

MINUTES

INVESTMENT COMMITTEE



GREYTOWN
TRUST LANDS
Growing the Community since 1871

Date: Tuesday 31 January 2023
Time: 9am
Location: Trust Boardroom, 124 Main Street Greytown

Committee members: Derek Williams (Committee Chair), Matt Bell, Andy Holmes
Other Attendees: Phil Holden (Trust Chair), Wayne Regnault, Helga Perry, Paul Broughton, Erica Buxton

1. Opening Meeting

1.1 Apologies

Steve Meyrick

1.2 Interests Register

None

1.3 General Discussion

Discussion held around the Investment Terms of Reference, Statement of Investment Policies and Objectives (SIPO), property vs funds balance, the Investment Policy Statement (Craigs) and the latest Personalised Report up to 31 Dec 2022.

From various research undertaken of other entities SIPO's, Mr Williams said he found the Trust's SIPO to be in good order. There are some minor areas that need review and this will be done by the committee in early May for recommendation and adoption at the 24 May Board meeting.

Mr Williams distributed a one page document titled "Trusts Act 2019 : Duties of Trustees" which listed both mandatory duties and default duties. Copy will be uploaded to BoardPro for future reference.

A slideshow was presented by Mr Williams. A copy will be distributed along with the minutes and uploaded to BoardPro. Some points noted below.

Mr Holmes asked Mr Williams view around commercial property vs managed funds. Mr Williams commented he had a slight preference over time to hold fewer commercial properties. Mr Holmes said he felt comfortable with the current mix and commented that he believed property to be a good long term investment. Mr Regnault added that the percentage / weighting of property vs managed funds can change around as the market changes and potential opportunities arise in the property sector. Mrs Buxton commented that this was also the case with managed funds.

Inflation slide – the Trust needs to be wary and report accordingly to enable Trustees to be watching the inflation % and its long term impacts.

Managed Funds Policy - The Trust needs a clear policy around the capital to safeguard this from future Trustee changes. Policy around ring fencing certain percentage. Could look to include the community on our journey around decisions. Can't lock in future Trustees but can set clear policy that would need clear understanding and reasoning behind wanting to change / deter from policy in the future.

This policy is critical and priority before any potential opportunities (purchase of commercial property) can be explored.

Appetite risk – may want to revisit current level of risk appetite – currently moderate.

Mr Bell said it would be good to see the split of sectors where our funds are invested.

1.4 Reporting

Monthly reporting – headline level around managed funds – major movements, future prospects etc from Craigs.

Action: Mr Williams / Mrs Perry to work on format for bringing back to Trustees

1.5 Planning (Public Excluded)

Mr Williams commented that the Trust needs some form of decision criteria around community funding / support / distribution. A “funnel kind of system” where some will drop out the bottom. Recommend that Erica Buxton be engaged to work on this project so we have a clear understanding / process before reviewing SIPO.

We need a clear policy around managed funds.

Clarity around distribution to the community – some years can be more depending on return/profits.

Ms Buxton commented that the grants work will give more clarity around what cost base is. At SIPO review, can present the costs, then work out how will we fund those.

Mr Broughton said another option could be to set aside a % for grants from our profit / income return.

Use commercial property income – all or a % - to fund grants? Leave managed funds to build / grow.

Grants and investment side – need professional advice around this for presentation back to the full Board.

Mandate vs what Jake Olsen (Craigs) is doing – needs some housekeeping and tidy up as differs slightly.

Is there a discussion to be held around Craig’s fee basis.

2. General Business

Mr Bell asked whether we should look at the geographic location of our properties? Mr Broughton said he is keeping a close eye on things and talking to the agents about opportunities especially areas such as Palmerston North which are close enough to easily manage. Suggests keeping to lower North Island and box / shed type investments. Mr Regnault said he would not want to have distance ruled out though if a good opportunity.

2.1 Risks and issues

Mr Broughton recommended a “stress test” be carried out on all Trust tenants and he and the Trust Manager will work on this. This is to ensure the cash flow is secure. This crosses over with the Audit and Risk Committee.

Action: Stress Test to be prepared and reported back to both the Investment and A&R Committee as soon as possible.

Resolutions

1. The Committee record that its members have reviewed and understood key investment governance documents including
 - a) The Investment Committee Terms of Reference
 - b) Trustee duties with particular reference to Investment Duties
 - c) The GTLT classes of investment – our investment geography
 - d) The GTLT Statement of Investment Objectives – SIPO
 - e) The GTLT managed funds Investment Policy Statement – Craigs

Mover: Andy Holmes
Seconded: Matt Bell
Outcome: Carried

2. The Committee record that it has discussed and understood current approaches to determining mandates for managed investment portfolios and the potential implications of different risk/reward positions

Mover: Derek Williams
Seconded: Matt Bell
Outcome: Carried

3. The Committee resolve to ask the Trust Manager to:
 - a) Prepare a timetable for the review and update of the SIPO along with statements of work for external advisors for submission to the Board for approval noting that the finalisation of any review should not take place until such time as the Grants Policy and Process has also been reviewed
 - b) Prepare a proposal for reporting investment performance to the Committee having regard to current market conditions and the nature of the assets involved

Mover: Matt Bell
Seconded: Andy Holmes
Outcome: Carried

3. Next meeting

Chair and Trust Manager to discuss work programme and timing for next meetings.

Meeting closed at 10.08am

These minutes are confirmed as a true and correct record of proceedings
(to be confirmed and signed at next Investment Committee meeting):

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Chairperson

Date