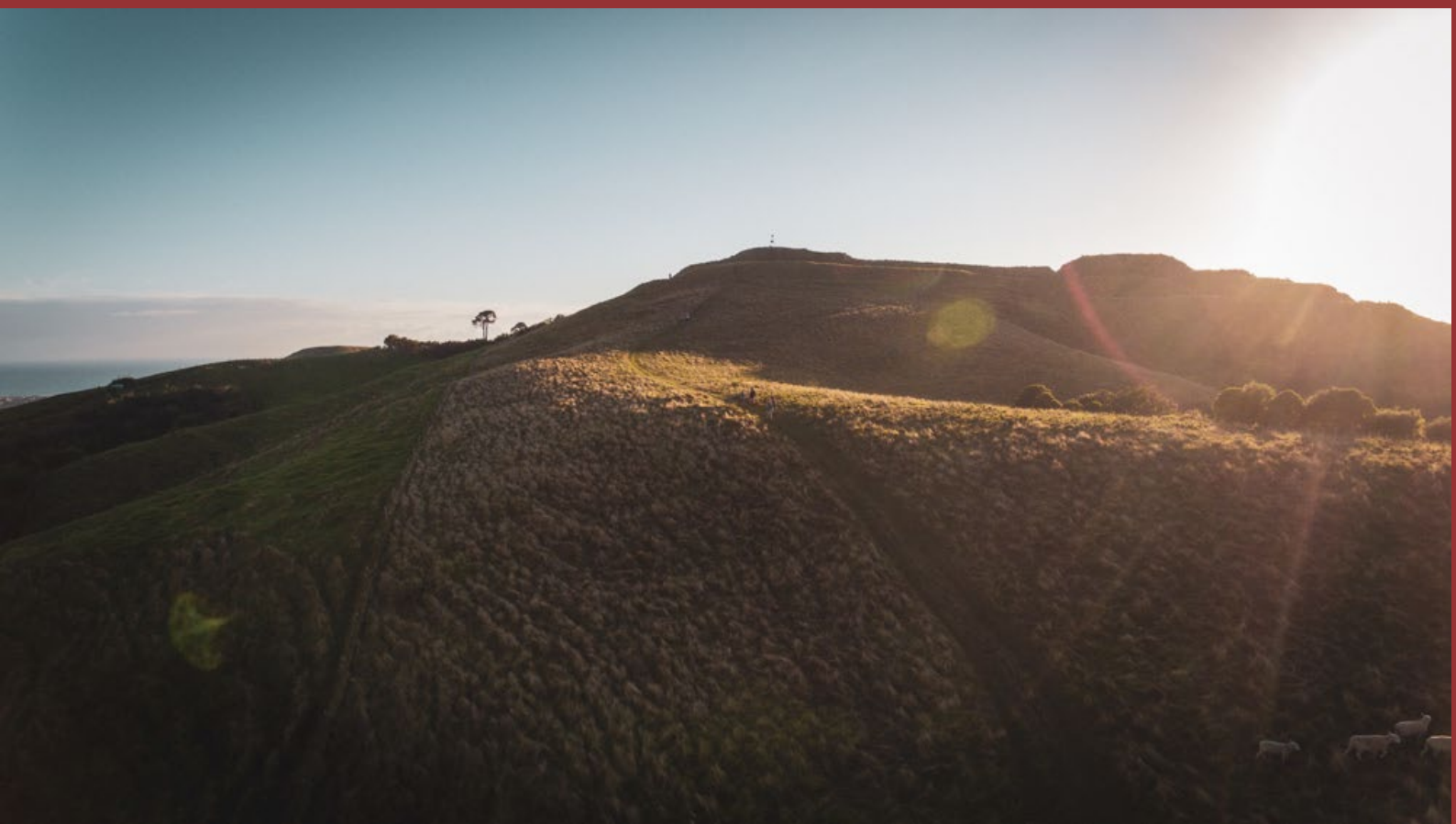


Statement of Intent
Toi Moana Trust
For the years 2022-2025



Contents

Introduction	2
Purpose and Objectives of the Trust	2
Nature and Scope of activities	2
Governance	3
Committees and Policies.....	3
Ratio of Shareholder Funds to Total Assets	3
Accounting Policies.....	3
Performance Targets	4
Distribution to Unit Holders	5
Reporting to Unit Holders.....	5
Ratio of unit holder funds to total assets.....	5
Commercial valuation of investment	6
Other Matters.....	6

Introduction

This statement of intent (SOI) is prepared in accordance with section 64(1) of the Local Government Act 2002 (the Act).

Toi Moana Trust (the Trust) is a Council Controlled Organisation (CCO), itself being a subsidiary of the Bay of Plenty Regional Council (Council). This Statement of Intent incorporates the nature, scope, activities, and performance targets of Toi Moana Trust.

Purpose and Objectives of the Trust

The Trust was established with the primary objective of providing optimised long-term investment returns without the restraint of liquidity requirements to Council. Its secondary objective is to protect the capital value of its investment over the longer term.

Nature and Scope of activities

The Trust was established in 2019 and is wholly owned by the Council. Its activity is limited to investment into listed assets for commercial return, in accordance with the Trust's Statement of Investment Policy and Objectives (SIPO).

Governance

Quayside Holdings Limited has been appointed as manager ('the Manager') of the Trust. The role of the Manager commenced on 1 July 2019. Quayside Holdings Limited is the parent of Quayside Securities Limited. Toi Moana Trust is a Portfolio Investment Entity (PIE) under the Quayside Investment Trusts, Trust Deed. Quayside Securities Limited is a corporate trustee of the assets of Quayside Investment Trusts.

Council is responsible for annually assessing the performance of the investment portfolios to ensure performance is in line with the Council's required investment returns and within prescribed risk criteria.

Council's Audit and Risk Committee (or equivalent) is responsible for regularly reviewing the Investment Manager's reports and ensuring that all parties overseeing, advising and managing the Council's investments disclose any potential conflicts of interest.

The Manager is responsible for managing the investments in accordance with the guidelines and objectives in the Trust's SIPO.

All parties must have requisite skills and must apply their skills, knowledge and experience in the best interests of the Trust and be committed to high quality governance and assist the Toi Moana Trust to meet its objectives and the requirements of this Statement of Intent.

The Trust can, as required, and the manager utilise third party brokers for transactions and a third party custodial for asset custody.

Committees and Policies

The Trust comes under the delegated authority policy of the Quayside Group.

Ratio of Shareholder Funds to Total Assets

Toi Moana Trust

Assets	\$43,700,000
--------	--------------

The figure is reflective of the actual position at 31 May 2022.

Accounting Policies

The financial statements are prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards as appropriate for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRS), the Companies Act 1993, the Local Government Act 2002 and is a Tier 2 reporting entity under the Financial Markets Conduct Act 2013. A full set of accounting policies are available on request.

Performance Targets

Performance targets are effective for the year represented by this Statement of Intent. Target measures will therefore be assessed in full on or within 90 days after 30 June 2023. The Manager will keep Council informed of progress against performance targets on a no surprises basis during the year.

Investment portfolio

	Objective	Measure
1.	Generate commercial returns across the Investment Portfolio.	Manage the assets in accord with the Toi Moana SIPO. Annual cash distribution target of net 5% of total portfolio value.
2.	Capital preservation	Long term capital preservation over a rolling investment period of five years.
3.	Promote and support approaches to responsible investment that align capital with achieving a healthy, sustainable society, environment, and economy.	Maintain a written set of principles for responsible investment which is reviewed no less than biennially. Benchmark, through biennial review, the Group responsible investment principles against international standards and comparative national entities.

Governance

	Objective	Measure
1.	Keep Council informed on a no surprises basis, providing quality and timely information.	Quarterly reporting on investment fund performance. Timely advice and support to Council as required. Matters of significance are reported to Council at the earliest opportunity.
2.	Meet Shareholders distribution expectations as outlined in SOI or as otherwise agreed.	Distributions paid to forecast values where actual financial performance meets/exceeds distribution forecast targets, or by alternative agreement with Council.

Distribution to Unit Holders

The Trust will pay the forecast distributions to Council annually, subject to the Trust achieving its financial targets. The timing and amounts of distributions are to be mutually agreed between Council and the Manager.

Distributions to Council

The forecast dividend distributions for the next three years are:

Financial year	2023	2024	2025
Distribution	\$3,435,000	\$3,435,000	\$3,435,000

Distributions to Council are forecast at of 5% annually. The distribution forecast figures above are reflective of 30 June forecast positions for their respective years and a proposed new capital contribution to the fund of \$25,000,000 on 1 July 2022. Actual distributions may differ based on financial performance.

Reporting to Unit Holders

Toi Moana Trust provides its unit holders with an annual report in accordance with section 67 of the Local Government Act.

Toi Moana Trust provides its unit holders with a half-year report in accordance with section 66 of the Local Government Act. It will contain unaudited information.

Toi Moana Trust provides its unit holders with regular updates to its unit holders on its performance, which may include updates on financial, strategic, risk and operational issues.

Ratio of unit holder funds to total assets

Council has indicated that a further capital contribution of \$25,000,000 will be made to the Toi Moana Trust on 1 July 2022.

The forecast ratio of shareholder funds to total assets for the next three years is:

Financial year	2023	2024	2025
Opening Assets	\$43,700,000	\$68,700,000	\$68,700,000
New Contributions from Council	\$25,000,000	\$0	\$0
Capital Withdrawals by Council	\$0	\$0	\$0
Closing Assets	\$68,700,000	\$68,700,000	\$68,700,000
Liabilities	\$0	\$0	\$0
Unit holder funds	\$68,700,000	\$68,700,000	\$68,700,000
Unit holder funds to assets	100%	100%	100%

The figures above are reflective of 30 June forecast positions for their respective years. Actual results may differ, noting valuations of assets are subject to the volatility of investment markets and the value of unitholder funds may go up or down.

Commercial valuation of investment

Financial year	2023	2024	2025
Bay of Plenty Regional Council	\$68,700,000	\$68,700,000	\$68,700,000

The figures above are reflective of 30 June forecast positions for their respective years. Actual results may differ.

Toi Moana Trust operates on a “no surprises” basis with its unit holders, Council. The Manager will look to advise unit holders early of any material departure from the Statement of Intent forecasts at the soonest practical opportunity.

Other Matters

There are no matters other than those set out above.