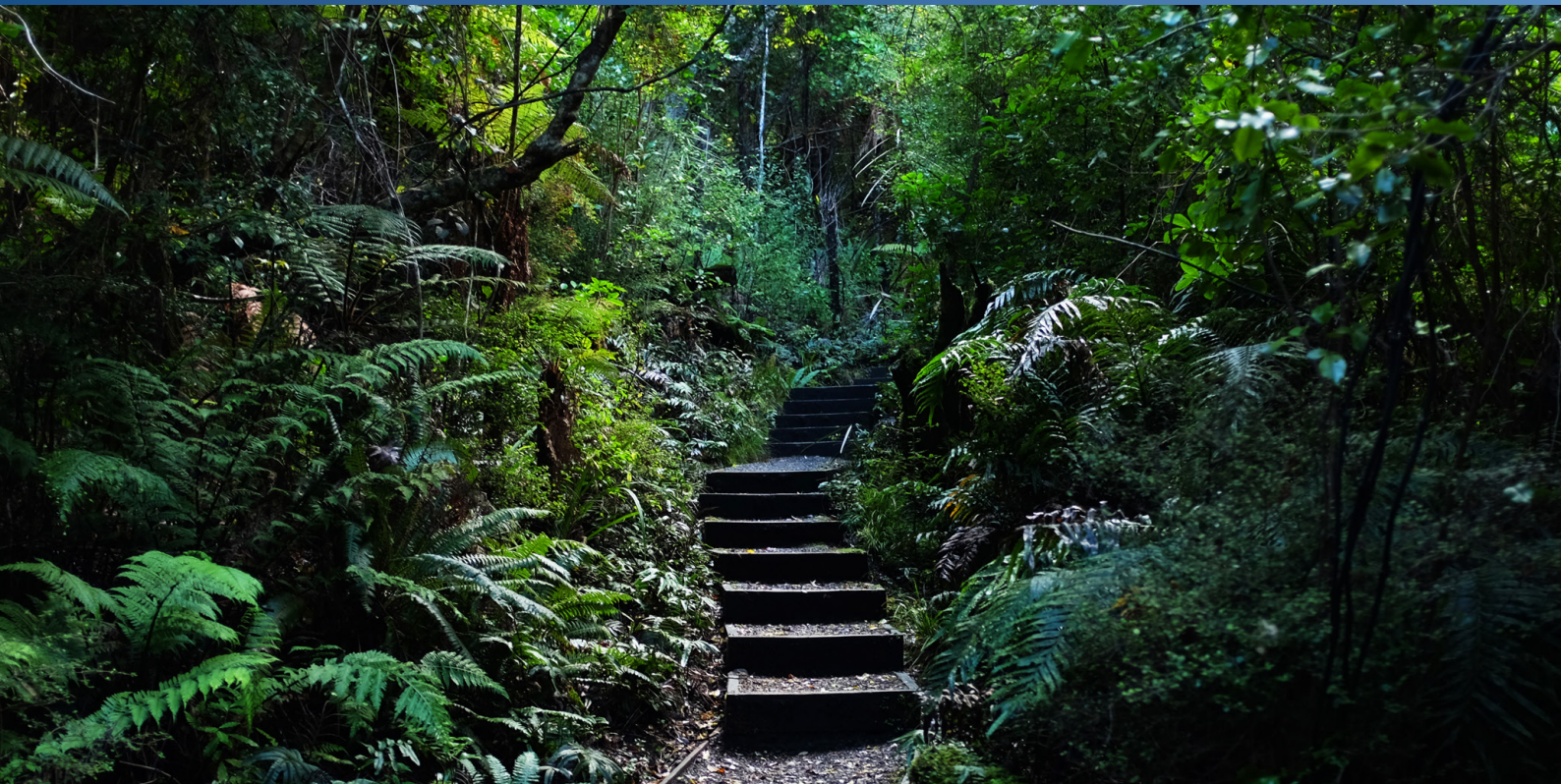


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Iwi Investment Report 2019



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Disclosure and disclaimer

TDB Advisory (TDB) has provided independent financial and investment advice to many iwi, including Ngāi Tahu, Waikato-Tainui, Tūhoe and Rangitāne o Wairau. This report, however, is based solely on publicly available information.

This report has been prepared by TDB with care and diligence. The analysis has been done at a high level based on public information. All the iwi reviewed in this report were given the opportunity to comment on a draft of the report, although they bear no responsibility for the final product. We would like to acknowledge the valuable contributions of all the iwi who provided comments on the draft report. Neither TDB nor the iwi that have been reviewed in this report warrant or guarantee the accuracy of the information in this document. This report has been produced on a pro bono basis. The research is objective and TDB does not seek to make or infer any normative judgements on the governance or investment strategy of any iwi. Not every iwi in NZ is reviewed in this report and the conclusions derived in this report are not to be taken as representative of any other iwi.

Caution should be taken about making inferences regarding the relative performance of iwi. The financial information in this report does not take into account investment risk. Furthermore, the dates of the settlements differ and some are quite recent so different time periods and time horizons will impact on the short-term financial results. In addition, the published financial information of the iwi does not take into account option values (e.g., rights of first refusal and deferred selection options), strategic priorities and non-financial objectives unique to each iwi.

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Overview

This report reviews the corporate structures, investment strategies and investment performance of eight iwi in New Zealand. With combined assets equating to around \$5.5 billion, these eight iwi are: Ngāi Tahu, Ngāpuhi, Ngāti Awa, Ngāti Porou, Ngāti Whātua Ōrākei, Raukawa, Tūhoe and Waikato-Tainui. The combined assets of these eight iwi makes up an estimated 60 percent of all post-settlement iwi assets, which we estimate to be worth around \$9.2b. These iwi were chosen on the basis of availability of public information, asset size, length of operations and population size. This year's report covers the same iwi as our 2018 Iwi Investment Report.

Overall, 2019 was not a strong year for the eight iwi covered in this report, with none of these iwi achieving our benchmark 10% return for the year. Four of the iwi (Ngāti Whātua Ōrākei, Raukawa, Tūhoe and Waikato-Tainui) reported returns of 5% or higher, while two iwi, Ngāi Tahu and Ngāti Awa, only just achieved a positive return for the year.

The iwi we have reviewed generally have similar corporate structures. There is typically an overarching Trust that makes decisions about distributions to beneficiaries and non-financial objectives of the group, while a separate commercial entity manages the group's commercial assets and makes investment decisions under a commercial mandate. A variety of investment approaches have been adopted by the eight iwi, as summarised in Table 1 below.

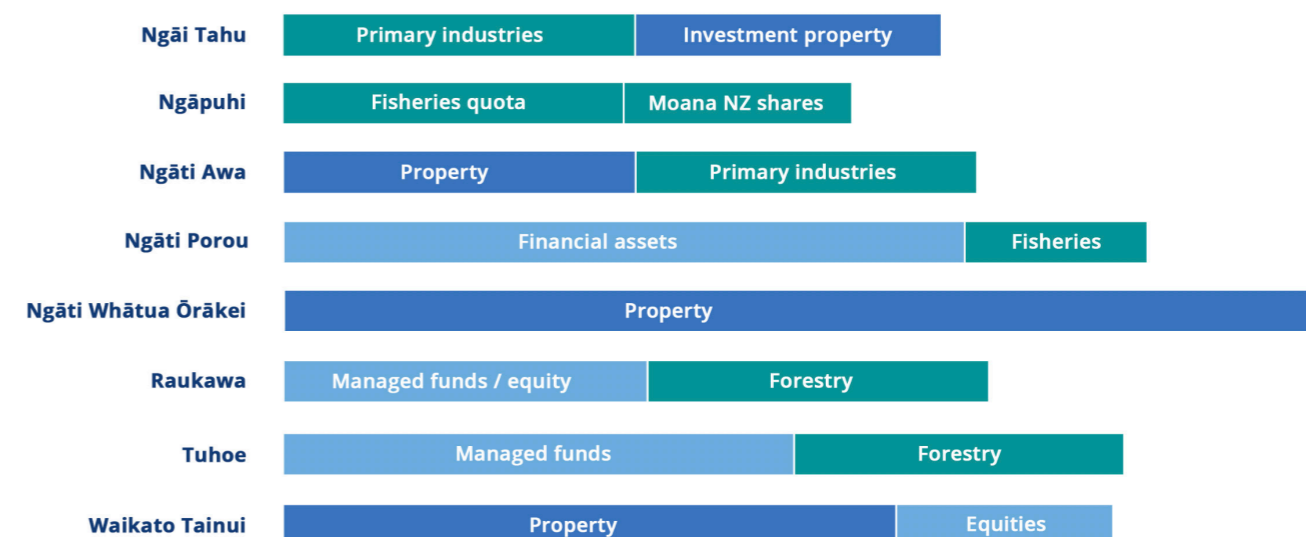
Table 1: Summary of investment strategies, 2019

	Total assets	No of asset classes	Capital allocated to largest asset class	Management approach	Gearing ratio
Ngāi Tahu	\$1,930m	7	31%	Largely active	13%
Ngāpuhi	\$62m	7	35%	Largely passive	0%
Ngāti Awa	\$150m	7	31%	Mixed	12%
Ngāti Porou	\$254m	6	60%	Largely passive	6%
Ngāti Whātua Ōrākei	\$1,254m	2	94%	Active	18%
Raukawa	\$174m	7	32%	Mixed	0%
Tūhoe	\$386m	7	45%	Largely passive	0%
Waikato-Tainui	\$1,446m	6	54%	Largely active	10%

Ngāti Whātua Ōrākei and Waikato-Tainui hold the majority of their assets in property. This reflects their initial settlements, which were dominated by properties in their rohe (traditional tribal areas). While Ngāi Tahu also has significant property assets, it has taken steps to diversify and now holds a larger portion of its assets in primary industries. Ngāti Awa also has a large portion of its assets in property but has diversified by investing in primary industries, equity investments and direct investments. Raukawa, Ngāti Porou and Tūhoe all have the majority of their assets in managed funds and financial assets, however, they have each made significant investments in primary industries. Northland based iwi Ngāpuhi is yet to settle with the Crown, aside from the Treaty of Waitangi fisheries settlement. Ngāpuhi therefore holds mainly fishery assets.



Figure 1: Largest asset classes of each iwi



Several iwi have relatively undiversified investment portfolios. Many hold a large portion of their assets in property within their rohe. These iwi are exposed to risk in a narrowly defined geographic area. While there are often strong cultural and historical reasons for such portfolio concentration, it is risky from an investment perspective.

Other iwi have a significant portion of their investment portfolios in financial assets, exposing them to the volatility of the financial markets. Ngāpuhi, Ngāti Awa, Ngāti Porou, Raukawa, Tūhoe and Waikato-Tainui have the majority of their equity investments in managed funds, with different funds holding a range of assets, including New Zealand, Australian and global equities and bonds. Ngāi Tahu is a direct equity investor rather than investing via managed funds.

All of the iwi except Ngāti Whātua Ōrākei hold assets in the primary industries such as fishing, forestry and farming. Many iwi have interests in the domestic fishing industry, with holdings of settlement fisheries quota and shares of Moana New Zealand exposing them to the volatility of this sector. However, other than Ngāpuhi, fisheries related assets are generally less than 10% of their asset portfolios.

Recently several iwi have looked to diversify their investments by investing in the tourism sector, a sector that can be quite risky.

A common feature of all the iwi is low debt. As Table 1 shows, three of the iwi have zero debt and the remaining five have a gearing ratio that is no higher than 19 percent.

Investment Environment

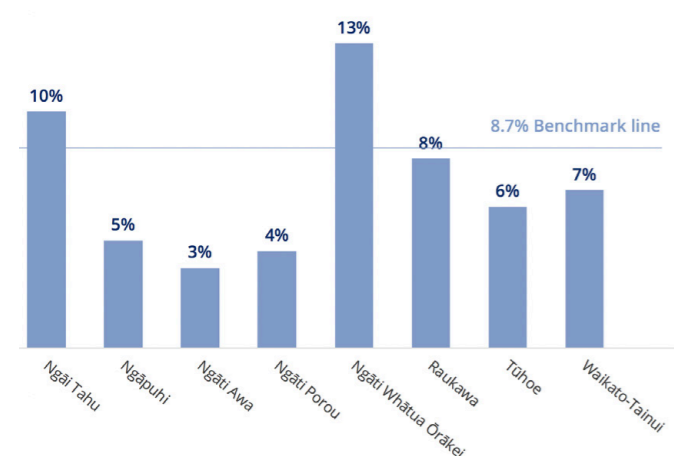
In 2019 several notable financial and economic developments impacted on the returns of iwi portfolios and that of our benchmark portfolio. During the year NZX50 equities generated strong returns, of 19.6% on average, following the previous year's return of 15.8%. There was also increased volatility in the global markets resulting from global trade tensions. In 2019 interest rates fell further with yields on 10-year government bonds reaching a record low of 1.63%. 2019 also saw a slowdown in the New Zealand property market.

Overview cont.

Investment Performance

The investment performances of the iwi have differed considerably over recent years. Figure 2 below gives the average return of each iwi over the period 2013 – 2019. These are compared against a benchmark of 8.7%, based on the estimated returns of our benchmark portfolio (a weighted average of returns on NZ equities and debt) over the same period. The returns presented are for each iwi as a whole and have been calculated after deducting the respective Trust's operating expenditures. The returns for the commercial entities of the iwi will be somewhat higher than those presented below as they will include the distributions to the parent entity (the Trust). However, most iwi do not publish separate financial statements for their commercial arms. The returns may also be understated for some iwi who do not revalue upwards some assets – for example, Ngāi Tahu holds significant amounts of seafood quota but does not include upward revaluations of the quota in its reported returns.

Figure 2: Average annual return on assets (RoA), 2013-2019

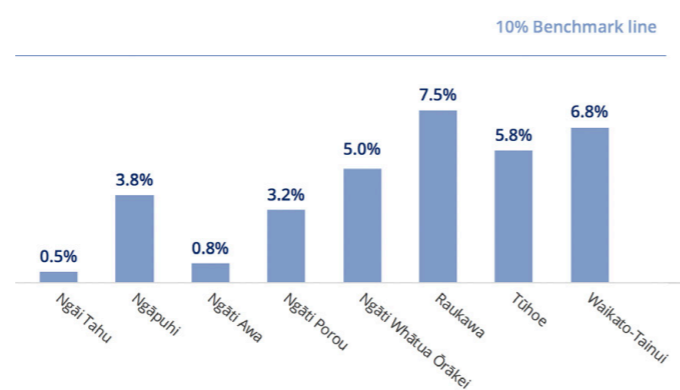


As Figure 2 illustrates, Ngāi Tahu and Ngāti Whātua Ōrākei have outperformed other iwi (as well as our benchmark return of 8.7% p.a.) with reported average returns of 10% p.a. and 13% p.a. respectively over the last seven years. Raukawa has generated returns approximately in line with the benchmark portfolio (ie, within 1%) and the other five iwi have generated lower, yet still positive returns on average over the period. Ngāi Tahu has performed well over a long period, with its relatively diverse asset base delivering strong returns. Ngāti Whātua Ōrākei's high returns can be attributed to its concentration of assets in the Auckland property market, which has generated high returns in recent years.

Figure 3 shows the RoA for the eight iwi in 2019 against the 2019 benchmark of 10%. In 2019 all eight iwi had an RoA lower than their 7-year average and all reported returns well below the benchmark of 10%. Raukawa had the highest RoA of 7.5%. Ngāi Tahu and Ngāti Awa had RoA's that were the furthest from the benchmark, with RoA's of less than 1%.

Return on assets (RoA) provides a basis for comparing the financial performance of iwi. However, it is important to note that our RoA calculations are not adjusted for the risk associated with different asset classes. Furthermore, the location of each iwi has played a role in their relative performances with the returns of many being closely linked to the performance of their local property market (e.g. Ngāti Whātua Ōrākei). In recent years several iwi such as Ngāti Awa, Ngāti Porou, Raukawa, Tūhoe and Waikato-Tainui have sought to diversify their portfolios.

Figure 3: Return on assets (RoA), 2019



Net assets per member

Figure 4 illustrates the average change in net assets per iwi member (% p.a.) between 2013 and 2019. Raukawa has shown the greatest increase in net assets per member over the period of 8.9%. Tūhoe, Waikato-Tainui and Ngāi Tahu have experienced average increases in the 4% to 7% p.a. range, while Ngāti Whātua Ōrākei, Ngāpuhi, Ngāti Awa and Ngāti Porou experienced increases of less than 4% p.a. Iwi membership data is estimated based on the 2013 census and subsequent projected Maori population growth rates for all the iwi except Waikato-Tainui, Ngāi Tahu and Ngāti Whātua Ōrākei who have directly report their registered membership numbers. Waikato-Tainui and Ngāti Whātua Ōrākei membership growth rates are much higher than the estimated growth rate, partially explaining their slower increase in net assets per member relative to Raukawa and Tūhoe.

Figure 4: Average change in net assets per member (%p.a.) 2013-2019

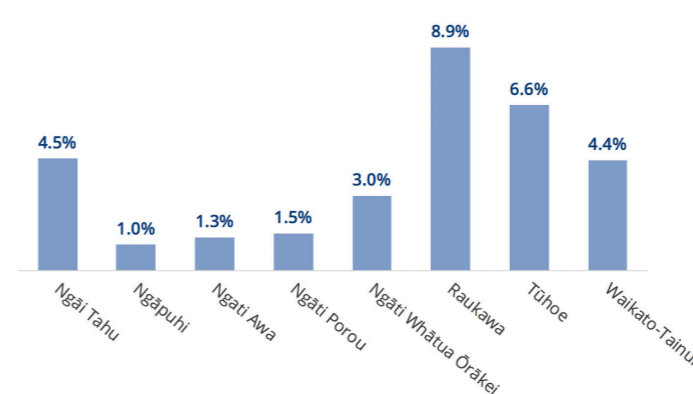


Figure 5: Change in net assets per member (%p.a.), 2019



Figure 5 above shows the average change in net assets per member in 2019. Net asset per member for Ngāti Whātua Ōrākei fell by 8.5%. This decrease was driven largely by the significant growth in Ngāti Whātua Ōrākei's number of registered members. Ngāi Tahu decreased its net assets per member by 8.5%. The reason for this decrease was the significant write down in the value of its investment in Oha Honey. Ngāti Awa also saw its net assets per member decline. Ngāpuhi and Ngāti Porou had increases in net assets per member between 0% and 2%. Raukawa, Waikato-Tainui and Tūhoe had increases in net assets per member of between 4% and 6%. Waikato-Tainui's relatively large increase in net assets per member of 6.1% was driven largely by the gains in the value of its investment properties.

Iwi as investors

Iwi as investors have several notable characteristics: they tend to have a strong home bias; they tend to have long time horizons; they typically have limited access to new capital; and they typically have constraints on their ability to sell certain assets. Iwi trusts (as opposed to their commercial arms) typically have objectives that go beyond maximising financial returns such as the welfare and educational opportunities of iwi members.

Introduction

Since 1990 around 80 iwi in New Zealand have finalised Treaty settlements with the Crown (refer to Appendix One). A Treaty settlement is an agreement between the Crown and a Māori claimant group, usually an iwi, to settle all that claimant's historical claims against the Crown. The Treaty settlement is typically composed of historical accounts, an acknowledgment and apology, cultural redress and financial and commercial redress.

This report is based on the financial and commercial redress aspects of the Treaty settlement. We have reviewed eight iwi, which have been selected based on the year of Treaty settlement, the size of Treaty settlement, the number of iwi members and the availability and transparency of financial reports and information disclosures. Although it is yet to settle with the Crown, we have included Ngāpuhi because of the size of its member base. Table 2 below lists the iwi reviewed in this report. These eight iwi account for approximately 57% of the total Māori population in New Zealand (Census 2013) and manage approximately 60% of total assets in the sector.

Table 2: The eight iwi

	Location	Year of Deed	Redress amount	Population
Ngāi Tahu	South Island	1997	\$170m	65,000
Ngāpuhi	Northland	Still under negotiation	-	141,621
Ngāti Awa	Bay of Plenty	2005	\$42m	14,708
Ngāti Porou	East Cape	2011	\$90m	80,111
Ngāti Whātua Ōrākei	Ōrākei	2011	\$18m	5,062
Raukawa	South Waikato	2012	\$50m	11,335
Tūhoe	Te Urewera	2013	\$169m	39,340
Waikato-Tainui	Waikato	1995	\$170m	76,102

Scope and approach

This section gives the structure of review for each iwi and discusses our use of different performance measures in the report.

Organisational structure

This section of the report summarises the organisational structure of the eight iwi examined in this report and the functions and responsibilities of the key entities within each iwi group.

Capital structure

The capital structure section looks at the gearing of the iwi. The degree to which iwi investments are financed by equity and debt affects risk and return. Gearing increases the riskiness of an investment and restricts the ability of the investor to invest in assets that do not yield regular cash flows. We measure gearing by using the ratio displayed (right). Debt includes all interest-bearing debt.

Investment strategy

This section of the report discusses the investment strategies of the eight iwi. We discuss each iwi's asset allocations and comment on the degree of diversification of its portfolio, its management approach and its investment financing practices. Diversification works by spreading investments among various assets (e.g. New Zealand equities, international equities, bonds, cash, property, etc.) with returns that are not based on the same market movements. Diversification allows an investor to reduce risk, creates greater stability in overall returns and can improve overall portfolio performance.

$$\text{Gearing} = \frac{\text{Interest-bearing debt}}{(\text{Interest-bearing debt} + \text{equity})}$$

Investment performance

This section of the report discusses the investment performance of each iwi. To measure the investment performance, we have used the standard accounting metrics of return on assets (RoA) and return on equity (RoE), with minor adjustments that reflect the differing structures of each iwi. RoA is an indicator of how efficiently the iwi has used its assets to generate earnings. RoE takes into account the capital structure of each iwi.

Some iwi have received additional cash settlements from the Crown, typically in the form of relativity payments, which also affect the performance metrics. To permit more meaningful comparisons across the iwi, we have excluded additional settlements in the numerator for the calculations of RoA and RoE. This allows us to measure only the returns generated by the use of the iwi's capital in that particular period. In addition, we have added back any distributions made by an iwi's Trust to reflect the total return on capital of that iwi's investments. This is because distributions are included in the calculation of total comprehensive income.

The returns presented are for each iwi group as a whole and are calculated after deducting the respective Trust's operating expenditures. The returns for the commercial entities of the iwi will be somewhat higher as they will include the distributions to the parent entity (the Trust). However, most iwi do not publish separate financial statements for their commercial arms. The returns of the iwi will also be understated to the extent that they do not always revalue upwards some assets (e.g., fisheries quotas or other assets that they intend to hold in perpetuity, which may appreciate in value over time).

Average returns

Where average returns are calculated for an iwi over a period of several years, the average return is calculated as the geometric mean. The geometric mean provides a more accurate measure of returns over a longer period as it takes into account the effect that compounding may have on returns. In contrast, an arithmetic average is useful in the short term where compounding of returns need not be considered.

Comparing against a benchmark return

We have constructed a simple reference portfolio to provide a benchmark to compare the investment performance of each iwi. Our benchmark portfolio is made up of low-risk bonds (50%) and a diversified stake in New Zealand equities (50%). The benchmark portfolio is constructed using NZX50 monthly yields and 10 year government bond yields between June 2013 and June 2019. The benchmark provides a simple standardised estimate. While it would be ideal to have a customised benchmark for each iwi, that would require a detailed analysis of its circumstances taking into account such factors as its risk appetite, time horizon, liquidity requirements and tax position. Much of this information is not publicly available. Appendix 3 illustrates the calculations behind this benchmark return.

$$\text{Return on assets (RoA)} = \frac{(\text{Total pretax comprehensive income} + \text{distributions} + \text{interest expense} - \text{relativity payments})}{\text{Average assets}}$$

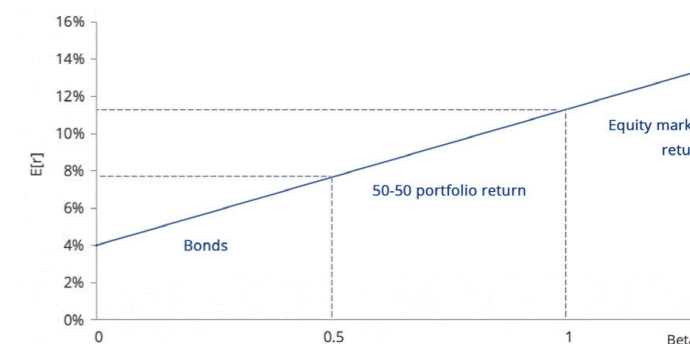
$$\text{Return on equity (RoE)} = \frac{(\text{Total pretax comprehensive income} + \text{distributions} - \text{relativity payments})}{\text{Average equity}}$$

Net asset value

Net asset value (NAV) per member is used to gauge the level of net assets per iwi member. Statistics NZ estimates of the Māori population growth rate is used as a proxy for the growth rate of each individual iwi since the 2013 Census (for six of the nine iwi). The exceptions are Ngāi Tahu, Waikato-Tainui and Ngāti Whātua Ōrākei, who directly report their membership numbers.

$$\text{Net assets per member} = \frac{\text{Net worth}}{\text{iwi population}}$$

Figure 6: Security market line (for 7 year benchmark)



Ngāi Tahu

Te Rūnanga o Ngāi Tahu is the largest iwi in New Zealand in terms of assets (\$), with the rohe of Te Rūnanga o Ngāi Tahu spanning the majority of the South Island. We refer to Te Rūnanga o Ngāi Tahu as Ngāi Tahu throughout this report.

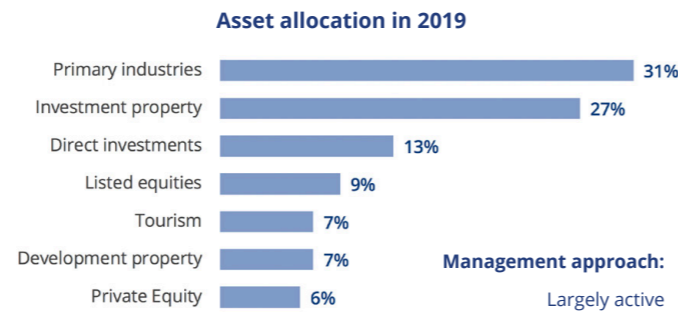
Organisational structure

Ngāi Tahu is the sole trustee of the Ngāi Tahu Charitable Trust, which owns and operates Ngāi Tahu Holdings Corporation (NTHC). NTHC is an investment company responsible for wealth creation. It aims to provide for future generations and support tribal aspirations including social, cultural and environmental initiatives through distributions. The executive functions are carried out by the Office of Te Rūnanga o Ngāi Tahu which monitors and supports NTHC, manages the representational activities, protects the rights of Ngāi Tahu Whānui and delivers social and cultural programmes.



Investment strategy

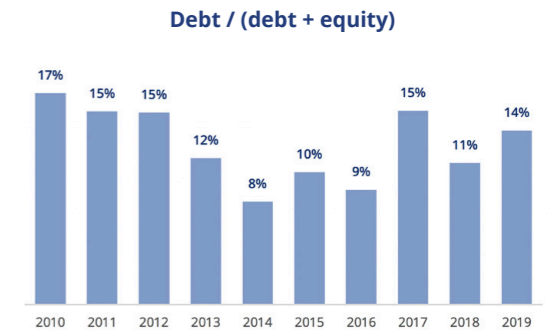
As a part of its settlement package, Ngāi Tahu received \$170m in cash in 1997. Ngāi Tahu was also given the option of purchasing a range of Crown assets to generate income for social development and asset-preservation purposes. Ngāi Tahu received an additional \$199m in cash as a relatively settlement in 2018 and \$2.4m in 2019. As at June 30, 2019, Ngāi Tahu's total assets were valued at \$1,930m.



Ngāi Tahu has shifted in recent years from a strategy pursuing high-growth but risky investments to pursuing more secure investments. Ngāi Tahu's investment in Oha Honey, formerly Watson & Son, has struggled in recent years, with a total deficit of \$62.4m in 2019. Ngāi Tahu has cited Oha Honey's choice of an aggressive hive growth strategy compounded by three years of unfavourable weather conditions as the reason for this poor performance. Ngāi Tahu Capital has admitted to underestimating the risks and overestimating its ability to handle them. The value of its goodwill investment in Oha Honey has subsequently been written down by \$57.1m, impacting the group's comprehensive income, equity and asset growth in 2019. Investment property and seafood subsidiaries have performed well. Ngāi Tahu Capital's net operating surplus increased in 2019 to \$21.5m from an operating deficit of \$18.6m in 2018.

Capital structure

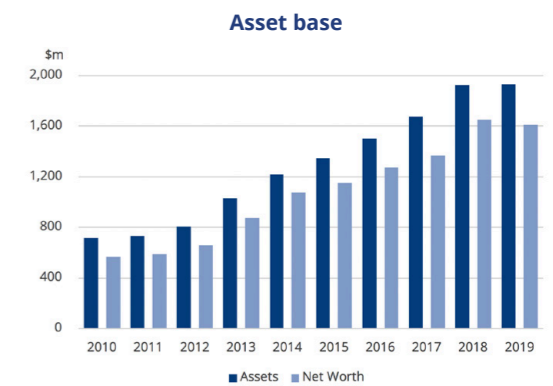
Ngāi Tahu increased its borrowings by \$48.5m in 2019 and its gearing ratio increased to 14%. Ngāi Tahu's gearing ratio is higher than many iwi, which traditionally hold little debt, reflecting Ngāi Tahu's active investment approach and portfolio composition.



Investment performance

Asset base and net worth

Over the last nine years, Ngāi Tahu's asset base has grown significantly from \$715m in 2010 to \$1,930m in 2019. Asset growth slowed in 2019 to 0.32%, down from 15% in 2018. Asset growth in 2018 was driven by a relatively settlement of \$199m received that year. The low asset growth in 2019 was largely the result of the writedown in the value of Ngāi Tahu's investment in Oha Honey.

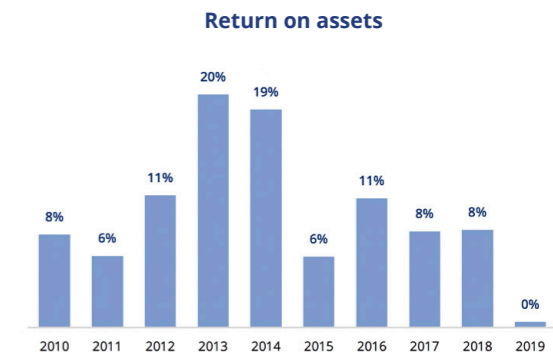


Over the previous ten years average asset growth was 11.6% p.a.

In 2019 the value of Ngāi Tahu's investments in equities increased by \$17.4m. This increase was \$44.4m less than in 2018. Increases in the value of Ryman Healthcare contributed \$45.8m in 2018 compared to \$0.3m in 2019.

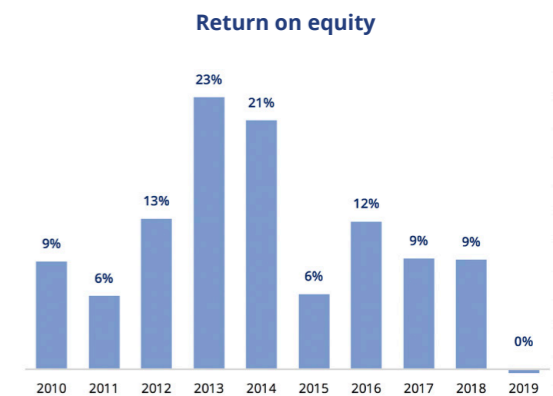
Return on assets

Ngāi Tahu's RoA was 0% in 2019, well below 2018's RoA of 8% and its average RoA of 10% p.a. over the last ten years. The low returns in 2019 reflected losses on assets such as Oha Honey and a large decrease in the valuation of farmland and buildings.



Return on equity

Ngāi Tahu's RoE was 0% in 2019, well below 2018's RoE of 9% and its average of 11% p.a. over the last ten years. Distributions to its members decreased to \$36m in 2019, down from \$55m in 2018. The average distribution over the last ten years has been of \$21m.



Net assets per member

Net assets per member decreased to \$24,792 in 2019, the first decline in the last seven years. The decline reflected the combination of zero asset growth and Ngāi Tahu's 6.5% population growth.

Net assets per member (\$)

Year	2013	2014	2015	2016	2017	2018	2019
\$	16,838	20,207	21,143	22,947	23,440	27,091	24,792

Ngāpuhi

Te Rūnanga Ā Iwi o Ngāpuhi is based in Northland and is the largest iwi in New Zealand in terms of population (Census 2013). Te Rūnanga Ā Iwi o Ngāpuhi is referred to as Ngāpuhi throughout this report.

Organisational structure

Ngāpuhi is the governing body of the iwi and has the following subsidiaries: Te Hau Ora o Ngāpuhi (THOON), Ngāpuhi Iwi Social Services (NISS), Te Rūnanga-Ā-Iwi o Ngāpuhi Operations, and Ngāpuhi Asset Holding Company Ltd (NAHC). THOON was established in 2015 following the merger of Te Hau Ora o Kaikohe with the Rūnanga and leads the health strategy for Ngāpuhi, serving whānau, hapū and hapori living within te whare tapu o Ngāpuhi. NISS delivers a range of support for the iwi through whānau services and youth services, social work through schools and re-engaging students within education. NAHC oversees the commercial investments and strategy for the iwi while also operating retail investments in Mobil Kaikohe and Paper Plus Kaikohe.

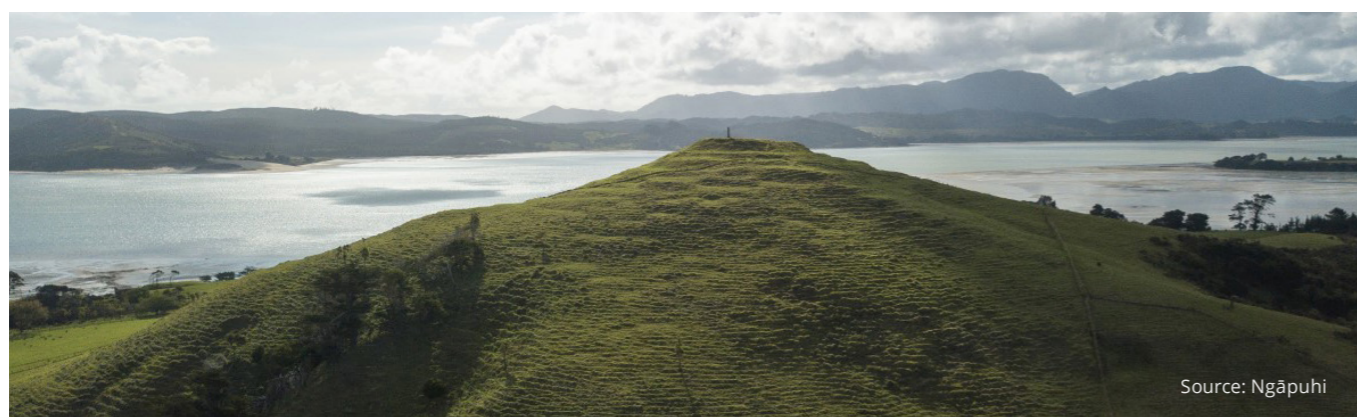
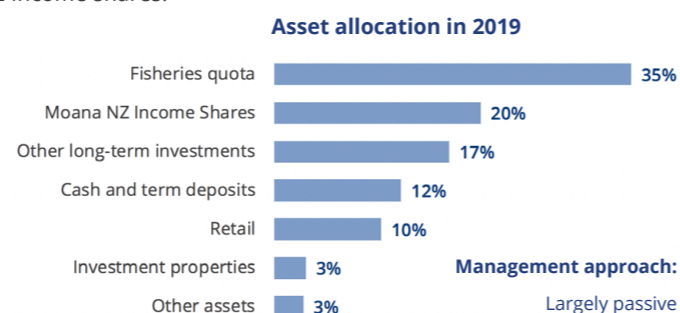
Te Rūnanga-Ā-Iwi o Ngāpuhi Board of Trustees

Te Hau Ora o Ngāpuhi (THOON)	Ngāpuhi Iwi Social Services (NISS)	Te Rūnanga-Ā-Iwi o Ngāpuhi Operations	Ngāpuhi Asset Holdings Company Ltd (NAHC)
- Health strategy	- Whānau services	- Operations	- Investment and financial strategy

Investment strategy

Ngāpuhi's Treaty settlement with the Crown is still under negotiation. Ngāpuhi currently has 67% of its assets in a combination of cash and term deposits, fisheries settlement quota and Moana NZ income shares.

Ngāpuhi has historically had a passive investment strategy. Ngāpuhi has taken steps in recent years to reduce risk through increasing investment in long-term financial assets. In 2019, Ngāpuhi increased investment in the Mint Asset Fund, a portfolio of fixed-income, property and equity securities. The proportion of assets in "Other long-term investments" increased to 17% in 2019, up from 14% in 2018 and 3% in 2016.

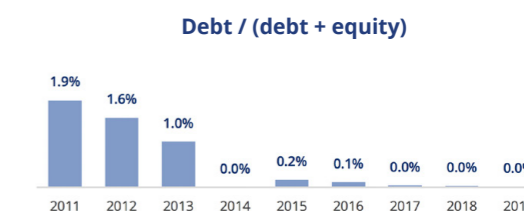


Source: Ngāpuhi

Fisheries assets remain the core of Ngāpuhi's portfolio, representing 55% of its asset base. Fisheries quota are recorded at their fair value on initial recognition (at cost), less costs-to-sell, and are tested annually for impairment. Shares in Moana New Zealand are recorded at cost. As Moana New Zealand is unlisted, the fair value of the shares is difficult to calculate reliably. The combined reported value of its shares in Moana New Zealand and fishing quota assets is \$33.6m. Ngāpuhi's investment strategy and performance is reflective of its circumstances (pre-settlement) and being heavily reliant upon passive and non-transactable investments and assets.

Capital structure

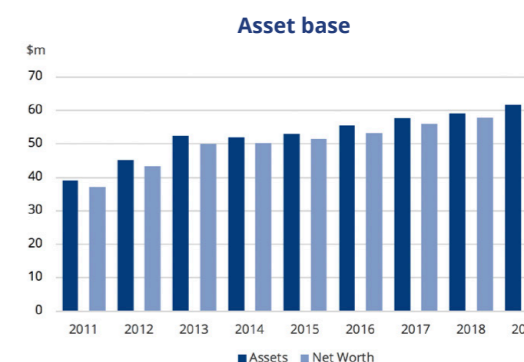
Ngāpuhi has very little debt on its balance sheet. Its gearing ratio declined from 1.9% in 2011 to 0.01% in 2019.



Investment performance

Asset base and net worth

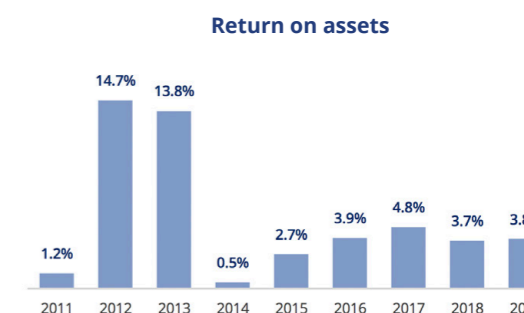
Ngāpuhi's asset base grew by 4.1% in 2019, continuing the growth trend of the past six years. During the year Ngāpuhi's investment in Mint Asset Fund increased in total value by 22%. This increase in value represents an additional investment of \$1m and a 7.7% return on its 2018 value. This makes it one of Ngāpuhi's highest returning assets.



As noted above, Ngāpuhi's fisheries quota and its shares in unlisted companies, such as Moana New Zealand, are recorded at cost and are not revalued.

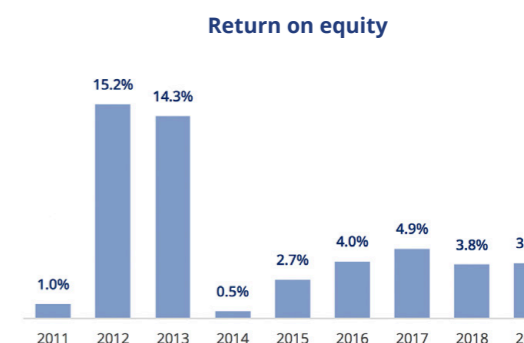
Return on assets

Ngāpuhi's return on assets has fluctuated over the past eight years with large increases in 2012 and 2013 followed by relatively low returns over the subsequent six years. While the majority of Ngāpuhi's assets are passive and have continued to deliver relatively low returns, however the Mint Asset Fund has generated higher returns. This type of investment in market securities increases the diversity of Ngāpuhi's returns and reduces the group's dependence on fisheries assets.



Return on equity

As Ngāpuhi holds minimal debt, its RoE mirrors its RoA. RoE has averaged 5.5% p.a. between 2011 and 2019. This reflects the strong returns in 2012 and 2013 and the lower returns in more recent years. Ngāpuhi has recognised that in a low interest-rate environment, a direct, passive investment portfolio will not generate high returns. It has therefore taken steps towards having a more active, diversified investment strategy.



Net assets per member

Net assets per member increased from \$416 to \$423.

Net assets per member (\$)

Year	2013	2014	2015	2016	2017	2018	2019
\$	398	392	394	399	410	416	423

Ngāti Awa

Te Rūnanga o Ngāti Awa is located in the eastern Bay of Plenty. Te Rūnanga o Ngāti Awa will be referred to as Ngāti Awa throughout this report. It is important to note that the tragic event of 9 December 2019 was subsequent to this investment reporting period.

Organisational structure

Ngāti Awa is the governing body of the Ngāti Awa iwi and has four direct subsidiaries. Ngāti Awa Group Holdings Limited (NAGHL) and Ngāti Awa Asset Holdings Limited (NAAHL) are the commercial arms of the group and are mandated with managing the commercial assets and integrating its activities with the social aspirations of the group where possible. NAAHL holds the group's commercial financial assets, Moana New Zealand shares and its fisheries quota. NAGHL runs the commercial operations. Ngāti Awa Community Development Trust (NACDT) is responsible for supporting and furthering the social, cultural and economic development of the iwi. Ngāti Awa Research and Archives Trust preserves the history of the tribe through research and storage of historical documents.

Te Rūnanga o Ngāti Awa The Office of Te Rūnanga o Ngāti Awa

Ngāti Awa Group Holdings Limited (NAGHL)

- Commercial and investment strategy
- Wealth generation

Ngāti Awa Asset Holdings Limited (NAAHL)

- Moana NZ shares
- Equity portfolio management
- Fisheries quota

Ngāti Awa Community Development Trust (NACDT)

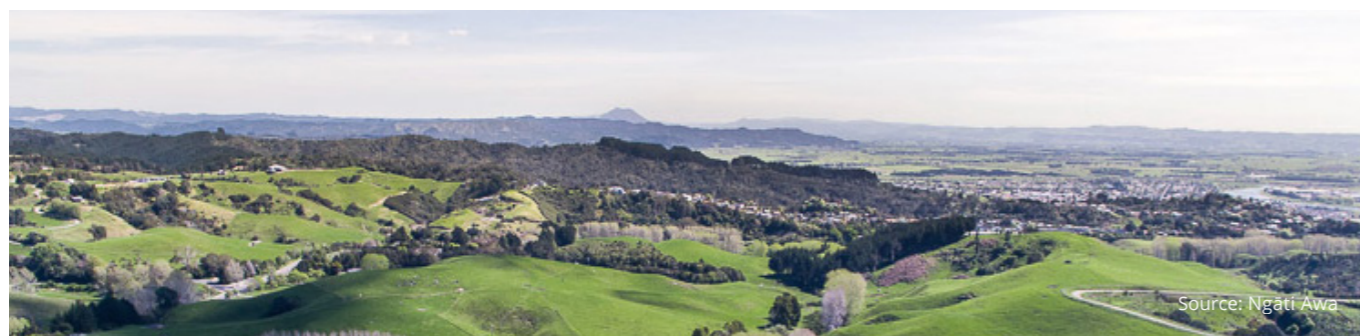
- Social, cultural and economic support

Ngāti Awa Research and Archives Trust (NARA)

- Manage tribal archives

Investment strategy

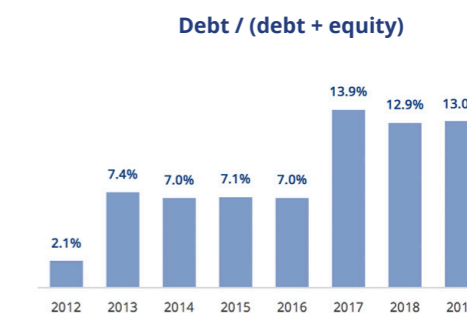
Ngāti Awa's settlement with the Crown was finalised in 2005 for a total of \$42m. The settlement was a combination of Crown-owned land selected by Ngāti Awa, fisheries quota, cash, and other assets. Land included portions of the Kaingaroa and Rotoehu forests. Ngāti Awa holds shares in Moana New Zealand as part of the settlement proceeds in accordance with the Maori Fisheries Act, 2004. Forestry assets include land and carbon credits.



Ngāti Awa holds 22% of its assets in financial investments, including listed shares, unlisted shares in Direct Capital IV, Pencarrow Bridge Fund and an investment in Iwi Collective Orchards. Ngāti Awa has been decreasing its stake in unit trusts with the goal of realising all investments in unit trusts as soon as practical. Ngāti Awa's investments in the primary industries consist of forestry-related assets (23% of total assets), dairy and dry stock land, livestock, Moana shares and fisheries quota. The group continues working to improve returns from farming operations, decreasing costs and inefficiencies. Ngāti Awa has diversified in recent years with the addition of White Island Tours. The eruption that took place on 9 December 2019 has significantly impacted this business.

Capital structure

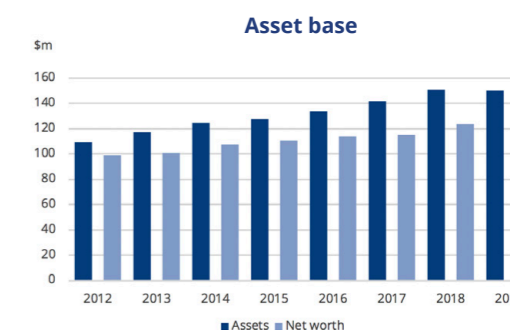
Ngāti Awa's gearing ratio stayed moderately stable between 14% and 13% from 2017 to 2019, after increasing from 7% to 14% in 2017 with the purchase of White Island Tours. Ngāti Awa's gearing ratio of 13% represents relatively high debt relative to other iwi.



Investment performance

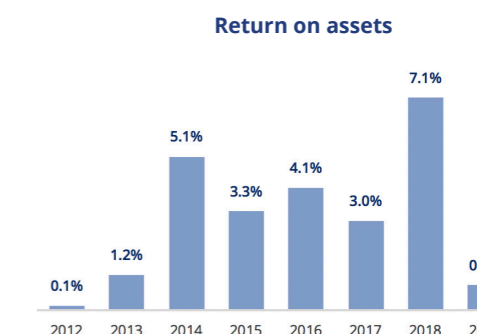
Asset base and net worth

Ngāti Awa's asset base has grown slowly over the last 7 years and decreased for the first time in 2019 by \$1m to \$150m. Net assets also decreased from \$124m to \$123m. The fall in assets was driven by a decrease in value, of the share of Ngāti Awa's portfolio held in investments and short-term deposits. The gap between total assets and net assets has increased over the years due to increases in debt.



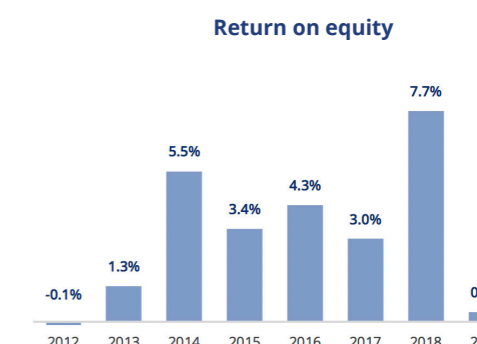
Return on assets

Ngāti Awa's RoA fell to 0.8% in 2019 from 7.1% in 2018. This RoA is its lowest since 2012. The key reason for the decrease in the RoA was a much smaller gain in the revaluation of assets. The gain was \$1.7m in 2019 compared to \$8.8m in 2018 when there were large increases in the values of forestry land and listed shares.



Return on equity

Ngāti Awa's RoE was also its lowest since 2012 at 0.4%, down from 7.7% in 2018. Like RoA, the decline in RoE reflected lower capital gains in 2019.



Net assets per member

Ngāti Awa's RoE was a Net assets per member in 2019 decreased 2% to \$8,376 owing to an increase in member numbers.

Net assets per member (\$)

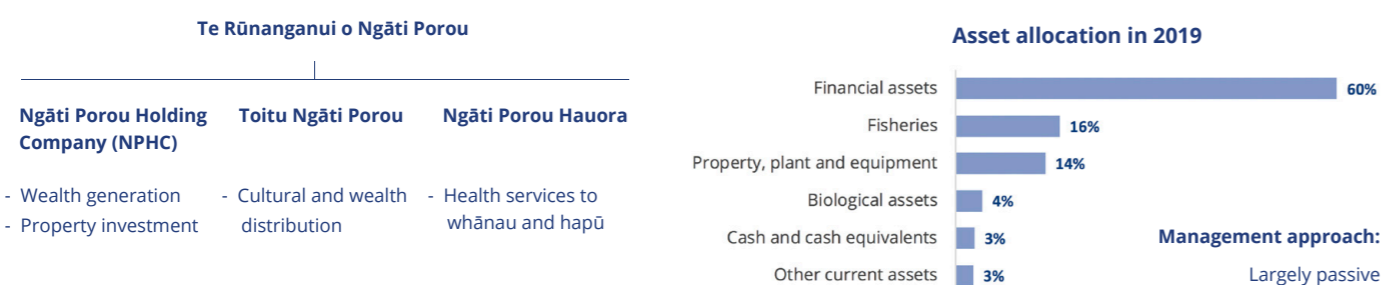
Year	2013	2014	2015	2016	2017	2018	2019
\$	7,747	8,046	8,132	8,217	8,140	8,585	8,376

Ngāti Porou

Te Rūnanganui o Ngāti Porou is the mandated authority for Ngāti Porou mai i Potikirua ki Te Toka a Taiau. Te Rūnanganui o Ngāti Porou is referred to as Ngāti Porou throughout this report. Ngāti Porou is located on the East Cape of the North Island.

Organisational structure

Ngāti Porou Holding Company (NPHC) is the commercial subsidiary of Ngāti Porou. NPHC is responsible for the management of the Trust's assets. NPHC also manages Ngāti Porou Seafoods Group and Pakihiroa Farms. Toitu Ngāti Porou is Ngāti Porou's charitable trust subsidiary and is responsible for cultural development and charitable distributions to the iwi. Ngāti Porou Hauora, another subsidiary, provides health promotion and primary care services to the iwi. Te Rūnanganui o Ngāti Porou Group Corporate Services provides operational support to Te Rūnanganui o Ngāti Porou and its subsidiaries.



Investment strategy

In 2012, Ngāti Porou received a financial settlement of \$110m, which included \$90m in financial and commercial redress and \$20m in cash as cultural redress. Prior to its settlement, Ngāti Porou was primarily invested in fisheries. In 2012, Ngāti Porou established NPHC as its commercial arm. NPHC has since developed and is implementing its investment strategy.



Investments in financial assets, nearly 100% of which are in equities including shares in listed and non-listed companies, dominate Ngāti Porou's portfolio. Management of equities is outsourced to a variety of fund managers with an overall 60:40 balance between growth assets and income assets. The largest proportions are managed by AMP Capital, BlackRock Investment Management and Devon Funds Management. Growth assets include investments in Trans-Tasman, developed and emerging market equities. Aotearoa Fisheries Limited shares and fisheries quota make up 16% of Ngāti Porou's assets while 3% of its capital is held in cash. Ngāti Porou has made a number of direct investments in honey, blueberries and tourism. 2018/19 saw a harvest of 12 tonnes of Manuka Honey and the first harvest of blueberries which in 3 years is expected to produce 100 tonnes p.a. Ngāti Porou has continued the development of its tourism operation "Mt Hikurangi – Journey to The First Light", which has now operational.

Capital structure

Ngāti Porou increased its debt by \$4.4m in 2019 to \$16m, which increased its gearing ratio to 6.4%. Ngāti Porou is the only iwi in our report to have a largely passive management strategy while holding interest-bearing debt.

Investment performance

Asset base and net worth

In 2019, total assets increased by 4% from \$243m to \$254m. Net worth increased by 2% from \$223m to \$229m. The gap between total assets and net worth has increased because of increased debt. The value of Ngāti Porou's financial portfolio increased by \$4m over the year. The share of Ngāti Porou's portfolio in the fishing industry increased by \$5.3m. The value of its biological assets also increased during the year. Since its treaty settlement in 2012, total assets have increased on average by 4% p.a.

Return on assets

Ngāti Porou's RoA was 3.2% in 2019 and has averaged 4.2% p.a. since 2013. Its RoA has fluctuated over the last eight years between 1% and 7%. This volatility reflects, in part, Ngāti Porou having a large portion of assets invested in equities.

Return on equity

Ngāti Porou's RoE has experienced similar volatility over the past eight years and decreased to 2.8% in 2019.

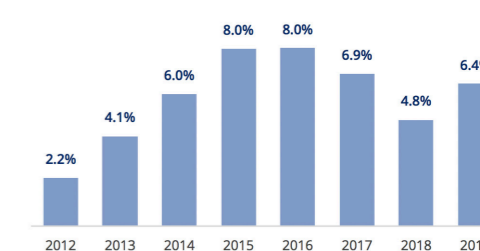
Net assets per member

Net assets per member in 2019 increased slightly to \$2,856.

Net assets per member (\$)

Year	2013	2014	2015	2016	2017	2018	2019
\$	2,615	2,600	2,715	2,663	2,741	2,842	2,856

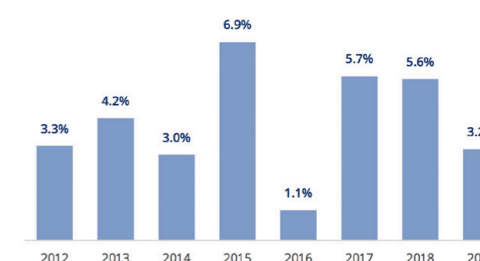
Debt / (debt + equity)



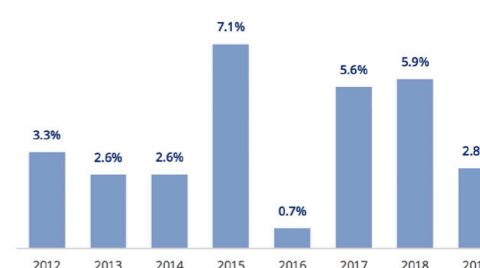
Asset base



Return on assets



Return on equity



Ngāti Whātua Ōrākei

The Ngāti Whātua Ōrākei Trust (the Trust) was established in 2012, following the Treaty settlement with the Ngāti Whātua Ōrākei Māori Trust Board. Ngāti Whātua Ōrākei is the governing body of the Ngāti Whātua Ōrākei hapū, located in Ōrākei, Auckland.

Organisational structure

The Trust operates at a strategic level with Whai Rawa Ltd (WRL) and Whai Maia Ltd (WML) as its subsidiaries. WRL is a property development and investment company, which manages Ngāti Whātua Ōrākei's commercial assets to generate financial returns for the iwi and to support the tribal development goals of WML. WRL also manages Ngāti Whātua Ōrākei's tourism projects. WML is a charitable trust that is focused on tribal development in the areas of employment and education, health and wellbeing, arts and culture.



Investment strategy

Ngāti Whātua Ōrākei is almost entirely invested in property. All of its investment properties are in the Auckland region. Its properties include:

- Quay Park, opposite Auckland's port, which has 29 ground leases including the Spark Arena, Countdown supermarket, apartment blocks, other apartments and commercial buildings; and
- North Shore Development Lands. Ngāti Whātua Ōrākei purchased 28ha of North Shore land from the Crown as part of a claim.



With 94% of its assets in Auckland property Ngāti Whātua Ōrākei has an undiversified portfolio. While Ngāti Whātua Ōrākei's investment approach has yielded strong returns in recent years, Ngāti Whātua Ōrākei is exposed to the risk associated with the Auckland property market. Ngāti Whātua Ōrākei has taken steps to diversify its portfolio by investing in aged care. In 2020 Ngāti Whātua Ōrākei plans to further diversify its portfolio by exploring opportunities in tourism.

Capital structure

In 2019, Ngāti Whātua Ōrākei took on an additional \$25m of debt, increasing its total debt to \$225m. Ngāti Whātua Ōrākei's gearing ratio increased 1%, to 19%. While its gearing is relatively high compared to the other iwi, its gearing reflects the nature of its assets and would be regarded as being low relative to other property investment-focused entities.

Investment performance

Asset base and net worth

The value of Ngāti Whātua Ōrākei's assets has grown substantially since settlement in 2012. However, growth has slowed in the recent years with 2019 returning a 5% increase in asset value, the smallest growth rate in the last 6 years. The slower growth corresponds to the slowdown of the Auckland property market. Total assets are now \$1,254m and net worth is \$975m.

Return on assets

Ngāti Whātua Ōrākei's 2019 RoA was 5%, well below the 7-year average of 13% p.a. Its RoA is strongly influenced by the revaluations of its investment properties. Revaluations accounted for \$32m of its \$45m pre-tax profits for 2019, significantly down from \$80m in 2018 and \$141m in 2017.

Return on equity

Ngāti Whātua Ōrākei's RoE in 2019 was 5%, well below its average RoE of 16% p.a. over the last 7 years.

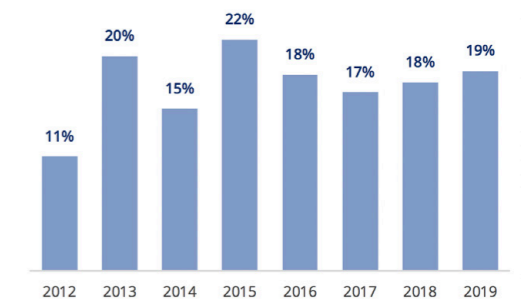
Net assets per member

Ngāti Whātua Ōrākei's net assets per member is the highest of the iwi covered in this report at an estimated \$192,540 per member.

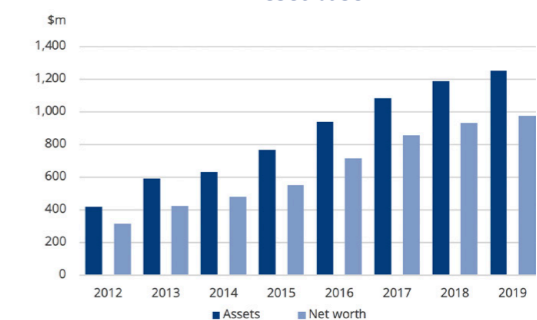
Net assets per member (\$)

Year	2013	2014	2015	2016	2017	2018	2019
\$	186,786	204,133	219,165	281,423	332,379	210,429	192,540

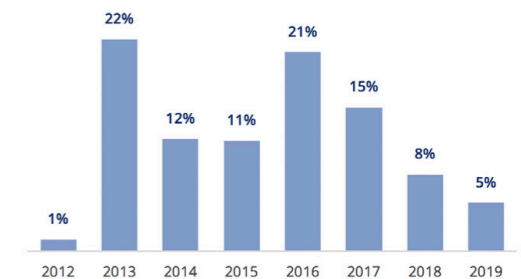
Debt / (debt + equity)



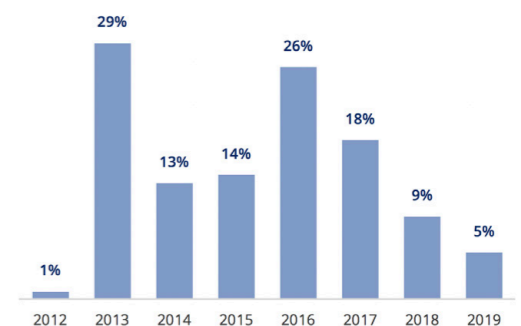
Asset base



Return on assets



Return on equity

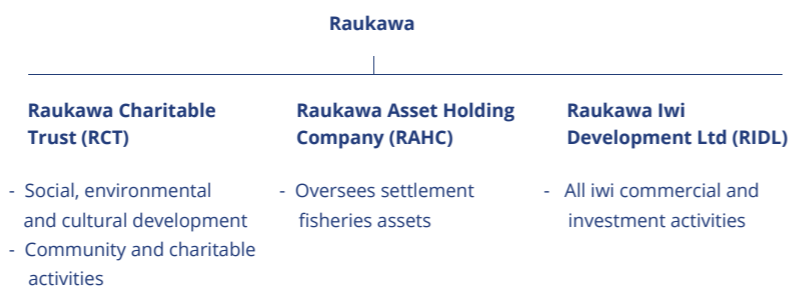


Raukawa

Raukawa is a Tainui iwi based in South Waikato. The Raukawa Group is headed by the Raukawa Settlement Trust, which was established in 2009. The Trust is the mandated Iwi Authority and governance entity of the Raukawa group. The Raukawa Settlement Trust is referred to as Raukawa in this report.

Organisational structure

The Raukawa Group consists of Raukawa Iwi Development Ltd (RIDL), Raukawa Asset Holding Company (RAHC) and the Raukawa Charitable Trust (RCT). RIDL is the investment management arm. RAHC holds Raukawa's settlement fisheries assets, which are managed under contract by RIDL. RCT is mandated to represent and advocate for the social, environmental and cultural aspirations of the iwi.



Investment strategy

Raukawa signed its Treaty settlement in 2012 for a total of \$50m in financial and commercial redress. Raukawa has also received a share of the Central North Island Forestry Settlement (CNI) worth \$28m. Raukawa's interest in CNI Iwi Holdings Trust is recognised as a contingent asset until the termination of the CNI Trust (scheduled for 2044) and is not included in the recorded value of total assets.



Raukawa holds around 32% of its assets in managed funds across six providers. In recent years the proportion of Raukawa's portfolio held in managed funds has gradually reduced in favour of direct asset ownership, seeking the advantages of greater control, scale, access, partnership and time horizon. Raukawa has also been reducing its cash holdings slowly. In the forestry sector, Raukawa holds (together with five other CNI iwi entities) a direct investment in Kākano Investments, giving Raukawa a small stake in Kaingaroa Timberlands. Raukawa's interest in Kākano is worth \$36m and provided a dividend of \$2.3m in 2019 as well as a one-off special dividend of \$4m. Raukawa also has direct investments in the dairy sector owning 45% of Ranginui Station, a 3,300 cow dairy and pastoral operation. In 2019 Raukawa increased its investments in property, purchasing an \$11m commercial property in the Hawkes Bay, and increasing its investment property holdings to \$17m. Raukawa seeks to hold a balanced portfolio that can deliver reliable income to the Trust whilst continuing to grow the asset base for future generations. Raukawa aims to move more towards direct assets rather than passive assets with this year's main diversification being increased investment in commercial property.

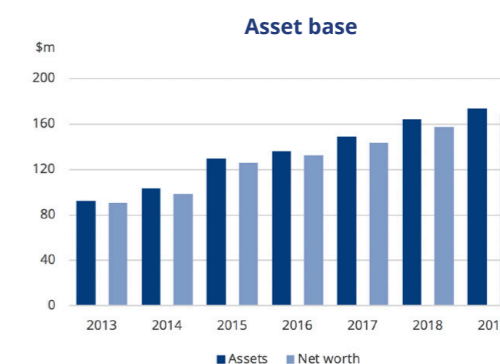
Capital structure

Raukawa has no debt on its balance sheet, as has been the case since its settlement in 2012.

Investment performance

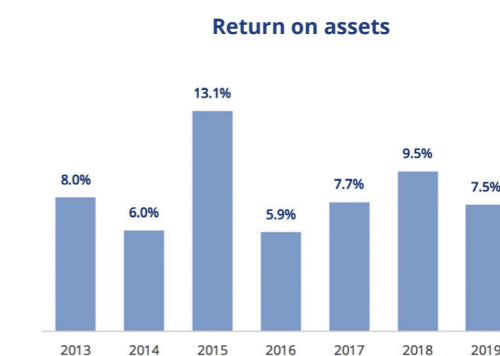
Asset base and net worth

Following its settlement in 2012, Raukawa's total assets have grown from \$86m to \$174m in 2019, an average growth of 11% p.a. Net worth has increased from \$84m to \$168m. This asset growth has been largely driven by the growth in Raukawa's portfolio of managed funds and the Kākano forestry investment. A key movement in assets for Raukawa in 2019 was the purchase of \$11m of investment property in Hawke's Bay.



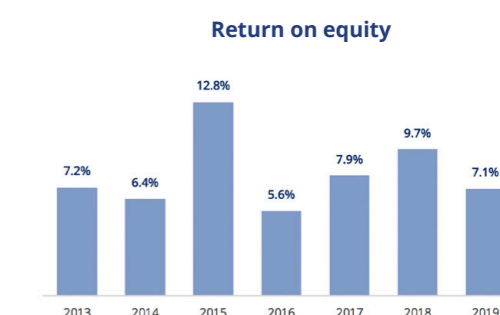
Return on assets

Raukawa's RoA for 2019 was 7.5%, slightly below its 7-year average of 8.3%. The group's Kākano forestry investment has provided strong capital growth, with the original \$19m investment now valued at \$36m. The reason for the decrease in the 2019 RoA was a restructure of the Kākano forestry investment resulting in a write down in the value of the entity. This was coupled with much lower revaluations in managed funds and property compared to 2018, as well as a small loss for Raukawa's dairy operation.



Return on equity

Raukawa's 2019 RoE was 7.1%, below its 7-year average of 8%.



Net assets per member

Net assets per member in 2019 was \$14,832, an increase of \$693 per member on 2018.

Net assets per member (\$)

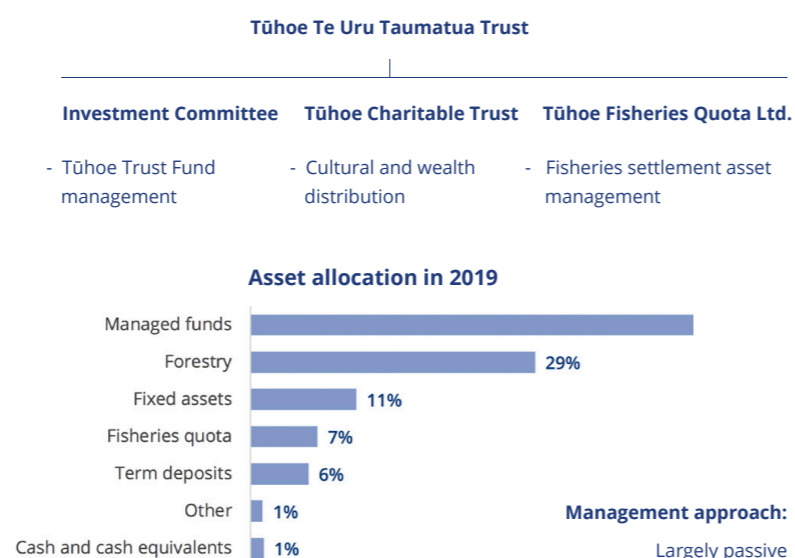
Year	2013	2014	2015	2016	2017	2018	2019
\$	8,999	9,600	12,018	12,410	13,135	14,139	14,832

Tūhoe

Tūhoe Te Uru Taumatua is the iwi organisation of the Tūhoe Tribals and is referred to as Tūhoe throughout this report. Tūhoe is located in Te Urewera.

Organisational structure

Tūhoe manages iwi-level strategy, policy and action. Tūhoe's Investment Committee is responsible for advising the Tūhoe Trust and managing its investment fund. Tūhoe also has the Tūhoe Charitable Trust, Tūhoe Fisheries Quota Ltd and four tribal charitable companies as subsidiaries. Tūhoe Charitable Trust is the distribution arm of Tūhoe. Its goal is to initiate and distribute benefits to Tūhoe. Tūhoe Fisheries Quota Ltd manages Tūhoe's fisheries settlement assets, which include quota and income shares in Moana NZ.



Investment strategy

Tūhoe signed a Treaty settlement for approximately \$169m in 2013. In addition to a cash settlement, the iwi received sale and lease-back options under which Tūhoe has the opportunity to purchase five Crown-owned properties within a defined selection period. It also received exclusive rights of first refusal over Crown-owned properties located within a specified area for 172 years from the settlement date.



Source: Tūhoe 2019 Annual Report

Tūhoe's managed funds, which account for 45% of its assets, are largely made up of investments in global shares, term deposits, NZ bonds, global bonds and Australian shares. Tūhoe has a total of \$174m invested in these funds across three managers. Forestry accounts for 29% of Tūhoe's assets. Forestry assets comprise CNI equity, forestry rights and NZU's. 2019 saw a rise in the value of CNI equity to \$80m. Tūhoe's investments in the fishing industry, held in AFL shares and fishing quotas, are valued at \$26m.

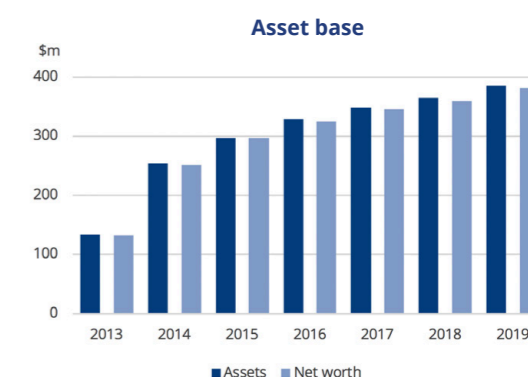
Capital structure

Tūhoe is entirely financed by equity capital.

Investment performance

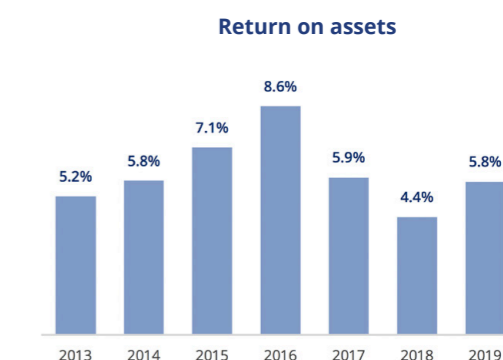
Asset base and net worth

In 2019, Tūhoe's assets and net worth were valued at \$386m and \$381m respectively. During the year Tūhoe reduced its financial portfolio by \$18m and used the proceeds to purchase Te Manawa Forest.



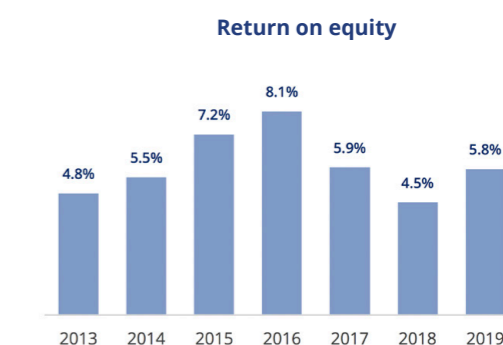
Return on assets

Tūhoe's RoA increased to 5.8% in 2019 from 4.4% in 2018. The higher RoA can be attributed to improved returns from the CNI iwi collective, which returned \$11.5m (up from \$6m in 2018) due to the increased price of carbon. Tūhoe's financial portfolio contributed \$5.8m in income in 2019, alongside \$9.3m in unrealised gains from increases in the value of those portfolios.



Return on equity

Tūhoe's 2019 RoE was 5.8% in line with the average RoE over the past 7 years.



Net assets per member

Net assets per member grew to \$9,691.

Net assets per member (\$)

Year	2013	2014	2015	2016	2017	2018	2019
\$	3,811	7,068	8,158	8,764	9,108	9,322	9,691

Waikato-Tainui

Waikato-Tainui, located in the Waikato, reached a comprehensive land settlement with the Crown in 1995 was the first iwi to settle with the Crown.

Organisational structure

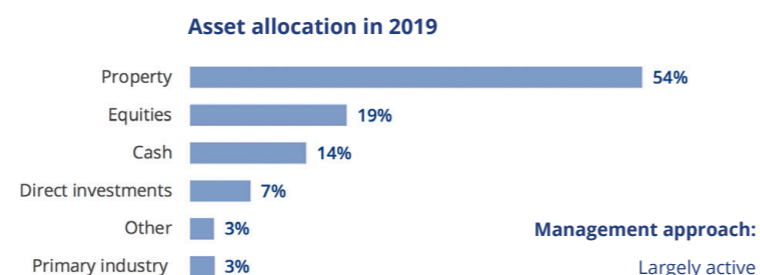
Waikato-Tainui's governance structure is led by two representatives of each marae, which act as its parliament and is known as Te Whakakitenga o Waikato. This organisation appoints an executive committee known as Te Arataura which oversees the operational functions of the organisation.



Within the Waikato-Tainui group, Waikato Raupatu Lands Trust manages tribal affairs along with the group's social and cultural development and distribution strategy. Tainui Group Holdings (TGH) is the organisation's commercial arm. TGH manages the Trust's assets by implementing an investment strategy and holding an investment portfolio aligned with the Trust's requirements and responsibilities. TGH also manages Waikato-Tainui Fisheries Ltd, which owns and leases fishing quotas and holds shares in Moana New Zealand. Waikato Raupatu River Trust was established to oversee and implement the 2008 Waikato River Settlement, related statutory and regulatory reform and has a strategic environmental agenda.

Investment strategy

Waikato-Tainui's financial and commercial redress in 1995 amounted to \$170m, including cash and land at market value. Since 2012 Waikato-Tainui has received relativity settlements of \$290m in total, with two additional payments of \$1.3m owing.



Waikato-Tainui is primarily invested in property, as has been the case for the last 16 years. The group has made steps in recent years to diversify its portfolio with the sale of a 50% share of its largest property investment, The Base, in 2016. Proceeds from the sale were invested in publicly listed equities and used to reduce debt. The group also has investments in primary industries (farms and forests) and a pool of direct equity investments, including investments in Waikato Milking Systems and Go Bus. Waikato-Tainui owns 100% of two hotels in Hamilton (Novotel & IBIS) and has 50% shareholding with Auckland Airport in the Novotel Auckland Airport Hotel. It is in the process of constructing a new 300-bedroom 5-star Pullman hotel.



Waikato-Tainui's term deposits remained consistent with previous years. The group invested a net \$10m in investment properties and sold \$8m of its shares in listed companies. Waikato-Tainui invested a further \$1.4m in the Ruakura Inland Port. The Port is a long-term investment that began in 2017 and is expected to be completed in 2041. The development is being led by Waikato-Tainui, which has entered a 50/50 joint venture with LINX Cargo Care Group. Waikato-Tainui will retain full ownership of the land and expects to earn a steady lease income from it.

Capital structure

Waikato-Tainui has maintained a gearing ratio of around 10% in recent years. Its gearing ratio decreased in 2017 as a result of \$100m of the \$195m generated from the sale of 50% of its holding in The Base being used to reduce debt. Waikato-Tainui's gearing ratio is conservative though higher than many other iwi and is indicative of its active investment approach.

Investment performance

Asset base and net worth

Waikato-Tainui's asset base and net worth continued to grow in 2019, both increasing by 6%. Waikato-Tainui's asset base increased by \$77m in 2019 to a total of \$1.446b and its net worth increased by \$74m to \$1.246b. The increase in the value of Waikato-Tainui's assets was driven by increases in the value of its investment properties (\$40m), equities (\$9m) and primary industry assets (\$2m). Waikato-Tainui revalued its hotels holdings for the first time in 2019 to their market value, having previously recorded them at-cost, leading to a gain in asset- value of \$26m.

Return on assets

Waikato-Tainui's RoA increased to 6.8% in 2019 from 4.1% in 2018 and were slightly above its average return of 6.3% since 2010. Comprehensive income (excluding income from relativity settlements) increased by \$50m in 2019, driven by improved gains in asset values.

Return on equity

Waikato-Tainui's RoE increased to 7.3% in 2019 from 4.1% in 2018, bringing it back in line with the average return of 6.7% since 2010. Waikato-Tainui distributed \$20m to its beneficiaries in 2019, a distribution above its average of \$12m. Retained earnings will be needed to support capital commitments as the development of the Ruakura Port progresses.

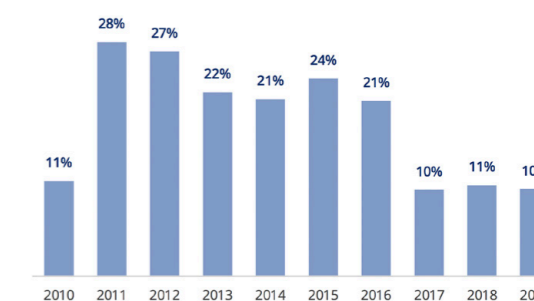
Net assets per member

Net assets per member increased by 6% to \$16,370 in 2019, a larger increase than recent in years due to the increase in net worth and the decline in Waikato-Tainui's population growth rate in 2019.

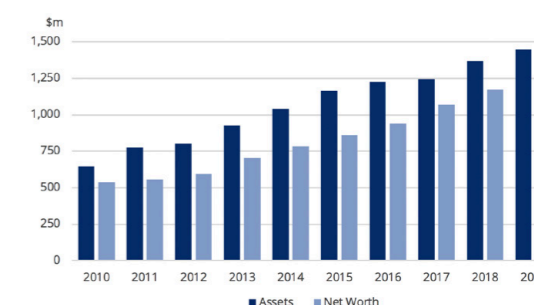
Net assets per member (\$)

Year	2013	2014	2015	2016	2017	2018	2019
\$	12,638	13,104	13,492	13,841	14,839	15,422	16,370

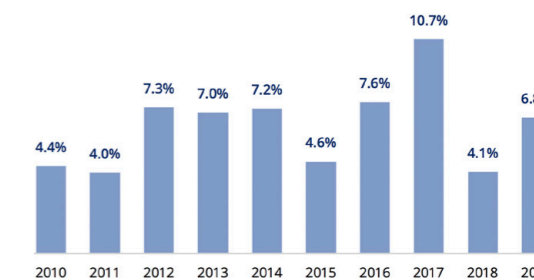
Debt / (debt + equity)



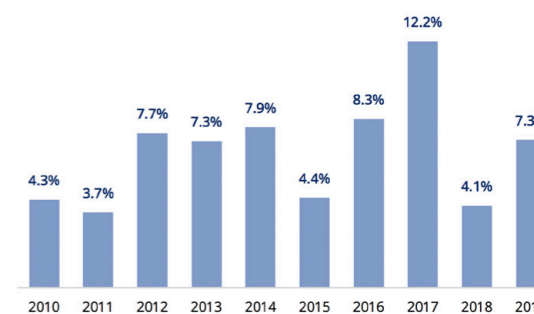
Asset base



Return on assets



Return on equity



Conclusions

This report has reviewed the corporate structures, investment strategies and investment performance of eight iwi over recent years.

Organisational structures

The organisational structures of the iwi, while often complex, are broadly similar. Typically, a distinct commercial entity has been delegated responsibility for investment strategy and asset management. The returns from the commercial entities have helped finance the Trusts' administration expenditures and distributions and have been reinvested to grow their asset bases.

Investment strategies

The largest investments of five of the iwi reviewed in this report (Ngāi Tahu, Ngāpuhi, Ngāti Awa, Ngāti Whātua Ōrākei, and Waikato-Tainui) are in the property sector (property development, property investment and ground leases) and/or primary industries (forestry and fisheries). This tends to be reflective of the structure of their settlement redress from the Crown. For three of the iwi (Ngāti Porou, Raukawa and Tūhoe) the largest asset class in 2019 was financial investments, typically managed funds. Excluding the financial investments, the assets of most iwi are predominantly located in the geographical areas where the iwi are based. Most of the eight iwi have taken steps to diversify their portfolios by investing in listed equities and direct investments. In recent years several iwi have looked to further diversify their portfolios by investing in the tourism sector.

The different iwi have adopted a range of investment management approaches to their investments, with five of the eight iwi (Ngāi Tahu, Ngāti Awa, Ngāti Whātua Ōrākei, Raukawa and Waikato-Tainui) taking an active, largely active or mixed approach to their investments. The other three iwi have taken a more passive approach, albeit often with some small active direct investments. Iwi who settled earlier generally have a more active investment approach today while iwi that settled more recently often have a more passive approach.

Except for Ngāti Porou, the iwi that have taken a more passive approach are entirely funded through equity. The more active investors utilise debt alongside equity to fund their investment activities. Ngāti Whātua Ōrākei's gearing ratio is the highest of the iwi at 19%.

Investment performance

The investment performance of the iwi has varied significantly over the seven years (2013-2019) reviewed in this report. Two iwi, Ngāi Tahu and Ngāti Whātua Ōrākei, have typically exceeded our indicative benchmark return of 8.7% per annum. The other six iwi have reported average returns below our benchmark in the range of 3% to 8%.

Net assets per member have increased over the last seven years for all eight iwi examined in this report, with the exception of 2019 when Ngāi Tahu, Ngāti Whātua Ōrākei and Ngāti Awa experienced a decrease in net assets per member. In all three cases, the decrease in net assets per member were because of increasing iwi membership. This positive financial performance has allowed iwi to better pursue economic, social, cultural, and environmental goals for their members. Most iwi provide some distributions to their members, however, in general, the majority of earnings are retained for equity growth.

Waikato-Tainui had the highest net asset growth rate per member in 2019 at 6%. This was mainly driven by gains in the value of investment property. Ngāti Whātua Ōrākei had the largest decrease in net assets per member of 8.5% (driven by a significant increase in members) but the value of its assets per members far exceed the other iwi. Ngāi Tahu and Ngāti Awa also had decreases in net assets per member, which were also driven by an increase in members. The remaining five iwi had growth in net assets per member in the range of 0% to 5%. Raukawa has had the highest growth rate in net assets per member over the seven-year period at 9% p.a. This relatively high growth in net assets per member was driven by the positive performance of managed funds and forestry investments.

Many iwi have continued to either diversify their asset base through direct investments in new sectors (such as tourism), further investment in equities, or development of new investment opportunities in sectors where they already have a presence.

Overall, the aggregate return on assets for the eight iwi has fallen from 9.8% in 2017 to 6.7% in 2018 to 3.8% in 2019. Six of the iwi reported a RoA in 2019 below their 2018 levels. This included the three largest iwi in terms of assets, Ngāi Tahu, Waikato-Tainui and Ngāti Whātua Ōrākei. Ngāi Tahu had the largest decrease in the returns on assets, from 8.4% in 2018 to below one percent in 2019. Of the eight iwi, only Ngāpuhi and Tūhoe had increases in their RoA's in 2019.



Appendix one

Settlements to date

Iwi	Year of deed	Redress amount (\$ million)
Ngāti Hinerangi	2019	8.1
Te Patukirikiri	2018	3
Ngāti Rangī	2018	17
Ngāti Hei	2017	9
Ngāti Tūwharetoa	2017	78
Ngāti Tamaoho	2017	10
Te Wairoa	2016	100
Ahuriri Hapū	2016	20
Rāngitane o Wairarapa-Tamaki Nui-ā-Rua	2016	33
Ngātikahu ki Whangaroa	2015	6
Rangitāne o Manawatū	2015	14
Ngāi Tai ki Tāmaki	2015	13
Heretaunga Tamatea	2015	105
Taranaki Iwi	2015	70
Ngāti Hineuru	2015	25
Tauranga Moana Iwi Collective	2015	0.3
Whanganui River	2014	81
Te Ātiawa (Taranaki)	2014	87
Ngāruahine	2014	68
Te Kawerau ā Maki	2014	7
Ngāti Kuri	2014	21
Ngāi Te Rangī	2013	30
Ngāti Hauā	2013	13
Ngāti Rangiteaorere	2013	1
Ngāi Tūhoe	2013	169
Maungaharuru Tangitū Hapū	2013	23
Ngāti Tama ki Te Tau Ihu	2013	12
Ngāti Rarua	2013	12
Ngāti Pūkenga	2013	7
Ngāti Koata	2012	12
Te Atiawa o Te Waka-a-Maui	2012	12
Ngāti Koroki Kahukura	2012	3
Ngāti Rangiwewehi	2012	6
Tapuika	2012	6
Ngāti Toa Rangātira	2012	71
Te Rarawa	2012	34
Ngāi Takoto	2012	21
Tāmaki Makaurau Collective	2012	n/a
Ngāti Ranginui	2012	38
Ngāti Raukawa	2012	50
Te Aupōuri	2012	21
Ngāti Whātua Ōrākei	2011	18
Rongowhakaata	2011	22
Waitaha	2011	8
Ngāti Whātua o Kaipara	2011	22

Name	Year of deed	Redress amount (\$ million)
Ngāti Manuhiri	2011	9
Ngāti Mākino	2011	10
Maraeroa A and B Block Settlement	2011	2
Ngāi Tamanuhiri	2011	11
Ngāti Porou	2010	90
Ngāti Pāhauwera	2010	20
Rangitāne o Wairau (Kurahaupō)	2010	25
Ngāti Apa ki te Rā Tō (Kurahaupō)	2010	28
Ngāti Kuia (Kurahaupo)	2010	24
Ngāti Maniapoto (Waipa River)	2010	n/a
Ngāti Tūwharetoa (River interests)	2010	n/a
Upper Waikato River Iwi	2010	n/a
Ngāti Raukawa (River)	2009	n/a
Waikato Tainui (River claim)	2009	n/a
Ngāti Manawa	2009	12
Ngāti Whare	2009	10
Whanganui On-Account	2009	n/a
Ngāti Apa (North Island)	2008	16
Waikato Tainui (River claim)	2008	n/a
Taranaki Whānui ki te Upoko o te Ika	2008	25
Central North Island Collective	2008	15
Affiliate Te Arawa Iwi/Hapū	2008	39
Affiliate Te Arawa Iwi/Hapū	2006	n/a
Te Roroa	2005	10
Ngāti Mutunga (Taranaki)	2005	15
Te Arawa Lakes	2004	3
Ngāa Rauru Kiihahi	2003	31
Ngāti Tūwharetoa (BOP)	2003	11
Ngāti Awa	2003	43
Ngāti Tama	2001	15
Ngāti Ruanui	2001	41
Te Uri o Hau	2000	16
Pouakani	1999	2
Turangitukua	1998	5
Ngāi Tahu	1997	170
Rotomā	1996	0
Te Maunga	1996	0.1
Waimakuku	1995	0.4
Waikato Tainui Raupatu	1995	170
Hauai	1993	1
Ngāti Rangiteaorere	1993	1
Ngāti Whakaue	1993	5
Fisheries Claim Settlement	1992	170
Waitomo	1990	n/a

Source: Office of Treaty Settlements

Appendix two

Summary financials

Ngāi Tahu (y.e. June 30)

Balance sheet, \$m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assets	715	730	809	1,032	1,219	1,348	1,504	1,676	1,924	1,930
Net worth	570	591	658	877	1,075	1,149	1,274	1,371	1,653	1,611
Total interest-bearing debt	114	106	118	115	95	134	127	248	208	257
Current liabilities	25	26	24	38	50	60	75	106	60	64

Income statement, \$m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	146	163	209	231	320	346	385	330	312	352
Distributions	12	11	15	17	17	21	25	25	55	36
Operating exp. Trust	10	9	10	11	12	15	17	20	20	0
Finance costs	5	8	8	10	7	8	8	8	12	13
Taxation expense	1	1	0.4	0.2	0.4	0.5	1	1	1	1
Settlement received	6	1	0	69	13	29	0	0	199	2
Government grant income	16	0.1	1	5	0	0	0	0	0	0
Total comprehensive income	44	26	64	226	198	77	124	97	282	(39)

Ngāpuhi (y.e. June 30)

Balance sheet, \$m	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assets	39	45	52	52	53	56	58	59	62
Net worth	37	43	50	50	51	53	56	58	60
Total interest-bearing debt	1	1	1	0	0.1	0.1	0.02	0.02	0.01
Current liabilities	1	1	2	2	2	2	2	1	2

Income statement, \$m	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	13	15	19	16	16	18	18	19	21
Distributions	0	0	0	0	0.3	0.3	0.2	0.2	0.2
Operating exp. Trust	0	0	0	0	0	0	0	0	0
Finance costs	0.1	0.1	0.1	0	0	0	0	0	0
Taxation expense	0	0	0	0	0	0	0	0	0
Settlement received	0	0	0	0	0	0	0.1	0	0
Government grant income	0.0	0.1	0.0	0.2	0.1	0	0	0	0
Total comprehensive income	0.4	6	7	0	1	2	3	2	2

Ngāti Awa (y.e. June 30)

Balance sheet, \$m	2012	2013	2014	2015	2016	2017	2018	2019
Assets	110	117	125	128	134	142	151	150
Net worth	99	101	107	110	114	115	124	123
Total interest-bearing debt	2	8	8	8	9	19	18	18
Current liabilities	5	11	13	5	7	13	11	13

Income statement, \$m	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	6	6	9	5	7	8	13	13
Distributions	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3
Operating exp. Trust	0	0	0	0	0	0	0	0
Finance costs	0.1	0.1	0.4	0.4	0.5	0.7	1.0	0.8
Taxation expense	0.2	0.0	0.1	0	0.0	0.0	0.1	0
Settlement received	0	0	0	0	0	0	0	0
Government grant income	1	1	0.1	0.1	0.2	0.4	0.3	0.1
Total comprehensive income	-0.3	1	6	4	5	3	9	0.1

Ngāti Porou (y.e. June 30)

Balance sheet, \$m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assets	44	45	191	197	206	224	223	232	243	254
Net worth	40	41	183	186	189	201	201	211	223	229
Total interest-bearing debt	3	3	4	8	12	17	18	16	11	16
Current liabilities	2	1	5	5	8	12	6	15	10	13

Income statement, \$m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	11	11	146	31	28	27	33	33	34	31
Distributions	0.2	0.3	0.7	0.3	1	2	1	2	0.7	1
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0
Finance costs	0	0	0.1	0.5	0.7	1	1	0.6	0.4	0.4
Taxation expense	0	0	0.1	3	0.5	0	-0.1	0.9	0.0	1
Settlement received	0	0	116	0.4	0	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	0.9	1	5	5	4	12	0.4	10	12	5

Ngāti Whātua Ōrākei (y.e. June 30)

Balance sheet, \$m	2012	2013	2014	2015	2016	2017	2018	2019
Assets	422	593	631	767	939	1,086	1,189	1,254
Net worth	317	424	482	553	717	855	934	975
Total interest-bearing debt	38	107	86	153	161	171	200	225
Current liabilities	0	56	60	59	58	61	106	139

Income statement, \$m	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	52	35	41	43	57	51	39	53
Distributions	0.2	0.2	1	1	1	1	2	7
Operating exp. Trust	0	0	0	0	0	0	0	0
Finance costs	2	4	7	7	7	6	7	9
Taxation expense	0	0.7	6	0.4	4	5	1	2
Settlement received	19	0.2	0	0	0	0	0	0
Government grant income	0	6	5	4	4	4	3	3
Total comprehensive income	21	106	58	71	164	138	81	43

Raukawa (y.e. June 30)

Balance sheet, \$m	2012	2013	2014	2015	2016	2017	2018	2019
Assets	86	93	103	129	136	149	164	174
Net worth	84	90	98	126	133	143	157	168
Total interest-bearing debt	0	0	0	0	0	0	0	0
Current liabilities	2	2	4	2	2	3	3	2

Income statement, \$m	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	6	11	10	15	12	12	11	17
Distributions	0	0	0	1	1	0	1	1
Operating exp. Trust	0	0	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0	0	0
Taxation expense	0	1	0	1	1	0	0	1
Settlement received	35	0	2	0	0	0	0	0
Government grant income	0	0	0	0	0	0	0	0
Total comprehensive income	-1	6	6	16	7	11	14	11

Tūhoe (y.e. March 31)

Balance sheet, \$m	2013	2014	2015	2016	2017	2018	2019
Assets	134	254	296	328	348	365	386
Net worth	133	252	296	325	345	360	381
Total interest-bearing debt	0	0	0	0	0	0	0
Current liabilities	1	2.3	0.3	1	2	3	2

Income statement, \$m	2013	2014	2015	2016	2017	2018	2019
Revenue	5	8	9	9	12	11	12
Distributions	0	0	0	0.3	1.0	0.7	0.1
Operating exp. Trust	0	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0	0
Taxation expense	1	1	-0.2	2	1	0.1	0.2
Settlement received	0	108	26	0	0	0	0
Government grant income	0	0	0	0	0	0	0
Total comprehensive income	6	119	45	25	19	15	21

Waikato-Tainui (y.e. March 31)

Balance sheet, \$m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assets	644	775	802	925	1,040	1,164	1,225	1,244	1,369	1,446
Net worth	538	559	596	705	784	862	940	1,068	1,172	1,246
Total interest-bearing debt	69	218	220	199	211	268	250	123	144	145
Current liabilities	34	94	45	50	38	33	241	18	19	41

Income statement, \$m	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	33	37	57	64	70	83	82	72	52	54
Distributions	4	4	7	7	6	22	9	31	21	20
Operating exp. Trust	0	0	0	0	0	0	0	0	0	0
Finance costs	5	8	13	14	14	17	15	9	7	7
Taxation expense	0	0	0	0	-2	-3	0	0	1	0
Settlement received	0	0	0	70	0	13	0	0	190	17
Government grant income	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Settlement reported	0	0	0	70	21	70	13	48	80	5
Total comprehensive income	19	16	37	110	74	84	80	140	104	74

Appendix three

Iwi benchmark returns

Iwi	Period	Equity market return	Bond yield	Assumed management fees	Benchmark return (50:50)	Average RoA of iwi
Ngāi Tahu	2006-2019	9%	4%	-1%	6%	9%
Ngāpuhi	2011-2019	15%	3%	-1%	8%	5%
Ngāti Awa	2011-2019	15%	3%	-1%	8%	3%
Ngāti Porou	2006-2019	16%	3%	-1%	9%	3%
Ngāti Whātua Ōrākei	2012-2019	16%	3%	-1%	9%	12%
Raukawa	2013-2019	16%	3%	-1%	9%	8%
Tūhoe	2013-2019	16%	3%	-1%	9%	6%
Waikato-Tainui	2010-2019	13%	4%	-1%	7%	6%
Averaged over the minimum comparison period						
Average	2013-2019	16%	3%	-1%	8.7%	-

Glossary

Benchmark portfolio:	A model portfolio that the performance of actual portfolios is compared against
Debt-to-capital ratio:	The ratio of an entity's total interest-bearing debt to its total equity and interest-bearing debt
Distributions:	Cash payments used to benefit members of the tribe (i.e. the "shareholders" in the iwi)
Equities:	A class of financial investment including stocks and shares in an entity
Equity/net assets/ net worth:	Total assets minus total liabilities
Floating-fixed interest rate-swap:	A contractual arrangement between two parties in which one party swaps the interest cash flows of a fixed rate loan, with those of a floating rate loan held by another party
Hapori:	Section of a kinship group, family, society, community
Hapū:	Kinship group, clan, tribe, subtribe. A number of related hapū usually shared adjacent territories forming a looser tribal federation (iwi)
Held/recognised at cost:	Where an asset is valued on the balance sheet at the price it was originally purchased for/valued at and is not revalued at a later date
Iwi:	An extended kinship group, tribe, nation, people, nationality, race. Often refers to a large group of people descended from a common ancestor and associated with a distinct territory
Net assets per member:	The ratio of net assets to the number of iwi members
Operating surplus/deficit:	The surplus/deficit in an entity's operating cash flows
Relativity settlement:	A settlement clause that requires the Crown to pay certain iwi additional amounts called relativity payments to maintain the proportion of the original settlement at a certain fixed percentage of all treaty settlements
Return on assets (RoA):	An indicator of how profitable a company is relative to its total assets
Return on equity (RoE):	A measure of profitability that calculates the profit a company generates with each dollar of shareholders' equity
Revaluation of assets (upward or downward):	Changing the value of an asset on the balance sheet to better reflect the fair or market value of that asset as opposed to holding the asset at cost
Rohe:	Region, territory, traditional tribal areas
Total comprehensive income:	All changes in equity during a period except those resulting from investments by owners and distributions to owners. Practically, this is net income plus unrealised gains/losses on assets plus foreign currency transaction gains/losses
Whānau:	family group

Māori definitions taken from maoridictionary.co.nz



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