
Agenda for a meeting of the Waikato District Community Wellbeing Trust to be held in the Pukeko Meeting Room, District Office, 15 Galileo Street, Ngaruawahia and via Zoom on **MONDAY 08 MARCH 2021** commencing at **4.00pm.**

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFLICT OF INTEREST AND DISCLOSURES**
3. **CONFIRMATION OF MINUTES** |
Meeting held on 25 February 2021
4. **ANNUAL INVESTMENT MANDATE REVIEW** *
Time with Kiwi Wealth Limited representative (Roger Browne)
5. **MEETING FRAMEWORK FOR 2021 CALENDAR YEAR** *
6. **KIWI WEALTH LIMITED FUND PERFORMANCE REPORT TO 31 DECEMBER 2020** *
7. **QUARTERLY CERTIFICATE OF COMPLIANCE FOR PERIOD ENDING 31 DECEMBER 2020** *
8. **FINAL MANAGEMENT REPORT FOR YEAR ENDED 30 JUNE 2020** *
9. **GENERAL BUSINESS**

MINUTES of a meeting of the Waikato District Community Wellbeing Trust held in the Ruru Meeting Room, District Office, 15 Galileo Street, Ngaruawahia and via Zoom on **THURSDAY 25 FEBRUARY 2021** commencing at **4.06pm**.

Present:

Cr R McGuire (Chairperson)
His Worship the Mayor, Mr AM Sanson
Ms J Muru

Attending:

Ms A Diaz (Chief Financial Officer)
Ms J Kelly (Support Accountant)
Mrs S Jenkins (Executive Assistant)

Apologies and Leave of Absence
Agenda Item 1

Resolved: (Cr McGuire / Mayor Sanson)

Apology received from Cr Church.

CARRIED on the voices

WBT2102/1

Disclosures of Interest
Agenda Item 2

There were no disclosures of interest.

Confirmation of Minutes
Agenda item 3

Report taken as read.

The action *Agenda Item 9 - Memorandum – Compliance with Trust Deed* should read:

“ACTION: *This compliance report shall accompany the Performance report in September meeting agenda in future.”*

Resolved: (Cr McGuire / Ms Muru)

THAT the minutes of the Meeting of the Waikato District Community Wellbeing Trust held on 22 December 2020 be confirmed as a true and correct record of that meeting subject to the following change:

Agenda Item 9 - Memorandum – Compliance with Trust Deed

“ACTION: This compliance report shall accompany the Performance report in September meeting agenda in future.” ...

CARRIED on the voices

WBT2102/2

Waikato District Community Wellbeing Trust Financial Statements for the six months ended 31 December 2020

Agenda Item 4

Report taken as read.

Resolved: (Mayor Sanson / Cr McGuire)

THAT the report from the Chief Financial Officer be received;

AND THAT the financial statements be provided to Waikato District Council in accordance with the Local Government Act.

CARRIED on the voices

WBT2102/3

Waikato District Community Wellbeing Trust – Draft Statement of Intent for the year ending 30 June 2022

Agenda Item 5

Report taken as read.

THAT the report from the Chief Financial Officer be received;

AND THAT the Waikato District Community Wellbeing Trust supports the removal of the reference to the 7.5% individual investment limit from the draft Statement of Intent;

AND FURTHER THAT the Waikato District Community Wellbeing Trust approves the draft Statement of Intent for the year ending 30 June 2022 for release to Waikato District Council.

Resolved: (Mayor Sanson / Ms Muru)

CARRIED on the voices

WBT2102/4

General Business

Agenda item 6

March meeting to be tentatively set for Monday, 08 March @ 4pm subject to Cr Church and Roger Browne from Kiwi Wealth's availability.

Meeting dates for the remainder of the year will confirmed as part of the March meeting agenda (*Meeting Framework for the 2021 Calendar Year report*).

There being no further business the meeting was declared closed at 4.20pm.

Minutes approved and confirmed this day of 2021.

Cr J Church
CHAIRPERSON

Open Meeting

To	Waikato District Community Wellbeing Trust
From	Alison Diaz Chief Financial Officer
Date	03 March 2021
Chief Executive Approved	Y
Reference #	CVN0102
Report Title	Annual Investment Mandate Review

I. EXECUTIVE SUMMARY

The Trustees have a discussion annually with the Fund Manager, to review performance and investment objectives and risk profile, with a view to reconfirming or amending the investment portfolio mix.

Roger Browne will be the representative from Kiwi Wealth Limited.

Any changes to the objectives and/or portfolio mix would need to be reflected in the Trust's Investment Portfolio and Distribution Policy and draft Statement of Intent.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

- NIL

Open Meeting

To	Waikato District Community Wellbeing Trust
From	Alison Diaz Chief Financial Officer
Date	03 March 2021
Chief Executive Approved	Y
Reference #	CVN0102
Report Title	Meeting framework for the 2021 calendar year

I. EXECUTIVE SUMMARY

The following report outlines the reporting framework for the year and proposes dates for the consideration of Trustees. The recent February meeting discuss the six-monthly financial results and the draft Statement of Intent.

Meeting dates will be finalised once the availability of Trustees is confirmed.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received;

AND THAT the meeting framework is adopted for the 2021 calendar year, subject to confirmation of Trustee availability.

3. ATTACHMENTS

- Trust meeting schedule for 2021

WAIKATO DISTRICT COMMUNITY WELLBEING TRUST

Proposed Trust Meetings 2021

Proposed Date (TBC)	Key Meeting Topic
Mar-21	<ul style="list-style-type: none"> ▪ Meeting framework for the 2021 calendar year ▪ Audit New Zealand Management Letter (subject to receipt) ▪ Fund performance December 2020 ▪ Quarterly certificate of compliance December 2020 ▪ Trustee conference call with Fund Manager (Kiwi Wealth) representative
Apr-21	<ul style="list-style-type: none"> ▪ NO FORMAL MEETING ▪ Following reports distributed via email: <ul style="list-style-type: none"> – Fund performance March 2021 – Quarterly certificate of compliance March 2021 ▪ Site visits
May-21	<ul style="list-style-type: none"> ▪ Action points update ▪ Formal receipt of emailed reports ▪ Final Statement of Intent for 2021/22 <ul style="list-style-type: none"> – Investment Portfolio and Distribution Policy review ▪ Grant update ▪ Grant distribution for 2021/22 ▪ Feedback and photos from site visits
Jun-21	No meetings, site visits or correspondence
Jul-21	No meetings, site visits or correspondence
Aug-21	<ul style="list-style-type: none"> ▪ NO FORMAL MEETING ▪ Following reports distributed via email: <ul style="list-style-type: none"> – Fund performance June 2021 – Quarterly certificate of compliance June 2021 – Annual review of Trust Deed compliance
Sep-21	<ul style="list-style-type: none"> ▪ Action points update ▪ Formal receipt of emailed reports ▪ Draft Annual Report (<i>adoption subject to audit sign-off December</i>)
Oct-21	No meetings, site visits or correspondence
Nov-21	<ul style="list-style-type: none"> ▪ NO FORMAL MEETING ▪ Following reports distributed via email: <ul style="list-style-type: none"> – Fund performance September 2021 – Quarterly certificate of compliance September 2021
Dec-21	<ul style="list-style-type: none"> ▪ Action points update ▪ Formal receipt of emailed reports ▪ Grant update * <i>Reimburse WDC for payments made on behalf of the Trust</i> ▪ Annual General Meeting <ul style="list-style-type: none"> – Ratify Annual Report for 2020/21 – Receive Audit Management Letter – Appointment of Auditors

Open Meeting

To	Waikato District Community Wellbeing Trust
From	Alison Diaz Chief Financial Officer
Date	03 March 2020
Chief Executive Approved	Y
Reference #	CNV0102
Report Title	Kiwi Wealth Limited Fund Performance to 31 December 2020

I. EXECUTIVE SUMMARY

The investment fund performance for the quarter ended 31 December 2020 was 3.4% against a benchmark performance of 3.3%. The total return since inception after tax, brokerage and fees is 118.4% or 9.1% on an annualised basis (September quarter was 111.3% or 9% annualised).

The result for the month of December provided a return of 1.5% against a benchmark performance of 1.2%, exceeding the benchmark.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

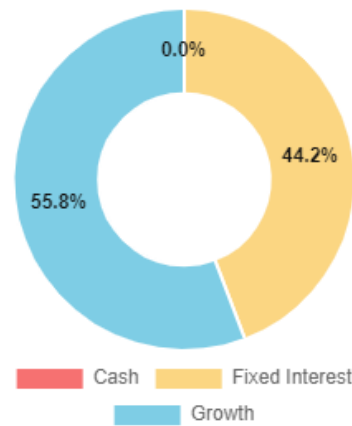
- Kiwi Wealth Limited Fund Performance to 31 December 2020

Position Overview

View Position for: 31 Dec 20

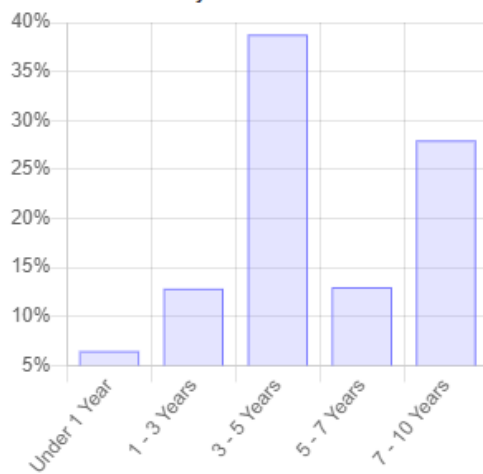
Composition by Asset Class

Asset Class	Value	Allocation
Cash	509	0.0%
Fixed Interest	2,141,455	44.2%
Growth	2,701,132	55.8%
Total	4,843,097	100%

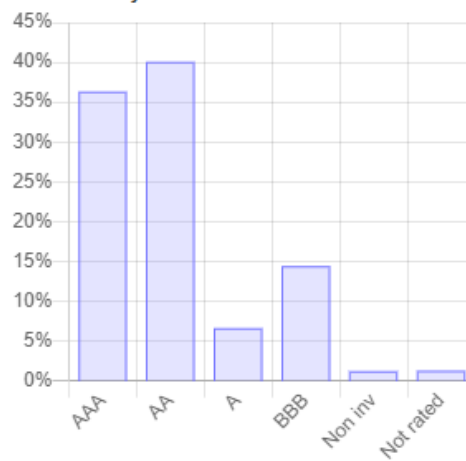


Fixed Interest Summary

Maturity Distribution

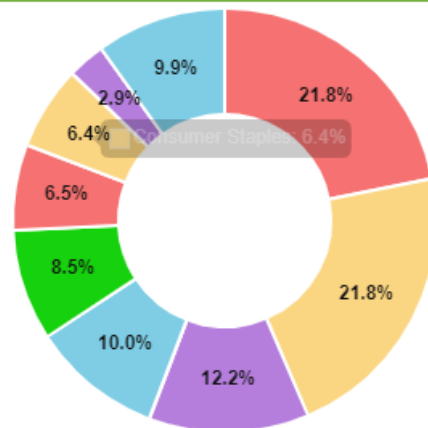


Quality Distribution [Disclaimer*](#)



Growth Stocks Summary

Industry Sector	Value	%
Country and Region	588,990	22%
Technology	588,128	22%
Consumer Discretionary	329,970	12%
Financials	269,731	10%
Health Care	229,468	8%
Industrials	176,764	7%
Consumer Staples	172,994	6%
External Manager	77,128	3%
Other	267,959	10%
Total	2,701,132	100%



Performance Overview

View Performance for:

General Performance Commentary

The Kiwi Wealth Growth Fund (Growth PIE) returned -0.48% after tax and fees in January, 0.07% ahead of the MSCI All Country benchmark which returned -0.56%. Of the main underlying equity strategies, all three contributed positively to the relative performance outcome this month, however the alternative assets which make up a small part of the portfolio underperformed equities and cash. The Kiwi dollar strengthened against most of the G10 pairs last month which was a headwind for returns denominated in foreign currency.

The Kiwi Wealth Fixed Interest Fund (Fixed Interest PIE) returned -0.29% after fees and taxes in January outperforming its benchmark which returned -0.39%. The outperformance can largely be attributed to having a lower maturity than the benchmark at a time when longer maturity interest rates increased. For the most part, government bond yields rose early in the month (prices fell).

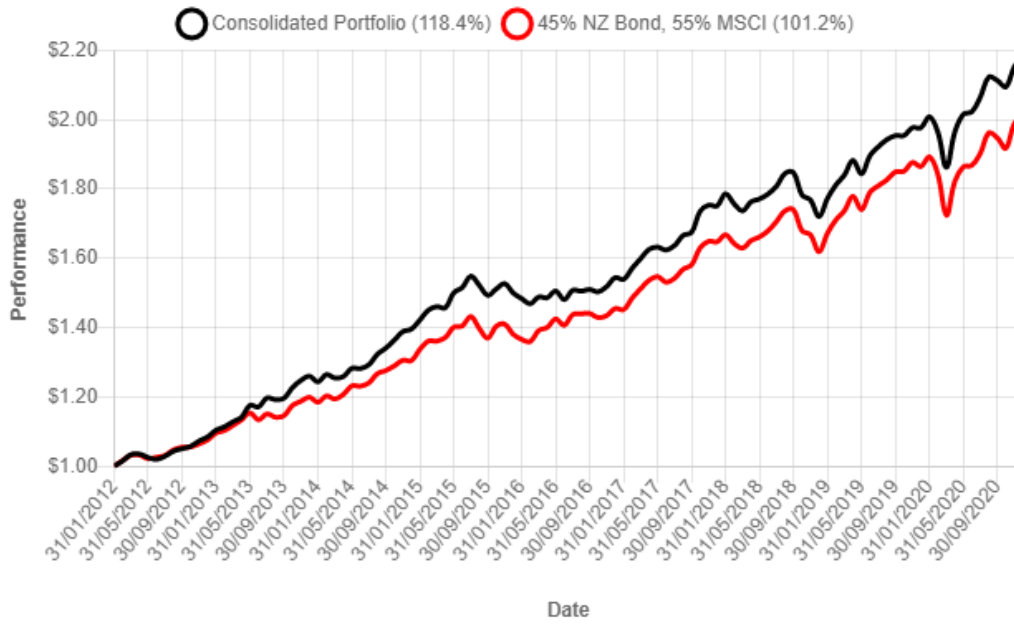
Individual Performance Commentary

Your return for the month of December was 1.5% against a benchmark of 1.2%. Your net contributions since 31 January 2012 have totalled \$2,063,333 (\$2,514,366 deposits less \$451,032 withdrawals). As of 31 December 2020 the total value of your portfolio is \$4,843,097. The total return on each dollar invested at inception is 118.4% (after withholding tax, brokerage, and fees), or 9.1% p.a. on an annualised basis.

Footnote: Withdrawals include any one-off or automatic payments, and any equities or bonds that have been removed from the portfolio. Deposits include cash, equities or bonds that you have added. The returns for the month and since inception take account of the timing of all deposits and withdrawals, and include all management fees and expenses except the establishment fee. The one-off establishment fee is excluded so that you can assess the performance of our investment strategy.

Performance Graph

Waikato District Community Wellbeing Trust Performance (Consolidated Portfolio - NZD)



Asset Class Start Date End Date

Total Portfolio 31 Jan 12 31 Dec 20 Refresh Graph

Performance Table (as of 31 December 2020)

	Loss/Gain				
	Last Month	Last 3 Months	Last 12 Months	Since Inception	Annualised
Consolidated Portfolio Inception date (31/01/2012)	1.5%	3.4%	10.5%	118.4%	9.1%
45% NZ Bond, 55% MSCI	1.2%	3.3%	7.9%	101.2%	8.1%
Cash Inception date (31/01/2012)	1.7%	1.9%	4%	46%	4.3%
Fixed Interest Inception date (31/01/2012)	-0.3%	-1.2%	6.1%	64.2%	5.7%
100% NZ Bond	-0.9%	-3%	4.9%	40.9%	3.9%
Growth Inception date (31/01/2012)	3%	7.3%	14.3%	170.8%	11.8%
MSCI	2.8%	8.2%	8.2%	136.9%	10.1%

Open Meeting

To	Waikato District Community Wellbeing Trust
From	Alison Diaz Chief Financial Officer
Date	03 March 2021
Chief Executive Approved	Y
Reference #	CVN0102
Report Title	Quarterly Certificate of Compliance for period ending 31 December 2020

I. EXECUTIVE SUMMARY

The Waikato District Community Wellbeing Trust's ("Wellbeing Trust") Statement of Intent requires the Trustees to consider certain compliance obligations. These obligations are considered by the Trustees at each meeting from performance reporting and associated discussion.

This report provides a quarterly certificate of compliance using the information that has been considered by the Trustees since the commencement of this financial year.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

- Quarterly Certificate of Compliance for period ending 31 December 2020

**Waikato District Community Wellbeing Trust
Quarterly Certificate of Compliance
for period ending 31 December 2020**

	Actual	Per Policy
Benchmark Portfolio (fixed interest : equities)	45 : 55	>45 : <55
Cap on value of single investments	Compliant	<7.5%
Grant distribution limit as % of net income after inflation	Compliant	<50%
Grant distribution cap as a % of capital	Compliant	<10%
Review of investment mandate (within last year)	Planned to take place March 2021 meeting (delayed from February)	Annual
Applicant accountability reports received	Yes	Required upon completion of project

.....
Chairperson

Open Meeting

To	Waikato District Community Wellbeing Trust
From	Alison Diaz Chief Financial Officer
Date	03 March 2021
Chief Executive Approved	Y
Reference #	CVN0102
Report Title	Final Management Report for Year Ended 30 June 2020

I. EXECUTIVE SUMMARY

The purpose of this report is to highlight the issues that arose during the year end Annual Report audit. This audit was undertaken by our independent auditors, Audit New Zealand.

Following the final audit, Audit New Zealand produce an Audit Management report which highlights issues that arose during the final audit. Waikato District staff who prepare the accounts and support the audit process have an opportunity to provide comment on each of the issues specified, based on management's understanding of the issues and whether they require further action or have already been addressed.

The Report for the Year Ended 30 June 2020 is attached to this report.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

- Audit New Zealand Final Management Report for the year ended 30 June 2020

Independent Auditor's Report

To the readers of Waikato District Community Wellbeing Trust's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Waikato District Community Wellbeing Trust (the Trust). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 5 to 13, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 3 to 4.

In our opinion:

- the financial statements of the Trust on pages 5 to 13:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the Trust on pages 3 to 4 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2020.

Our audit was completed on 22 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the impact of Covid-19 on the Trust. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Trust as set out in note 16 to the financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustee for the financial statements and the performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustee's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 2, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand