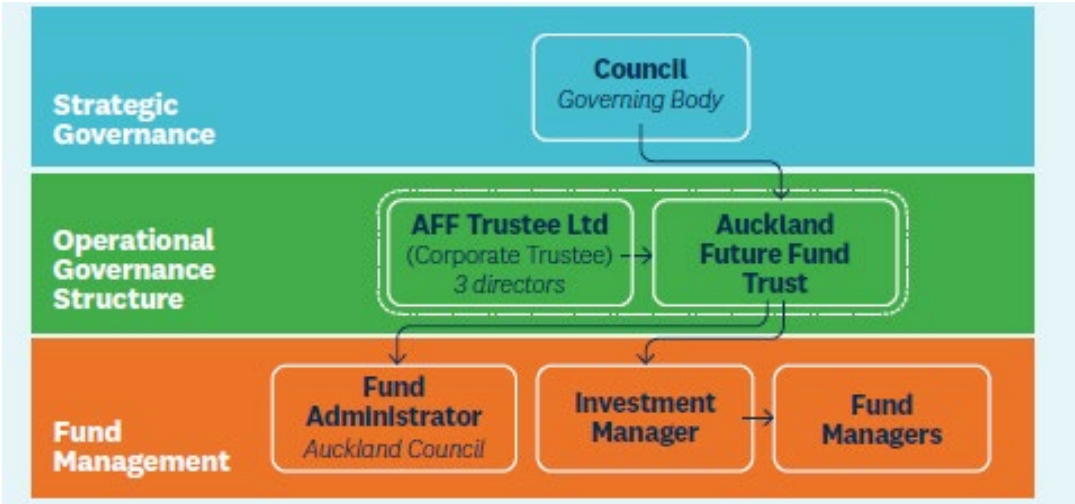
The table below outlines our conclusions and considerations of AFFTL's financial reporting requirements.

Items	Conclusion
Financial Statement preparation	AFFTL to prepare group financial statements that include AFF
Audit considerations	The annual report must be audited by the Auditor-General
Standards and reporting tier that applies	PBE Standards – Tier 1
Local Government Act 2002 reporting Annual Half year First quarter Third quarter	First year/period end, then annually: Annual 30 Jun, by 30 Sep Half year 31 Dec, by 28 Feb First quarter – 30 Sep by 30 Nov Third quarter – 31 Mar by 30 May
Registering audited financial statements with the Companies Office	5 months after balance date - 30 Nov

Background

AFF was established as a non-incorporated trust on 27 September 2024, fulfilling the Long-term Plan 2024-2034’s requirement for the establishment of a regional wealth fund. The fund’s purpose is to invest and manage the proceeds from the sale of the council’s shareholding in Auckland International Airport, to create long-term wealth for the Auckland region and reduce its reliance on rates.

The corporate trustee of AFF, AFFTL, was incorporated on 24th September 2024. Both AFF and AFFTL are council-controlled organisations (CCOs) in terms of the Local Government Act 2002 (LGA) and AFFTL is a substantive CCO in terms of the section 4 of the Local Government (Auckland Council) Act 2009 (LGACA). AFFTL is registered with the NZ Companies Office and as a registered company, is subject to the requirements of the Companies Act 1993. AFF is also subject to compliance with the Auckland Council (Auckland Future Fund) Bill. Refer below for the operational structure¹.



A high-level Prospective Statement of Comprehensive Revenue and Expense, and Prospective Statement of Financial Position for AFF² follows.

¹ Extracted from [Auckland Future Fund Statement of Intent](#) – Page 4, Section 1.2 Auckland Future Fund Structure
² Extracted from [Auckland Future Fund Statement of Intent](#) – Page 10, Section 2.4 Financials

Prospective Statement of Comprehensive Revenue & Expense

\$ million	LTP 2024/25	LTP 2025/26	LTP 2026/27
Revenue			
Dividend revenue	36.32	73.36	74.83
Total revenue	36.32	73.36	74.83
Expenditure			
Management fee	2.58	5.2	5.3
Total expenditure	2.58	5.2	5.3
Operating surplus before tax	33.74	68.16	69.53
<i>Operating surplus after tax attributable to:</i>			
AFF Trust	33.74	68.16	69.53
<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
Total other comprehensive income after tax	12.88	26.02	26.54
Total comprehensive income after tax	46.62	94.18	96.07

Prospective Statement of Financial Position

\$ million	LTP 2024/25	LTP 2025/26	LTP 2026/27
ASSETS			
Bank	2.58	5.2	5.3
Other financial assets	1300.83	1326.85	1353.39
Total assets	1303.41	1332.05	1358.69
LIABILITIES			
Accounts payable	2.58	5.2	5.3
Total liabilities	2.58	5.2	5.3
Net assets	1300.83	1326.85	1353.39
Contributed Equity	1287.95	1287.95	1287.95
Retained earnings	0	0	0
Revaluation reserve	12.88	38.9	65.44
Total equity	1300.83	1326.85	1353.39

12

Reporting requirements

Local Government Act 2002 and Local Government (Auckland Council) Act 2009

According to sections [66 and 67 of the LGA](#), the due dates for AFFTL to submit financial reports to Auckland Council are as follows:

- Annual Report: Within 3 months of the financial year-end (by 30 September).
- Half-Yearly Report: Within 2 months of each financial year-end (by 28/29 February).
- Quarterly Report: Within 2 months after the first and third quarters (i.e. 30 November and 30 May respectively) if required by shareholders.

Each report must include the information required to be included by the CCO's statement of intent.

[LGA section 68](#) requires the annual report to also include information that is necessary to enable an informed assessment of the operations of the CCO organisation, including

- a comparison of the performance with the statement of intent; and
- an explanation of any material variances between that performance and the statement of intent.

The annual report must also state any dividend authorised to be paid or the maximum dividend proposed to be paid for its equity securities for the financial year.

[LGA section 69](#), requires that the annual financial statements are presented as a whole rather than being separated. As a result, AFF does not need to prepare a separate set of financial statements from AFFTL. It also requires that the annual financial statement are audited.

[LGA section 70](#) states that the CCOs are public entities as defined by the Public Audit Act 2001 and as a result, the Auditor-General is its auditor.

Companies Act 1993

AFFTL is incorporated and governed by the Companies Act 1993. (CA). [CA section 201](#) requires generally accepted accounting practice (GAAP) compliant financial statements to be prepared within 5 months of balance date, dated and signed by two directors. Where the company has subsidiaries, [CA section 202](#) requires that those financial statements are group financial statements. Consequently, AAFTLs statutory financial statements should include AFF.

[CA Section 207E](#) requires a company to register its audited group financials statements within 5 months after balance date with the Registrar of Companies.

Determination of Accounting Standards – IFRS of PBE

Considerations from legislation and accounting standards

The Companies Act does not prescribe specific accounting standards but requires entities to follow GAAP under the New Zealand Accounting Framework, which could be either NZ IFRS (International Financial Reporting Standards) or NZ PBE (Public Benefit Entity) Standards (refer page 7 of the [New Zealand Accounting Standards Framework](#) for definitions).

- NZ IFRS applies to “for profit entities (either public sector or non-public sector)”, however excludes public benefit entities.
- PBE standards apply to “*reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders*”.

Application to AAFTL

According to the Long-term Plan 2024-2034³ and the Governing Body's intention⁴, although AFTL will provide funding to the council, its ultimate purpose is to protect the value of the council's intergenerational assets held by the AFF, so they can continue to benefit future generations. In addition, AFF is established as a trust with strict protections requiring its funds to be applied to maintain or increase the real value of its capital over the medium term. Further, the Auckland Council (Auckland Future Fund) Act 2025 provides legislative protection for the fund.

Assessment

After reviewing AFTL's main purpose and nature of its business, in our opinion, AFTL is a PBE as its ultimate objective is to provide goods or services for the community or social benefit.

Reporting Tier Classification under PBE Standards

12

Considerations from accounting standards

XRB-A1⁵ establishes the accounting standards framework for PBEs and tiers of financial reporting. PBE entities are required to report under one of four tiers based on various criteria. XRB-A1 para 37 states that a PBE shall report in accordance with Tier 1 requirements if it:

1. has *public accountability* at any time during the reporting period; or
2. is *large*; or
3. is eligible to report in accordance with the accounting requirements of another tier but does not elect to report in accordance with that other tier.

An entity has public accountability⁶ if it

1. publicly trades debt or equity instruments, or
2. holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses, or
3. is an FMC reporting entity under Financial Markets Conduct Act 461K.

An entity is considered large if it has total expenses over \$33 million – as per XRB-A1 para 38.

³ Access to [Long-term Plan 2024-2034 documents](#)

⁴ Access to [Auckland Future Fund Statement of Intent](#)

⁵ [XRB A1](#) (Application of Accounting Standards Framework) reference link

⁶ Public accountability is defined in Section 8 and Section 9 of [XRB A1](#)

Application to AAFTL

Public accountability

AFFTL does not trade debt or equity instruments and is not an FMC reporting entity. However, it holds investments on behalf of Aucklanders as its primary business.

Large

AFFTL currently holds investments of \$1.3 billion which will incur movements in investment fair value. The \$33 million threshold represents 2% of the \$1.3billion investment portfolio. Based on our research we understand most investments will be measured at fair value through surplus or deficit and are likely to experience annual fluctuations of approximately 5% to 10%. Given the volatility of fair value movements, we anticipate that higher expenses will be primarily driven by fair value (loss) recognised through surplus or deficit. There is a high probability that its investments could incur losses greater than \$33 million.

Additional considerations

Auckland Council's consolidated reporting is prepared under Tier 1. Preparing AFFTL's financial statements under Tier 1 will ensure alignment of both reports under the same tier, eliminating the need for bridging disclosures.

Assessment

As AFFTL has public accountability and is large, its financial statements should be prepared using Tier 1 accounting standards.

08 April 2025

Dear Governance and Administration Select Committee

Auckland Council and Auckland Future Fund's submission on the *Auckland Council (Auckland Future Fund) Bill*

Thank you for providing Auckland Council and Auckland Future Fund Trustee Ltd with the opportunity to submit on the *Auckland Council (Auckland Future Fund) Bill*. We are pleased to support the Bill as written.

Auckland Council established the Auckland Future Fund in its Long-term Plan 2024-2034, following public consultation, to diversify the council's major financial investments.

The Auckland Future Fund is an investment for all Aucklanders and future generations, and is designed to enhance the financial and physical resilience of Tāmaki Makaurau. It provides an annual distribution for the council to help fund services and infrastructure, and to reduce reliance on rates. It also provides a liquidity support facility that Auckland Council can call upon in extreme financial hardship where other financing options become unavailable.

Auckland Council agreed to sell its shareholding in Auckland International Airport Limited and allocate the proceeds to an investment fund on the condition that the fund would benefit Auckland's long-term financial resilience, as well as provide a regular income stream. Accordingly, the fund has protections in the council's long-term plan and founding documents such as the trust deed. This Bill seeks to provide another layer of protection to ensure the fund is a long-term investment for future generations of Aucklanders.

We believe the Bill as written provides protection for the fund whilst giving Auckland Council flexibility to make changes as needed, for example, in response to new legislation. The intent of the fund as a long-term wealth fund should not be flexible, but how it is structured and delivered should be open to improvement – with the appropriate oversight and protection.

Please contact Megan Holley, Treasury and Investments Relationship Manager (megan.holley@aucklandcouncil.govt.nz), if you have any queries regarding this submission.

Yours sincerely



Wayne Brown
Mayor of Auckland



Christine Fletcher
**Lead Councillor – Auckland
Future Fund**



Christopher Swasbrook
**Chair Auckland Future Fund
Trustees Limited**

File note

19 March 2025

Liquidity facility agreement

Author/s: Associate General Counsel (Commercial) Bram van Melle

Reviewer/s: Principal Solicitor (Commercial and Finance) James Colvin
Group Treasurer John Bishop
Treasury and Investments Relationship Manager Megan Holley

AFFTL board: Chair/Director Christopher Swasbrook
Director David Callanan
Director Craig Stobo

14

Background

The Auckland Future Fund Policy (Long-term Plan 2024-2025, Volume 2) stipulates:

“In consideration of council capitalising the Fund, the Trustee shall provide liquidity support to council on the following basis:

- *There shall be no commitment fees or margin payable for the existence of the liquidity support facility.*
- *Liquidity support shall otherwise be on arms-length terms including interest payable at a rate of BKBM (benchmark interbank interest rate in New Zealand) plus 200 basis points on any drawdowns.*
- *Appropriate documentation shall be entered into between the Trustee and council to document the terms of the facility.*

Authorisation

AFFTL entering into the liquidity facility agreement could be perceived as a major transaction. The shareholder (Auckland Council) previously resolved and mandated a liquidity agreement via:

- Long-term Plan 2024-2034 policies
- the Auckland Future Fund trust deed
- the council signing the liquidity facility agreement
- the chief executive signing the CE certificate for the transaction.

Conclusion

Staff consider the previous council resolutions, mandates and actions constitute the required shareholder approvals for a major transaction.

Ends.