



TUPU TONU
Ngāpuhi Investment Fund

STATEMENT OF INTENT

For the period 1 July 2022 to 30 June 2026

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E ngā mana, e ngā reo, e ngā kārangatanga maha, ngā mihi maioha ki a koutou katoa.

The Board of the Ngāpuhi Investment Fund Ltd trading as Tupu Tonu is pleased to present the Statement of Intent (SOI) for the period 1 July 2022 to 30 June 2026. This SOI has been prepared by the Board of Directors (the **Board**) pursuant to the Crown Entities Act 2004.

Tupu Tonu was established as an independent Crown-owned investment company, to build and grow the value of a portfolio of high-quality commercial assets which can be offered by the Crown in historical Tiriti o Waitangi settlement negotiations with ngā hapū o Ngāpuhi. In this way Tupu Tonu contributes to the Crown's continued efforts to restore its relationship with ngā hapū o Ngāpuhi.

Since operations commenced in February 2021, Tupu Tonu has laid the operational foundations required to build a portfolio in line with good investment practice.

Tupu Tonu has adopted a strategy to enhance the utilisation of whenua through investment, and is committed to being a culturally, socially, and environmentally responsible investor with an intergenerational outlook.

Tupu Tonu is focusing its investments within Northland (Taitokerau), and over the last 12 months has made several quality investments across the rohe, including in horticulture and commercial property.

As Aotearoa emerges from the response phase of the COVID-19 pandemic, and its significant challenges, Tupu Tonu looks forward to continuing to execute on its investment approach and build relationships with ngā hapū o Ngāpuhi to provide an opportunity for ngā hapū perspectives to inform the Fund's work.

Tupu Tonu also looks forward to the first disbursements from the profits of its investments being made to Ngāpuhi uri from late 2022. Disbursements are a way to deliver tangible benefits to Ngāpuhi from a high-performing commercial investment fund, without having to wait for the post-settlement era. The more investment returns Tupu Tonu makes, the greater the benefits to Ngāpuhi uri now.

In closing, the Board is honoured to have the responsibility to grow a quality portfolio of assets which will provide greater options for ngā hapū o Ngāpuhi in relation to any future agreements they may reach with the Crown in respect of historical Treaty claims.



Sir Brian Roche KNZM
Establishment Chair
23 June 2022



Ripeka Evans
Deputy Chair
23 June 2022

PURPOSE

The Ngāpuhi Investment Fund Limited (Tupu Tonu) was established as an independent Crown-owned company to build an intergenerational portfolio of high performing commercial assets to offer to ngā hapū o Ngāpuhi as part of the commercial redress package.

To achieve this, Tupu Tonu seeks to acquire and manage a portfolio of assets that collectively:

- support any future agreements that may be entered into by the Crown in relation to the historical Treaty of Waitangi claims of Ngāpuhi; and
- grow the value of the Tupu Tonu investment portfolio.

The primary investment focus for Tupu Tonu is on commercial assets within Taitokerau, with a particular focus on the Ngāpuhi rohe. Tupu Tonu is a commercial investor, but with additional secondary overlays outlined in its constitution to:

- operate as a responsible investor;
- to the extent possible, take a best practice approach to investment management; and
- to the extent possible, make investments that encourage and facilitate economic development in the Ngāpuhi rohe.

Through engagement with ngā hapū o Ngāpuhi Tupu Tonu will provide an opportunity for ngā hapū interests to inform the Fund's work, including the Tupu Tonu investment strategy and disbursement programme.

TUPU TONU MEANS 'PROSPERITY IN PERPETUITY'

Tupu Tonu was chosen as the trading name for the Ngāpuhi Investment Fund Limited. In simple terms the two words broadly translate to 'prosperity in perpetuity', but they have deeper cultural significance. One of the titles by which Ngāpuhi is known is Ngāpuhi-nui-tonu, or everlasting Ngāpuhi. Tupu Tonu speaks of continuity and stability and speaks to the inclusiveness and multiplicity of tribal groups and marae within Ngāpuhi. Accordingly, Tupu Tonu has an intergenerational outlook, investing for the long-term.

CORE VALUES

The values of Tupu Tonu inform the Fund's practices and underpin operating principles. They create a shared understanding of how Tupu Tonu kaimahi relate to one another and go about their work.

Kaitiakitanga <i>Acting in the spirit of stewardship</i>	Rangatiratanga <i>Leading by example</i>
Manaakitanga <i>Investing with care</i>	Hihiri <i>Energising and motivating</i>

VISION

Ka ahuahu mātou i ngā rawa nei hei whakatupu i a Ngāpuhi me ōna ahunga.

We will carefully nurture this investment to help grow the future for Ngāpuhi and their descendants.

RELATIONSHIP TO TREATY SETTLEMENTS

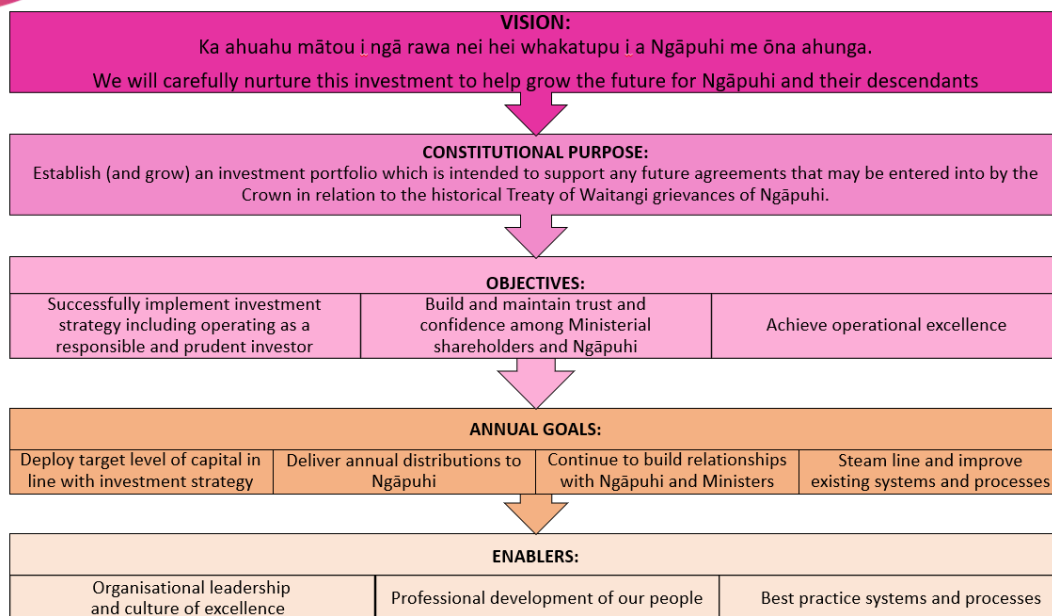
It is up to shareholding Ministers, and ultimately Cabinet, in negotiations with ngā hapū o Ngāpuhi, to decide how and on what basis the Tupu Tonu asset portfolio enters settlement negotiations. Tupu Tonu does not have a role in Treaty negotiations. Rather, Tupu Tonu will focus on building and managing commercial investments in line with its mandate.

The Board acknowledges the settlement context in which Tupu Tonu operates and its role in demonstrating the Crown's commitment to restoring its relationship with ngā hapū o Ngāpuhi. The Board is also cognisant of the need to conduct Tupu Tonu business in accordance with the principles of Te Tiriti o Waitangi and in a manner that enhances Māori-Crown relations.

This includes engagement with ngā hapū o Ngāpuhi to understand their commercial aspirations and consider these as part of the ongoing refinement of the investment strategy, as well as to keep ngā hapū informed of Tupu Tonu progress.



Tupu Tōnu Strategy



Tupu Tōnu has three strategic objectives, for the period through to June 2026, that guides the Fund towards achieving its vision. The following table sets out these strategic objectives, and how Tupu Tōnu will measure performance against each objective.

Objective	Desired Outcome
Successfully implement investment strategy including operating as a responsible and prudent investor	<p>High quality portfolio of commercial assets in place.</p> <p>Deploy target level of capital in line with investment strategy.</p> <p>Investment return objectives achieved.</p>
Build trust and confidence among Ministerial shareholders and Ngāpuhi	<p>Ngā hapū o Ngāpuhi understand the Tupu Tōnu role and have confidence in Tupu Tōnu business.</p> <p>Tupu Tōnu investment strategy is informed by ngā hapū o Ngāpuhi interests and aspirations over time.</p> <p>Shareholders continue to have confidence in the role of Tupu Tōnu in helping restore the Crown's relationship with Ngā hapū o Ngāpuhi.</p>
Achieve operational excellence	<p>Tupu Tōnu processes, people and systems efficiently and effectively supporting core business.</p>

Tupu Tonu will measure how it is tracking towards its strategic objectives through the Key Performance Indicators and measures set out in the annual Statement of Performance Expectations.

The following sections outline the nature and scope of Tupu Tonu functions and intended operations in three key areas:

- Investment;
- Engagement; and
- Disbursements.

INVESTMENT APPROACH

Tupu Tonu is a direct investment fund. It seeks to primarily invest directly in tangible assets and businesses, as opposed to indirect investments such as managed funds, listed equities, and listed debt securities.

Shareholding Ministers have an expectation that the Tupu Tonu investments will reflect two investment portfolios:

- a primary portfolio for the acquisition of non-listed commercial assets in Taitokerau; and
- a secondary portfolio comprising investments such as public shares, bonds, managed funds, and direct investments outside Taitokerau.

Tupu Tonu intends to therefore track its investments in a manner that allows reporting its investments to shareholding Ministers as two portfolios.

WHENUA-BASED STRATEGY

Tupu Tonu has adopted a whenua-based strategy which focuses the investment direction of the fund on land-based investments (including property, primary industries, infrastructure and energy) and its productive uses in Taitokerau.

When investing, Tupu Tonu will also consider the regional diversity of its investments across the rohe.

INVESTMENT MODEL

Tupu Tonu is interested in both co-investment models such as partnering, and full ownership where it has the capability and capacity to manage the investment appropriately.

Predominantly, Tupu Tonu will invest by taking an ownership interest rather than lending. Tupu Tonu will seek protections and shareholder rights commensurate with its ownership interest, for example directorships or reserved matters.

EXCLUSIONS

Tupu Tonu is a commercial long-term investor.

The investment approach of Tupu Tonu specifically excludes pre-revenue and pre-profit venture capital investments, grants, feasibility studies, research and development or any investment in breach of its responsible investing approach outlined below.

Tupu Tonu is not permitted to invest outside of New Zealand.

RESPONSIBLE INVESTING APPROACH

Tupu Tonu is committed to acting as a responsible investor. As such Tupu Tonu has regard to the environmental, cultural, and social impacts of all potential opportunities as part of the Tupu Tonu investment approach.

Tupu Tonu has a secondary outcome of contributing to the regional economic growth of Taitokerau.

The investment decision-making approach takes into account downstream socio-economic benefits for local hapū and communities, whilst ensuring Tupu Tonu delivers on its commercial investment objectives.

ENGAGEMENT APPROACH

Developing positive relationships with ngā hapū o Ngāpuhi and building broad networks is a key focus for Tupu Tonu

Ngā hapū o Ngāpuhi

Tupu Tonu seeks to understand the general commercial intentions of ngā hapū o Ngāpuhi and consider these in investment strategy and decisions. Tupu Tonu will also endeavour to keep ngā hapū o Ngāpuhi well informed of investment decisions and outcomes through a range of communications channels.

In the near term, Tupu Tonu intends to use a number of avenues to achieve this:

- Engage directly with ngā hapū o Ngāpuhi and other Ngāpuhi rūpu (e.g. groups, entities) to the extent ngā hapū are ready and willing to engage and Tupu Tonu resources permit. Carefully consider their insights and feedback on a broad range of matters, including the Tupu Tonu investment strategy and disbursements programme.
- Inform Ngāpuhi of company developments through appropriate information sharing, for example pānui (updates), media outreach and direct engagement.
- Enter a relationship agreement with the Office for Māori Crown Relations – Te Arawhiti, the Departmental Agency responsible for Treaty settlement negotiations, to facilitate appropriate and effective information sharing.

- Actively consider suggestions for potential investment opportunities in Taitokerau from ngā hapū o Ngāpuhi, Ngāpuhi uri or entities.

This approach will evolve over time as Tupu Tonu is informed by engagement with ngā hapū and as ngā hapū organise for Treaty negotiations.

Other networks and relationships

In addition to engagement as part of its investment function, Tupu Tonu will develop focused networks to support successful outcomes, including relevant Government agencies, and local councils.

DISBURSEMENTS APPROACH

When establishing Tupu Tonu, shareholders determined that up to 20% of the returns from Tupu Tonu investments would be used to make modest disbursements to Ngāpuhi uri for social development purposes and to mandated Ngāpuhi entities to support the development of governance capability.

The programme is in design and will be implemented from late 2022. The disbursements programme will develop and grow along with the investment strategy and will be informed over time by any insights gathered from engagement with ngā hapū o Ngāpuhi.

GOVERNANCE

Ngāpuhi Investment Fund Limited (trading as **Tupu Tonu**) is a limited liability company, listed under Schedule 4A of the Public Finance Act 1989.

Tupu Tonu has two shareholding Ministers: the Minister for Treaty of Waitangi Negotiations and the Minister of Finance, who each own 50% of the company on behalf of the Crown. Tupu Tonu operations and investment decisions are independent of shareholding Ministers, although shareholding Ministers participate in setting the Tupu Tonu strategic direction.

The Tupu Tonu Board is appointed by shareholding Ministers and has five independent members, currently:

- Sir Brian Roche (Establishment Chair);
- Ms Ripeka Evans (Deputy Chair);
- Mr Lindsay Faithfull;
- Ms Sarah Petersen; and
- Mr Geoff Taylor.

People and capability

The Tupu Tonu team

Tupu Tonu is a small organisation with most staff working across a range of both organisational management and investment activities.

To ensure it is able to maintain the people capability it requires, Tupu Tonu has recruitment, professional development and remuneration policies that focus on attracting and retaining skilled, flexible, efficient and knowledgeable people.

The Executive regularly reviews the Tupu Tonu operating model to ensure that resourcing levels are right sized to support the company to achieve its strategic objectives while keeping costs low.

Health and safety

Tupu Tonu is committed to being a zero-harm employer with no days lost to incident. Tupu Tonu has developed policies to encourage staff participation in health and safety. The Tupu Tonu office environment is safe and well maintained. Regular observations are undertaken to identify hazards and unsafe workplace practices and any training required will be provided as appropriate. Any notifiable event will be reported to the CEO and Board Chair immediately.

A range of measures to support employee health are outlined in the ‘*Being a good employer*’ section below.

Being a good employer

Tupu Tonu offers a flexible working environment that enables staff to balance work, family and other commitments in line with the Government’s flexible-by-default policy. Tupu Tonu supports staff to learn and develop their investment and commercial knowledge and skills, as well as build leadership and cultural capability, according to their individual needs.

Tupu Tonu is committed to upholding its responsibilities as an Equal Employment Opportunities (EEO) employer and creating a workplace that attracts, retains and values diverse employees.

Tupu Tonu has a zero-tolerance approach to all forms of harassment and bullying and has policies in place to deal with harassment and bullying complaints should they arise.

These measures, and the wider efforts of the Executive, are focused on ensuring Tupu Tonu has a productive work environment and a culture where staff are supported.