

Auckland Future Fund Trustee Limited

Meeting of the Board of Directors Agenda (Open)

Thursday 13 February 2025 starting 2:15pm

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
Andrew John	Head of Group Treasury

#	Agenda Item	Attachment
	<i>Open procedural Items</i>	
1	Introduction/Karakia	-
2	Apologies	-
3	Declaration of director interests register	Yes
4	Confirmation of the 28 November 2024 meeting minutes	Yes
5	Health and safety	-
6	Risks	-
7	Public input (if any)	-
8	Forward work programme (Megan Holley)	Yes
	<i>Open Items for discussion/decision making</i>	
9	Liquidity facility agreement (John Bishop/Andrew John)	-
10	Term deposits (John Bishop)	-
11	Status updates (Megan Holley): <ul style="list-style-type: none"> Auditor appointment Local bill Letter of expectation/statement of intent 2025/2026 Governing Body report 	-
12	Other business	-

#	Agenda Item	Attachment
	<i>Procedural motion to exclude the public</i>	
	<i>Confidential items for discussion/decision making</i>	
C1	Financial statements – 31 December 2024	-
C2	Distributions to Auckland Council	-
C3	Indemnity	Yes
C4	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 28 November 2024 meeting minutes (see attachment)

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

Recommendation – That the board confirm the open and confidential minutes of its meetings held on 28 November 2024 as a true and correct record.

5. Health and safety

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

6. 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. Forward work programme (see attachment)

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

The work programme has been refreshed since the last board meeting to respond to the new meeting dates and other changes. Revisions to the workplan since the last meeting include:

- board meeting dates added
- letter of expectation from the council being delayed to the end of February – and therefore the statement of intent deadlines being extended 1 month
- approval of the draft AFF SIPO and review of the council's Responsible Investment Policy moved to April 2025.

Recommendation – That the board note the updated work programme.

9. Liquidity facility agreement

The liquidity facility agreement has continued to be reviewed by AFFTL/Simpson Grierson and the council/Mayne Wetherall. At the point of the publishing this agenda, final details are being discussed with all parties. It is expected that the final version will be ready for execution at the board meeting.

Recommendations – That the board:

- a) approve the liquidity facility agreement and request the council sign the agreement***
- b) agree the final liquid facility agreement be included in the open minutes of the meeting.***

10. Term deposits

As approved by the board on 10 December 2024, the council placed the proceeds from the airport share sale into term deposits across ANZ, ASB, BNZ and Westpac. This ensures that, while the board works to appoint a global investment manager, the funds are secure and continue earning a return.

The term deposits will mature before the next board meeting.

Bank	Tenor	Type	Amount (\$m)	Rate	Maturity
ANZ	90 days	TD	100	4.650%	13/03/2025
WBC	90 days	TD	500	4.620%	10/03/2025
BNZ	90 days	TD	230	4.520%	10/03/2025
ASB	90 days	TD	480	4.450%	10/03/2025
ASB		On call	8	4.250%	
Total			1,318	4.541%	

Recommendation – That, 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.

11. Status updates

Auditor appointment

The Auditor-General has approved Brett Tomkins from Deloitte Limited to be the appointed auditor for Auckland Future Fund Trustee Limited and Auckland Future Fund.

An audit plan letter will be prepared when there is more information on the structure of the fund management; and therefore the audit work required.

Local bill

Dr Carlos Cheung MP introduced the Auckland Future Fund local bill to the House on 28 January 2025. Auckland Council intends to make a formal submission on the bill on behalf of the council and the fund.

Letter of expectation/statement of intent

Letters of expectation are usually provided to CCOs in December. This year there was a delay due to the CCO reform. As a result, the deadline for AFFTL to provide a draft statement of intent has been extended from 1 March 2025 to 1 April 2025, and the final statement of intent deadline delayed from 30 June 2025 to 31 July 2025.

Governing Body report

The council is required to report quarterly to Governing Body on the set up of the Auckland Future Fund. The update will be on 27 February 2025.

The key update will be the sale of the Auckland International Airport shares. The board chair will attend the Governing Body meeting to address any questions from elected members.

Additionally, the report will:

- provide an update on the local bill
- provide an update on the global investment manager
- request approval of AFFTL’s Letter of Engagement 2025/2026 (which will require the board to respond with a statement of intent).

Recommendation – That the board note the 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. Financial statements – 31 December 2024

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)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. In particular, the report contains information that will be included in Auckland Council's financial results for the six-months to 31 December 2024 which cannot be made public until it is released to the NZX.	s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2. Distributions to Auckland Council

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.	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.

C3. Indemnity

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.	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.

C4. 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.

Director Interests as at 13 February 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
	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 28 November 2024 at 11.15am
At 135 Albert Street, Auckland / Microsoft Teams

Board:

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

Auckland Council:

Cr Christine Fletcher	Lead Councillor
John Bishop	Group Treasurer/Lead Officer (from item 9)
Bram van Melle	Associate General Counsel – Commercial
Megan Holley	Treasury and Investments Relationship
Riika Poikela	Manager Group Treasury Operations Manager
James Colvin	(Online) Principal Solicitor – Corporate and Finance

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.

Councillor Fletcher joined the meeting at 11.19 am.

2. Apologies

Ross Tucker, Group Chief Financial Officer, Auckland Council.

3. Director interests register

Christopher Swasbrook and Craig Stobo disclosed changes to their interests.

Resolutions: The board:

- a) **agree the updates to the director interest register be included in the meeting minutes**
- b) **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 31 October 2024 meeting minutes

Resolution: The board confirm the open and confidential minutes of its meeting held on 31 October 2024 as a true and correct record.

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

5. Health and Safety

No business raised.

6. Public input

No business raised.

7. Forward work programme and meeting schedule 2024-2025

Resolutions: The board:

- c) note the updated forward work programme
- d) agree the board meetings for 2025, in line with the work programme.

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

8. Auditor appointment

Resolutions: The board directs the council to relay the board's comments, regarding the Auckland Future Fund's auditor appointment, to the Office of the Auditor-General.

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

9. Status updates

Auckland Council (Auckland Future Fund) local bill

The draft bill will be notified to the public from 2 December to 20 December 2024. Notices will be published on the Auckland Future Fund and Auckland Council websites, and the NZ Herald. Legislation for the income tax exemption for the Auckland Future Fund will be included in Income Tax Act update in March 2025.

Liquidity Support Facility – Draft Indicative Term Sheet

On behalf of the board, Simpson Grierson have provided feedback to the council and Mayne Wetherall.

Resolution: The board notes the updates.

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

John Bishop joined the meeting at 11.34am

10. 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 11.40am.

Month	Activity	Board Dates
Sep-24	<ul style="list-style-type: none"> Approval of Trust Deed, Draft Statement of Intent, and Fund Administrator Service Agreement 	27-Sep 2025 <i>Inaugural Meeting</i>
Oct-24	<ul style="list-style-type: none"> Adoption of Final Statement of Intent 2024-2027 Approval of Directors and Officers Liability Insurance (D&O) 	31 Oct 2024
Nov-24	<ul style="list-style-type: none"> Approval of 2025 meeting schedule 	28 Nov 2024
Dec-24	-	-
Jan-25	-	-
Feb-25	<ul style="list-style-type: none"> Approval of Liquidity Support Facility Financial statements – six months to 31 December 2024 Letter of Expectation received 	13 Feb 2025
Mar-25	<ul style="list-style-type: none"> Draft Statement of Intent 2025 – 2028 Appointment of Global Investment Manager 	13 Mar 2025
Apr-25	<ul style="list-style-type: none"> Q3 Performance & Risk Reports Approval of Draft SIPO and Responsible Investment Policy 	17 Apr 2025
May-25	TBC	16 May 2025
Jun-25	<ul style="list-style-type: none"> Public board meeting – Shareholder feedback on draft SOI Six-month GL and bank account reporting 	12 Jun 2025 <i>Public Meeting</i>
Jul-25	<ul style="list-style-type: none"> Adoption of Final Statement of Intent 2025 – 2028 	17 Jul 2025
Aug-25	<ul style="list-style-type: none"> Q4 Performance & Risk Reports Financial Reporting for Year ended 30 Jun 2025 	14 Aug 2025
Sep-25	<ul style="list-style-type: none"> Annual Report 2024/2025 	19 Sep 2025
Oct-25	<ul style="list-style-type: none"> Public board meeting – Performance against SOI targets for year ended 30 Jun 2025 Q1 Performance & Risk Reports 	17 Oct 2025 <i>Public Meeting</i>
Nov-25	TBC	20 Nov 2025
Dec-25	<ul style="list-style-type: none"> Letter of Expectation received Six-month GL and bank account reporting 	18 Dec 2025
Jan-26	-	-
Feb-26	<ul style="list-style-type: none"> Q2 Performance & Risk Reports Financial Reporting for half-year ended 31 Dec 2025 Draft Statement of Intent 2026 - 2029 	12 Feb 2025
Mar-26	TBC	19 Mar 2025
Apr-26	<ul style="list-style-type: none"> Q3 Performance & Risk Reports 	TBC
May-26	TBC	
Jun-26	<ul style="list-style-type: none"> Public board meeting – Shareholder feedback on draft SOI Finalise SOI Six-month GL and bank account reporting 	TBC <i>Public Meeting</i>
Jul-26	TBC	
Aug-26	<ul style="list-style-type: none"> Q4 Performance & Risk Reports AFFT & AFFTL Annual Report Financial Reporting for Year ended 30 Jun 2026 	TBC

Key CCO delivery dates

Statement of intent:

Draft SOI to shareholders – due 1 April 2025

Final SOI adopted – due 31 July 2025

SIPO delivery 30 April 2025

CCO quarterly reports (including SOI performance and risk)

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

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

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

8

Half year and annual financial reporting:

Interim report – due Friday 28 February 2025 (for the six months to 31 December 2024)

Annual report – due Friday 31 October 2025 (for the year ending 30 June 2025)

Audit and Risk Committee (Auckland Council):

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

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

Other policies to be established by AFFTL before 30 June 2025

Local board Engagement Policy

Māori Outcomes Plan