

WHAI RAWA

ANNUAL REPORT 2020



Whai Rawa NGĀI TAHU

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NAU MAI, HAERE MAI KI WHAI RAWA

Whai Rawa is the Ngāi Tahu savings programme that helps create a better future for Ngāi Tahu whānau through greater wealth and wellbeing.

Improving participation in tertiary education and levels of home ownership, along with having sufficient funds for retirement, are key goals for the Whai Rawa Scheme.



MESSAGE

from the Kaiwhakahaere –
Te Rūnanga o Ngāi Tahu* Lisa Tumahai



Tēnā koutou katoa e te iwi penapena pūtea, e te huka whakaputu tahua, i tā tātou pūroko Whai Rawa mō te tau ka hori atu nei.

Our iwi savings scheme, Whai Rawa, has continued this past year to deliver in helping whānau to achieve their financial goals. The importance of saving has certainly been brought into sharp focus by recent events, and COVID-19 has added some challenges to the investment scheme as markets have responded to the global pandemic.

Some Whai Rawa members will have been affected by these trends, although thankfully we have more recently seen some positive returns in the market. Through this difficult time, the Whai Rawa team have continued to educate members about long-term investing and market ups and downs.

While COVID-19 and its impacts present some significant challenges in 2020, the past year has been a year of significant milestones and achievements for Whai Rawa.

A key milestone for Whai Rawa was the shift to investing in Socially Responsible funds, meaning ethical and sustainable investments, aligning with our Ngāi Tahu values. In February, Whai Rawa launched Investor Choice – Te Puāwaitanga – which introduced to the scheme two more Socially Responsible funds. The new funds, Matai-Balanced Fund and Rātā-Growth Fund, are in addition to the existing Tōtara-Conservative Fund (which is also a Socially Responsible fund) to provide whānau with more choices for how they invest their pūtea.

This kaupapa has been a long time in the making and allows members to choose the investment that best suits them. For example, tamariki (or their parents) might prefer a fund that would better serve them over a longer period, while adult members who intend to access their funds in the next few years might choose differently. By 31 March, Whai Rawa was thrilled to see a total of 11.6% or 3,209 of its members make an asset switch to a new fund, while a further 2% or 522 members made an active investment choice to stay in the existing Tōtara-Conservative Fund.

Further benefiting our younger generation, Ngā Kaitiaki Moni, the Whai Rawa kids club, has continued to produce whānau-friendly, tamariki-focused content and material to enhance learnings about money, savings, budgets and more in the kāinga and with whānau. Membership in this club has grown to more than 750, which is wonderful to see.

Even as we adapt to the ongoing, and sometimes unexpected, challenges of COVID-19, we can be thankful that Whai Rawa, which was the first iwi-led registered savings scheme, is so well-established. I am confident it will continue to benefit our people through these periods of uncertainty and for generations to come.

Mō tātou, ā, mō kā uri ā muri ake nei.

NGĀ MANAAKITANGA, LISA TUMAHAI

* Whai Rawa Fund Limited is owned by Te Rūnanga o Ngāi Tahu and is the Manager of the Whai Rawa Unit Trust investment scheme.

MESSAGE

from Whai Rawa Fund Limited Chair
Fiona Pimm



E rere ana te whakamiha, te mihi uruhau ki a koutou o Ngāi Tahu whānui. Ko te tūmanako kua whai hua koutou i te tau kua hipa atu

Welcome to our Annual Report for the 31 March 2020 financial year, and my third report as Chair of Whai Rawa Fund Limited (WRFL). As always, I am proud of the work achieved by the tīma as we have seen some long-term projects coming to fruition over the last year.

In 2020, I am pleased to report the Whai Rawa Fund passed the \$95.0 million mark and withdrawals over the life of the Scheme topped \$15.2 million in our key withdrawal categories of education, first home ownership and retirement. Our almost 29,000 members have seen ups and downs in the market over the past year, but we are confident that the message of long-term savings will endure.

During the last year, the Whai Rawa tīma worked alongside the Ngāi Tahu Whakapapa tīma to create one application form for a dual purpose of enrolment. The joint form is now live and proving popular with members so they can sign up to register for the iwi alongside Whai Rawa. An extra two steps allows a seamless enrolment with Whai Rawa, which makes it easy for new members to join.

An extra category added to our enrolment form this year, and an important kaupapa that has been a long time in the making was Investor Choice, allowing members to choose from two new Socially Responsible fund options for their investment, in addition to our existing Socially Responsible fund.

The WRFL Board and I are thrilled to have these options available for our members. Investor Choice successfully launched to our membership on 17 February 2020 and both new and existing members are now able to choose from the Mataī-Balanced Fund and the Rātā-Growth Fund, which sit alongside the traditional Tōtara-Conservative Fund. Te Puāwaitanga, the Investor Choice brand looked to gather inspiration from South Island trees to reflect the new fund options and illustrate for our members the risk profile of each fund. Members can now, after an initial period of promotion, choose to move their investment online, although 100% must be held in a single investment option. We are pleased with the number of switches to date, and as at 16 March 2020, 51.4% of our switches had moved into the Rātā-Growth Fund.

The Whai Rawa tīma, supported by our Board and Mercer investment specialists took the messaging of Investor Choice on Roadshows around Aotearoa, including presentations in Auckland, Tauranga, Wellington, Christchurch, and Dunedin to over 250 whānau. This alongside Te Rūnanga o Ngāi Tahu Roadshows in 2019 has ensured our whānau have access to the Whai Rawa tīma and their knowledge on a regular basis and allowed kanohi-ki-te-kanohi (face-to-face) interaction.

Switching Administration Providers in late 2019 was a big but important job for the Scheme, which saw Mercer (N.Z.) Ltd take over the reins of our Scheme's administration, managing the Scheme's almost 29,000 member records. Part of this mahi also saw the launch of our new digital platform for members in February 2020. Members now have access to a high quality, daily updated and interactive member experience online. We look forward to launching a retirement calculator on the platform in the near future. Members also saw the funds become unitised and the fund options also invest in Socially Responsible investments (ethical and sustainable investments) under Mercer's management, which brought the investment philosophy in line with our Ngāi Tahu core values.

Compliance remains a key focus area for the Whai Rawa tīma and WRFL. Our biennial Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Audit has been completed mid-2020 by independent auditor Strategi. The Whai Rawa tīma regularly monitor AML/CFT and high-risk areas, which is a key part of the Scheme remaining compliant. The Financial Markets Authority is WRFL's AML/CFT supervisor.

It has been a tough start to 2020 with COVID-19 impacting local and global investment markets. This upheaval and market volatility has added much uncertainty for members. The Whai Rawa tīma continue to monitor the impact of COVID-19 with a focus on regular communications that share investment updates and educational resources with Whai Rawa members and whānau.

Despite these challenges, positive news came in the form of Te Rūnanga o Ngāi Tahu contributions for eligible Whai Rawa members, which saw \$6 million dollars contributed to the Fund. This saw total Managed Funds increase to \$95 million, and offset some of the losses global markets have experienced in the past several months.

The work that we do at Whai Rawa is so valuable and important to enable greater opportunities for our Ngāi Tahu whānau, and as a member myself I can see the benefit of the experience the tīma is bringing to this kaupapa for our iwi. I look forward to everything the year ahead has instore for Whai Rawa and its members and despite some challenging circumstances we remain positive about the benefits of long-term saving. We are here to help you to achieve your savings goals and if you need to get in touch about anything, the Whai Rawa tīma are ready to support and assist.

Nō reira, kia kaha koutou kia ekea te waka o penapena pūtea kia tatū ai ki te akitu o momoho – he ara whai rawa mō Ngāi Tahu whānui.

NĀKU NOA, NĀ – FIONA PIMM

SCHEME SNAPSHOT

as at 31 March 2020



NET ASSETS
\$96.3 MILLION
Net Assets

WITHDRAWALS
\$15,626,728

Total withdrawals since
the Scheme's inception



MEMBERS
28,868
Total members

MEMBER CONTRIBUTIONS
\$7,848,308

Member contributions for the year
ended 31 March 2020



TE RŪNANGA CONTRIBUTIONS
\$6,089,979

Contributions paid for the 2019 calendar year
(excluding taxes)



PERFORMANCE AND RESULTS

See how the three Funds performed in the financial year to 31 March 2020.

Note, our Balanced and Growth Funds only show data from 17 February 2020 through to 31 March 2020.

RETURNS (ANNUAL RETURN BEFORE TAX & INVESTMENT MANAGEMENT FEES)*



LEGACY WHAI RAWA
CONSERVATIVE FUND

↑4.63%

(1 April 2019 – 30 September 2019)



SOCIALLY RESPONSIBLE
TŌTARA-CONSERVATIVE FUND

↓-2.43%

(1 October 2019 – 31 March 2020)



SOCIALLY RESPONSIBLE
MATAĪ-BALANCED FUND

↓-9.37%

(17 February 2020 – 31 March 2020)



SOCIALLY RESPONSIBLE
RĀTĀ-GROWTH FUND

↓-11.95%

(17 February 2020 – 31 March 2020)



Global markets continue to experience historic moves as a result of the COVID-19 virus and have done since the commencement of our two new Fund options, leaving both new Funds in a negative position.

Mercer, the administration and underlying fund manager for Whai Rawa, diversifies their investments across the globe to spread risk. Whai Rawa have a long history with Mercer and we are optimistic about their approach in what is a challenging global market.

Investing is a long-term journey and market volatility shouldn't derail your course. Whai Rawa has a risk quiz which may help you to better understand how your approach to risk translates to the investment options available to you.

VISIT >

www.whairawa.com/riskquiz

* The returns provided are for the time periods shown, they have not been annualised.

KEY MILESTONES

These milestones are a testament to the positive impact on whānau lives.

During this financial year, Whai Rawa achieved:



Over

\$15M

IN TOTAL WITHDRAWALS
(SINCE INCEPTION IN 2006)



Our

800th

HOME OWNERSHIP WITHDRAWAL
(SINCE INCEPTION IN 2006)



68%

OF TAMARIKI WERE
ACTIVE SAVERS IN 2020



\$6M

PAID BY TE RŪNANGA O NGĀI TAHU
FOR DISTRIBUTIONS
(EXCLUDING TAXES)



BENEFITS OF THE SCHEME

1 CONTRIBUTIONS from Ngāi Tahu assisted members to save including Matched Savings, Annual Distributions and payment of administration costs and Scheme expenses. Since setting up Whai Rawa, Te Rūnanga o Ngāi Tahu has contributed over \$43 million in Matched Savings, Distributions, and associated tax credits

2 Applicable **TAX PAID** on your behalf

3 SAVINGS locked in for the purpose of withdrawal criteria only

4 YOUR CHOICE of three investment funds providing you with different risk profiles and returns

5 ENCOURAGING SAVING for Tamariki members starting with Newborn Distributions for pēpi

TE PUĀWAITANGA

INVESTOR CHOICE

- » In February 2020, Whai Rawa introduced two new Socially Responsible Funds to the Scheme; the **Matai-Balanced Fund**, and **Rātā-Growth Fund** to add to the existing **Tōtara-Conservative Fund**. This has been a kaupapa long in the making for the Scheme.
- » Whai Rawa saw 11.6% (3,209 members) of its existing membership select an asset switch as at 31 March 2020*.
- » Our new Socially Responsible Funds align more closely with our Ngāi Tahu values. Socially Responsible means sustainable and ethical investments. Read more online at www.whairawa.com/socially-responsible.



TŌTARA reflects our Conservative fund



MATAI reflects our Balanced fund



RĀTĀ reflects our Growth fund

* excludes gone no address members

TE ARA O WHAI RAWA

Your life journey with Whai Rawa



GROWING YOUR WHĀNAU

This is such an exciting time for any extended whānau with so many things to think about.

Start by registering your new pēpi with Whai Rawa before they turn one to receive a \$100* Newborn Distribution in their account. Also consider saving a small amount on a regular basis to ensure your new pēpi has choices when they are older in terms of education and home ownership. Ask whānau, especially grandparents if they can contribute to the account too.



THINKING ABOUT EDUCATION

Your Whai Rawa account can help you to enjoy the fruits of your labour sooner by reducing your student loan.

Accessing any funds saved in your account (including Matched Savings and Annual Distributions* from Te Rūnanga o Ngāi Tahu) can help ease the burden of student debt and get you on the path towards a career and a better future faster.

* Te Rūnanga Distributions and Matched Savings are subject to RSCT (retirement scheme contribution tax) deducted at your personal RSCT rate. For more information view our Product Disclosure Statement on our website www.whairawa.com/pds.



YOUR FIRST WHARE

The prospect of buying or building a first whare can be overwhelming.

For most whānau it is the biggest purchase they will make in their lifetime. Using your Whai Rawa account to contribute is an option available to you to help take away some of the financial pressures involved. It is simple and quick and you can get in touch with the tīma anytime to find out how much you can withdraw and how it works.



SPENDING TIME ENJOYING RETIREMENT

Your Whai Rawa funds are available to be drawn down from the age of 55, 10 years earlier than your KiwiSaver account.

While you may not wish to access your funds until you retire, or later, you can relax knowing that your lifestyle can be supplemented by your available account balance. Being able to access these funds at any time to enjoy your retirement will ensure you can do the things you want to do, with freedom at your side.

FUND OPTIONS

Whai Rawa now offers three Funds available for investment.

Choosing an investment fund is an important decision that may have a significant impact on your investment for your future education, whare or retirement. The Scheme is invested in Mercer Investment Trusts New Zealand's Socially Responsible Conservative, Balanced and Growth Portfolios. The level of expected risk and return in each Portfolio correspond to your fund choice.

Consider your investment strategy in your Fund choice. The length of time you have to invest your pūtea/ money, your age, Whai Rawa balance and how risk averse you feel will all contribute to your decision on which Fund is right for you.

The information on these two pages is from the Product Disclosure Statement for Whai Rawa dated 17 February 2020 and is subject to change. For the most up-to-date information on the Funds, please see the latest quarterly fund updates on the offer register at: www.disclose-register.companiesoffice.govt.nz or at www.whairawa.com/publications.

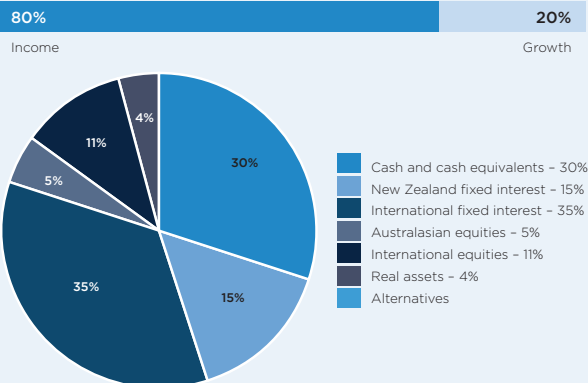
This table shows details of the Funds available within the Scheme.

TŌTARA-CONSERVATIVE FUND

SUMMARY OF INVESTMENT OBJECTIVES AND STRATEGY AND TARGET INVESTMENT MIX*

This Fund invests mostly in cash and fixed interest assets, with only some investment in shares and real assets. It seeks to provide growth of your investment through consistent returns using a diversified portfolio that has a bias towards defensive assets.

This option may be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in bank deposits, fixed interest investments or cash. Investors need to be comfortable with the possibility of some fluctuations in the value of their savings.



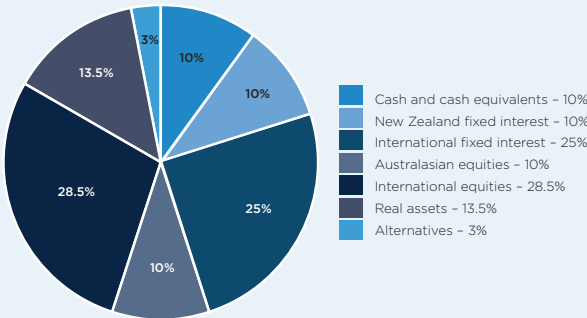
MATAI-BALANCED FUND

SUMMARY OF INVESTMENT OBJECTIVES AND STRATEGY AND TARGET INVESTMENT MIX*

This Fund invests in a wide range of assets and seeks to provide long-term capital growth for your savings by using a diversified portfolio with a slight bias towards growth assets.

This option may be suitable for investors who want a diversified investment with exposure to shares and real assets, who are comfortable with greater fluctuations in the value of their savings than can be expected from the Conservative Fund and who want to invest for the long term.

45% Income 55% Growth



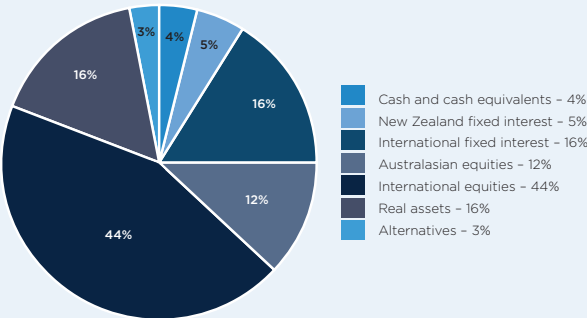
RĀTĀ-GROWTH FUND

SUMMARY OF INVESTMENT OBJECTIVES AND STRATEGY AND TARGET INVESTMENT MIX*

This Fund also uses a diversified portfolio but invests mainly in shares and property related assets. It seeks to provide higher long-term capital growth for your savings from its stronger exposure to growth assets and lower investment in defensive assets.

This option may be suitable for investors wanting to invest mostly in growth assets and who are comfortable accepting more fluctuations in the value of their savings than those expected from the Balanced Fund with a view to achieving higher longer-term returns.

25% Income 75% Growth



* Each Fund invests in one of the Socially Responsible fund options within Mercer Investment Trusts New Zealand in order to gain exposure to the desired mix of investments.

SECTION ONE

Details of the Scheme

NAME OF THE SCHEME

Whai Rawa Unit Trust

TYPE OF SCHEME

Registered Managed Investment Scheme – Managed Fund

MANAGER

Whai Rawa Fund Limited

SUPERVISOR

Trustees Executors Limited

PRODUCT DISCLOSURE STATEMENT

The current Product Disclosure Statement for the Scheme is dated 17 February 2020 and is open for applications.

FUND UPDATES

The latest fund update for the funds in the Scheme for the quarter ended 30 June 2020 were made publicly available on 28 July 2020.

FINANCIAL STATEMENTS AND AUDITORS REPORT

The latest financial statements for the Scheme dated 31 March 2020 and the auditor's report on those financial statements were lodged with the Registrar of Financial Service Providers on 7 July 2020.

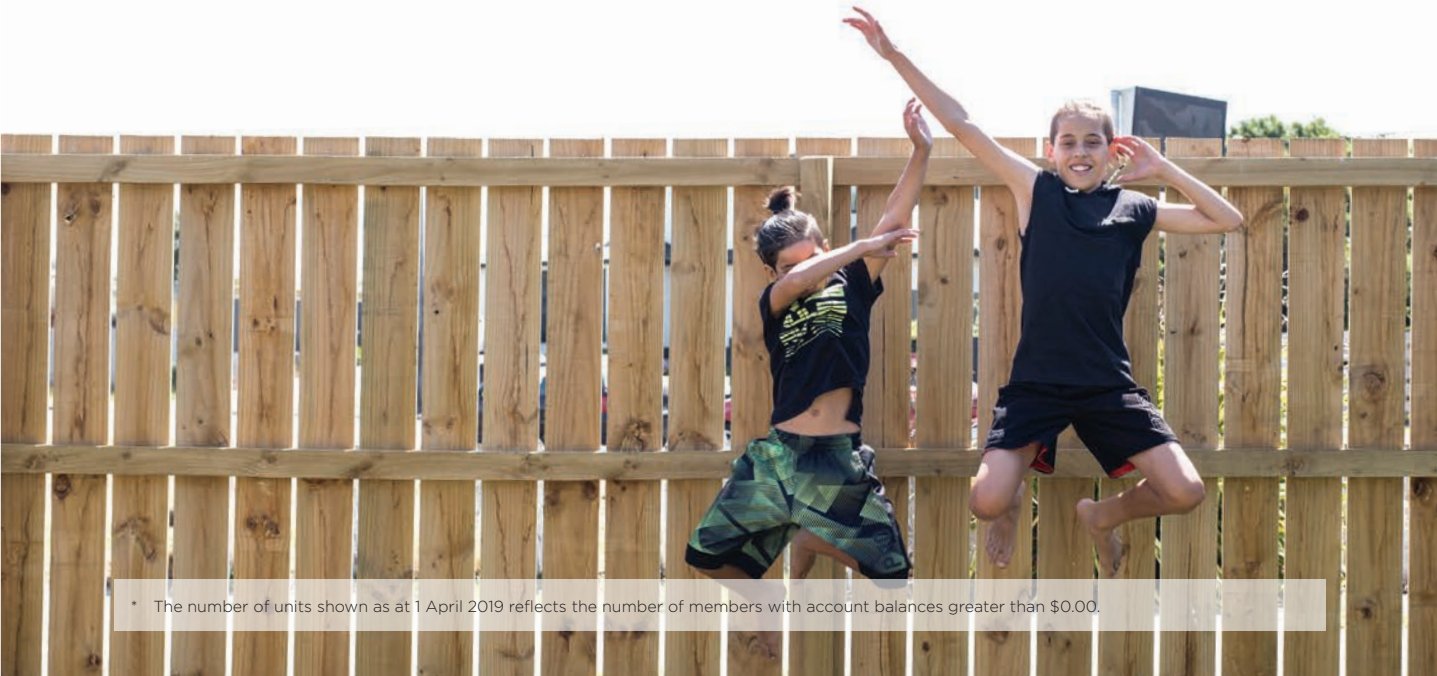
The financial statements and auditor's report are available on the offer register and the scheme register at www.disclose-register.companiesoffice.govt.nz and at www.whairawa.com or by contacting whairawa@ngaitahu.iwi.nz.

SECTION TWO

Information on contributions and Scheme participants

This section provides a summary of changes in the number of units on issue of the Scheme over the year ended 31 March 2020.

UNITS ON ISSUE	1 APRIL 2019		31 MARCH 2020	
	NUMBER OF UNITS	VALUE OF UNITS	NUMBER OF UNITS	VALUE OF UNITS
Tōtara-Conservative Fund	26,850*	\$85,586,011.00	84,329,542.47883	\$82,077,943.69
Mataī-Balanced Fund	N/A	N/A	6,206,329.69183	\$5,621,072.80
Rātā-Growth Fund	N/A	N/A	8,294,171.24531	\$7,297,211.86



* The number of units shown as at 1 April 2019 reflects the number of members with account balances greater than \$0.00.

SECTION THREE

Changes relating to the Scheme

GOVERNING DOCUMENT - THE TRUST DEED

The Trust Deed was replaced on 1 October 2019 in order to move the Scheme from an account-based unit trust to a unitised scheme, which was necessary to support the introduction of Investor Choice that occurred in February (as described below). This change to the nature of the Scheme required a number of changes to be made to the Trust Deed in order to introduce the new concepts required to support unit pricing, with a number of technical adjustments made to various administrative provisions to better support those changes.

TERMS OF OFFER OF INTERESTS IN THE SCHEME

During the period, the following material changes to the terms of the offer of interests in the Scheme were made:

1. From 2 October 2019, new members were issued with units in the Scheme instead of having member accounts opened for them, and additional contributions have resulted in additional units being issued to the members concerned, rather than having their member accounts increased.
2. From that same date, the Tōtara-Conservative Fund began investing in a Socially Responsible underlying fund.
3. On 17 February 2020, two new fund options were made available to investors – a Socially Responsible Mataī-Balanced Fund and a Socially Responsible Rātā-Growth Fund.

THE STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO) OF THE SCHEME'S FUNDS

There were changes made to the SIPO on 2 October 2019 and 17 February 2020 necessary to implement the changes to the terms of offer noted above. The revised SIPO is dated 17 February 2020.

NO CHANGES TO THE NATURE OR SCALE OF RELATED PARTY TRANSACTIONS

All related party transactions were conducted on arms-length commercial terms and conditions during the period.



SECTION FOUR

Other information for particular types of managed funds



The unit prices for the Funds at the start and end of the period were as follows:

FUND	1 APRIL 2019	31 MARCH 2020
	(\$)	(\$)
Tōtara-Conservative Fund*	N/A	\$0.9733
Mataī-Balanced Fund**	N/A	\$0.9057
Rātā-Growth Fund**	N/A	\$0.8798

* This Fund was not unitised on 1 April 2019, therefore there was no unit price on this date.

** These Funds were established on 17 February 2020.

SECTION FIVE

Changes to persons involved in the Scheme

Mercer (N.Z.) Limited was reappointed as the Scheme's underlying fund manager on 26 April 2019. On 1 October 2019, the Scheme's administration management and securities registrar functions transitioned from Link Market Services Limited to Mercer (N.Z.) Limited.

There were no changes to the manager or its directors or key personnel, or to the supervisor, custodian or auditor of the Scheme during the period.

CHANGES TO THE DIRECTORS OF THE SUPERVISOR

- Ryan Elliot Bessemer was appointed as a *Director of the supervisor* on 2 October 2019.
- Victoria Grace was appointed as a *Director of the supervisor* on 2 October 2019.
- Graeme Kirkpatrick was appointed as a *Director of the supervisor* on 2 October 2019.
- Laurence Stanley Kubiak was appointed as a *Director of the supervisor* on 25 October 2019.
- Mark Charles Darrow resigned as a *Director of the supervisor* on 2 October 2019.
- Sarah Mary Roberts resigned as a *Director of the supervisor* on 2 October 2019.
- Matthew James Sale resigned as a *Director of the supervisor* on 17 December 2019.



WHAIRAWA.COM

The publications page on our website holds a range of important documents.

SECTION SIX

How to find further information

FURTHER INFORMATION RELATING TO THE SCHEME, INCLUDING:

- » Financial Statements
- » the Product Disclosure Statement
- » Other Material Information
- » previous Annual Reports
- » Quarterly Fund Updates
- » the Scheme's Trust Deed; and
- » the Statement of Investment Policy and Objectives

is available on the offer register and the scheme register free of charge at www.disclose-register.companiesoffice.govt.nz.

You may also obtain the above information, as well as a copy of the application form and an estimate of your current benefits, free of charge by contacting whairawa@ngaitahu.iwi.nz or by visiting the Scheme website at www.whairawa.com.

SECTION SEVEN

Contact details and complaints



If you have any questions or complaints, please contact the *Complaints Officer of Whai Rawa Fund Limited*. The Complaints Officer can be contacted at:

WHAI RAWA FUND LIMITED

Te Whare o Te Waipounamu

15 Show Place

PO Box 13046

Addington

Christchurch 8024

PHONE 0800 942 472

EMAIL whairawa@ngaitahu.iwi.nz

If we cannot resolve any matter relating to your investment to your satisfaction you can contact the *Business Manager, Trustees Executors Limited*. The Business Manager can be contacted at:

BUSINESS MANAGER

TRUSTEES EXECUTORS LIMITED

Level 7

51 Shortland Street

Auckland 1140

PHONE (09) 308 7100

If we or the supervisor are unable to resolve your complaint, you can complain to *Financial Services Complaints Limited (FSCL)*. FSCL will not charge a fee to any complainant to investigate or resolve a complaint. FSCL can be contacted at:

FINANCIAL SERVICES

COMPLAINTS LIMITED

PO Box 5967

Wellington 6145

PHONE 0800 347 257

FAX (04) 472 3728

EMAIL info@fscl.org.nz

Whai Rawa is also a member of the Australian Financial Complaints Authority (AFCA) who can be contacted at:

AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY

GPO Box 3

Melbourne VIC 3001

PHONE 1300 565 562

EMAIL info@afca.org.au

WEB www.afca.org.au

Contact details for the *Securities Registrar*:

MERCER (N.Z.) LIMITED

151 Queen Street

PO Box 105591

Auckland 1143

PHONE (04) 819 2499

TIKANGA HOU, ORANGA HOU

Changing habits, changing lives

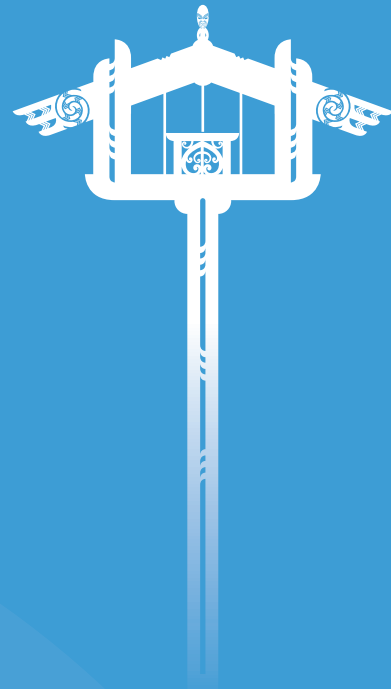


Since inception as at 31 March 2020.

TE PĀTAKA

*The storehouse raised upon
posts, pantry, larder.*

*The Whai Rawa account is symbolic of and
can represent your financial storehouse.*



Whai Rawa Fund Limited is the issuer of the Whai Rawa Unit Trust. A copy of the Product Disclosure Statement is available at www.whairawa.com/pds.

A WHAI RAWA FUND LIMITED

Te Whare o Te Waipounamu
15 Show Place
Christchurch 8024
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P 0800 WHAI RAWA (0800 942 472)

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W whairawa.com

Whai Rawa NGĀI TAHU



Te Rūnanga o **NGĀI TAHU**