



ANNUAL REVIEW 2023-24

**FUNDING for
COMMUNITIES
to THRIVE,**

**ACROSS the
WELLINGTON
REGION**

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Chair and Chief Executive report

Tēnā koutou katoa, talofa lava and greetings to you all.

We are pleased to present the annual report of Wellington Community Fund (formally Wellington Community Trust) for the year ended 31 March 2024.

Wellington Community Fund (WCF) operates as part of a nationwide network of regional community trusts, each representing a unique cornerstone of Aotearoa New Zealand's community funding sector. Our fund is one of the smallest among the Community Trusts yet has one of the largest regional populations to serve. This necessitates a strategic and targeted approach to our grant allocations. Our primary commitment remains firmly rooted in supporting equity and inclusion for the communities of Te Upoko o te Ika – the wider Wellington region.

This past year has presented continued uncertainty, marked by the persistent impacts of rising inflation and increased cost of living on New Zealand's economic landscape. We have observed first hand the challenges faced by community organisations striving to maintain services amid increased demand, escalating costs and inflationary pressures.

Our granting

We continued to adhere to our granting strategy in which we made 'equity and inclusion' explicit priorities, focusing our funding on identified priority communities more than ever. This year we saw 95% of our grants spend going to those experiencing inequity, exclusion and disadvantage.

This year our trustees and team approved grants totalling just over \$2 million. This was a reduction on our previous year's granting level of \$2.9 million as a result of the financial effects on our investment portfolio and distribution reserves over the past few years. Along with a reduced granting budget, we have seen an increase in demand for funding from our community organisations – requiring us to make difficult decisions on how to distribute our funding.

One strategy we have employed to support our communities as much as possible through these challenging times is through funding collaboration with other

funders. This year we were able to leverage around \$1 million in additional co-funding from other funders for community organisations whose work aligns with our strategy.

He Rau Aroha

This year He Rau Aroha distributed grants totalling just under \$1 million. He Rau Aroha embodies our commitment to advancing Māori aspirations for mana whenua and taura here in our region. The approach demands a deeply relational approach to working with iwi/hapū/whānau/community organisations to enhance and uphold Māori-led initiatives. Throughout the year, we focused on fostering and strengthening relationships with mana whenua, embracing a long-term perspective that aligns with the intergenerational goals of Māori communities in our region. We also played a role in encouraging other funders to consider how they can support Māori aspirations and facilitated collaborative funding opportunities to bolster Māori-led initiatives locally.

Climate Action

We maintained our focus on climate action this year, primarily through our work with Climate Action Aotearoa: Funders Commitment on Climate Action. Funders like us who signed up to this commitment recognise our climate crisis and commit to responsibly investing in a tika (just) transition to a low-carbon future. Guided by Te Tiriti o Waitangi, we aim to accelerate effective and collaborative climate responses for greater equity and wellbeing. Find out more about the Climate Action Aotearoa Funders commitment here: www.climateactionaotearoa.co.nz.

In July 2023, Forsyth Barr and WCF entered a combined commitment to support WCF's investment portfolio to be aligned with net zero emissions by 2050 or sooner, and we made deliberate adjustments to our SIPO (Statement of Investment Policies and Objectives) and to where we invest our funds. The full commitment can be found here: <https://wellingtoncommunityfund.org.nz/about-us/how-we-work/commitment-towards-net-zero/>. We believe that the choices and actions we take within our investment portfolio can enable us to play our part in helping to deliver New Zealand's commitments to the Paris Agreement.

Gratitude

We are fortunate to have a diverse and skilled Board of Trustees who diligently govern and support Wellington Community Fund. This year, we regretfully accepted the resignation of Steve Flude due to work commitments. Gratitude also goes to the Wellington Community Fund team, especially CEO Linn Araboglos, for all the wonderful work. And we don't operate alone – gratitude also goes to all contributors in the funding ecosystem who play their part in supporting our community and environment. Lastly, we extend our heartfelt thanks to all community organisations providing essential services to communities across our region.

Ngā mihi nui, la manuia tele,
warm regards

Mele Wendt, MNZM

Chair

Linn Araboglos

Chief Executive



Annual investment review

The year in review

Over the past year, Wellington Community Fund has made significant strides in achieving its strategic goals, despite a reduction in the total amount granted. Our funding efforts have been strategically targeted towards priority areas and groups across the wider Wellington region. This focused approach has been bolstered by the strong relational approach employed by our operational team.

A notable financial development this year is our increased emphasis on part-funding and collaboration with other funders across the Wellington Region. By co-funding organisations and projects, we have maximised the impact of our resources. With \$2 million distributed last year, we leveraged an additional \$928,000 from other funders for the organisations we supported.

The 'Cost-of-Living Crisis' has affected everyone, including Wellington Community Fund. Despite record inflation and increased costs, our Chief Executive and operational team have diligently managed expenses. Additionally, some of our Trustees have generously donated their fees to support our grants. Alongside cost management, we have also explored ways to improve our investment returns.

Last year marked the implementation of our updated Statement of Investment Policies and Objectives (SIPO), reflecting our commitment to a Responsible Investment Policy and a net-zero portfolio. We revised calculation of grant distribution amounts by using five-year moving averages of our asset values, which allowed us to continue funding projects, albeit at a reduced level compared to previous years. Trustees provided additional special grants during the COVID-19 years. Combined with recent economic volatility, this has resulted in a reduced distribution reserve. Unless our investment portfolio performs exceptionally well, we anticipate maintaining this reduced distribution level for the near future.

Our Investment Manager, Forsyth Barr, has expertly managed our investment portfolio over the past year, contributing to the rebuilding of our capital. This improvement is reflected in our balance sheet, enabling us to sustain future

grant distributions. The strategic allocation of investment assets, particularly the significant portion in global equities, and favourable exchange rates have benefited our offshore holdings. Additionally, holding more operating cash has allowed us to capitalise on higher domestic interest rates. Overall, our revised investment strategy, supported by Forsyth Barr, has led to a strong investment performance compared to the previous year.

The Finance, Audit, and Risk Committee has consistently provided valuable advice and recommendations to the Board of Trustees concerning the Trust’s investment strategy and policies. I would like to extend my gratitude to the committee members for their dedication in helping the organisation achieve its goals and uphold its investment policies. This year’s financial recovery would not have been possible without the significant contributions from our Investment Manager, Forsyth Barr, and our Chief Executive, Linn Araboglos.

Wellington Community Fund is well-positioned for continued fiscal improvements in the coming year. While we acknowledge the ongoing risks and volatilities, we have a robust team in place to navigate these challenges and sustain our impact across the wider Wellington region.

Ngā mihi

Ming-chun Wu

Convenor, Finance, Audit, and Risk Committee



Funding strategy overview

Our funding strategy works towards our Vision: **Thriving Communities Across the Wellington Region.**

What is a funding strategy?

Our funding strategy is the way we decide how to give out grants. We know, from the research we commissioned, that there are communities in our region that experience exclusion, inequality, and disadvantage; and we want to fund work that supports equity and inclusion in our communities.

Our funding strategy

We offer our funding to many types of initiatives/projects, but with the addition of what we call our 'equity lens'.

We also offer more strategic granting – such as larger grants, grants supporting collaborative relationships, and proactively seeking initiatives that align with our ambitions – as is the case with He Rau Aroha – which is focussed on supporting Māori-led initiatives that specifically advance the aspirations of Mana Whenua, Taura Here, and other Māori groups in the Wellington region.



What's the equity lens?

The equity lens means we prioritise funding to initiatives/projects that support equity and inclusion in our communities.

- **Equity** to us means people have what they need to survive and succeed – access to opportunity, resources, networks, and supports, that enable them to thrive.
- **Inclusion** to us means everyone can participate in activities and opportunities that are meaningful for them.

Priority population groups and locations

Research indicates that the following populations and locations experience the most disadvantage and exclusion in the Wellington region. We prioritise applications that serve and are led by:

Members of these population groups:

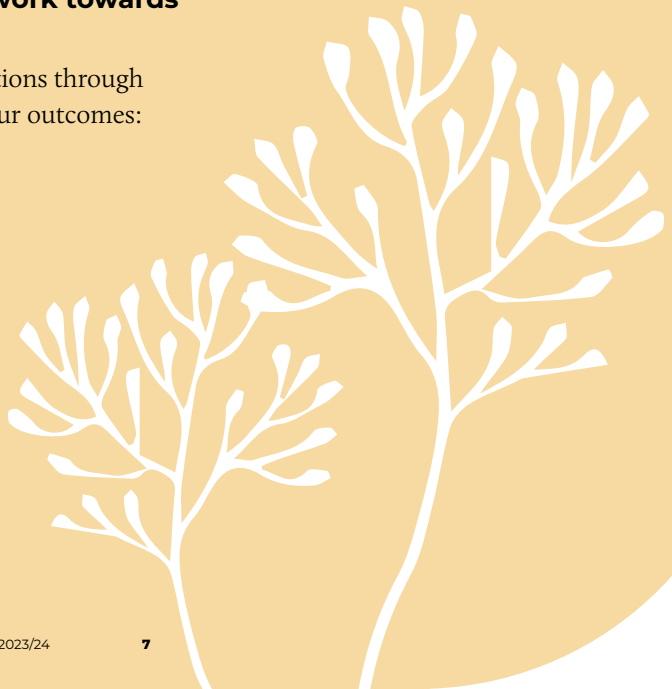
- Māori
- Pacific peoples
- Middle Eastern, Latin American, African.

People who are part of communities living in these locations:

- Ōtaki
- Lower Hutt
- Porirua.

What we're doing to work towards realising our vision

We identified five key ambitions through which we hope to achieve our outcomes:



Wellington Community Fund 2021-25 strategy

OUR VISION:

Thriving communities across
the Wellington region

OUR AMBITIONS:

Advance equity by supporting communities
experiencing the greatest inequity,
exclusion, and disadvantage



Support tino rangatiratanga of mana whenua
and taupapa here in our region



Support inclusion of communities
that experience exclusion



Work with others to focus our resources
where they'll have the biggest impact



Increase capability, and support
community-led initiatives



Increase access, and reduce barriers,
to funding.

Grant
Well

Engage
Well

Operate
Well

Invest
Well

OUR PURPOSE:

**Investing in the communities
of the Wellington region**

OUR OUTCOMES:

**Improved lives for people who
experience the most disadvantage
as a result of inequitable systems**

Aspirations of mana whenua
and taupū here are realised

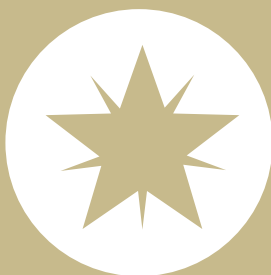
Fairer access to opportunities
and resources

Improved impact with
and for community

Communities to lead change and
have meaningful representation

Funding those who
need it the most.

Service Performance: How we have acted on our ambitions this year





AMBITION ONE

Support tino rangatiratanga of Mana Whenua and Taura Here in our region

In our third year of administering He Rau Aroha, we have been recognised as a leader in the sector – with acknowledgment of the pivotal role of our Kaitakawaenga Māori.

We've further strengthened relationships, meeting with all mana whenua and visiting most marae. This has provided greater opportunities to hear about iwi and hapū wawata (aspirations).

We've also strengthened our relationships with other funders, influencing and encouraging their support of Māori aspirations, as well as unlocking collaborative funding opportunities to support Māori-led kaupapa in our region.

He Rau Aroha | **administration**



Recognised as a leader in the sector.

Strengthening relationships



meeting with all mana whenua.



Unlocking collaborative funding opportunities.

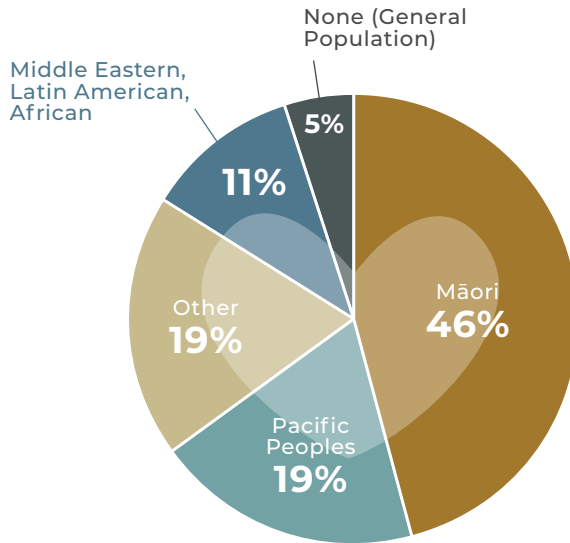
AMBITION TWO

Support inclusion of communities that experience exclusion

95% of our grant spend has gone towards communities experiencing inequity, exclusion, and disadvantage.

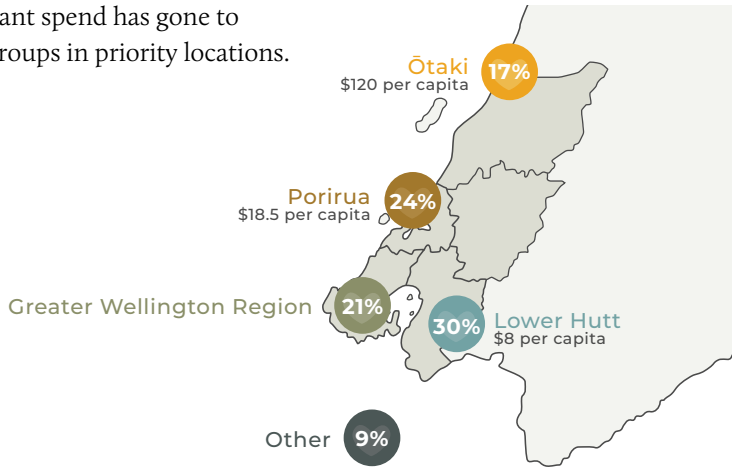
- 76% towards our priority community groups
- 19% towards other communities who also experience exclusion.

Priority population groups | spend

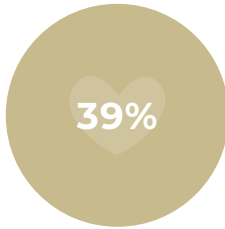


Priority locations | grants

70% of our grant spend has gone to community groups in priority locations.



Spend | by criteria



Increase access and inclusion for those who experience disadvantage and exclusion



Increase community self-determination



Immediate community need



Increase preservation and protection of natural spaces

Our spend across granting criteria is weighted more heavily to the category: **'Increase access and inclusion for those who experience disadvantage and exclusion'**.

This year we've seen an increase in the category: **'Increase preservation and protection of natural spaces'**.

AMBITION THREE

Work with others to focus our resources where they'll have the biggest impact

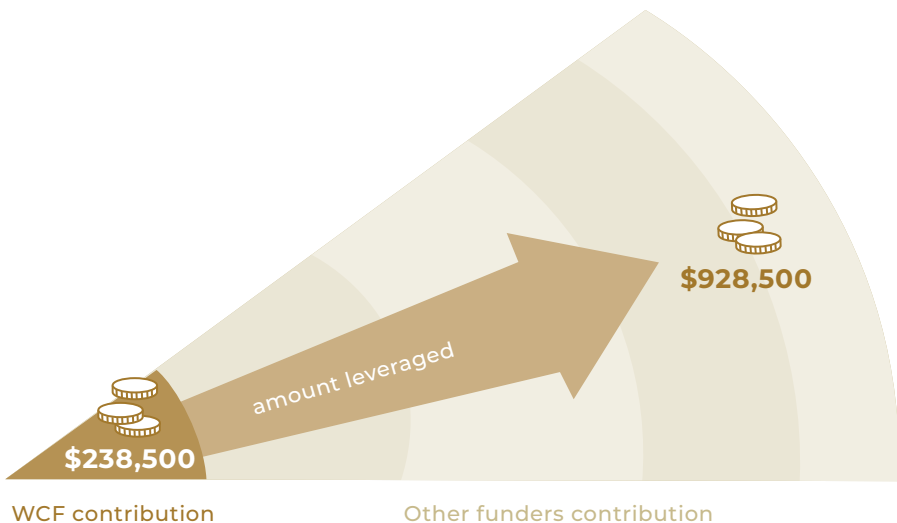
Collaboration and co-funding is key to improving our impact with and for community. This year we actively worked with nine other funders, resulting in collaborative/co-funded grants – leveraging \$928,500 from other funders – which represents an additional 44% of our total grants for the financial year.

Grants co-funded | **FY 2023–24**



Grants collaborative/
co-funded YTD 2023–24






Leveraging impact | through co-funding



Additional support | to grant seekers



In addition to leveraged funding, we provided support to grant seekers in ways over and above our funding.

WCF ENGAGEMENT ACTIVITY	IMPACT FOR GRANT SEEKERS
<p>Connecting organisations with shared ambitions to each other</p> <p>Based on community intel, through hui and in-person or email introductions</p>	<p> Strengthens community networks</p>
<p>Supporting organisations with a 360° view of their funders</p> <p>Giving advice about which funders might be better fits for their work</p>	<p> Increased sector, organisational, and grant seeker capability and capacity</p>
<p>Providing advice and support around organisational structure</p> <p>E.g. the pros and cons of becoming a registered charity, how to grow a volunteer base, or how to get Trustee governance capability support</p>	<p> Reduces grant seekers wasted time on applications</p>
<p>Providing foundational advice and support</p> <p>E.g. budgets, financial reporting processes, outcome reporting, and in-person funding workshops for new grant seekers</p>	<p> Provides a larger-scale view of the funding opportunities</p>
	<p> Increases funding success</p>

AMBITION FOUR

Increase capability, and support community-led initiatives

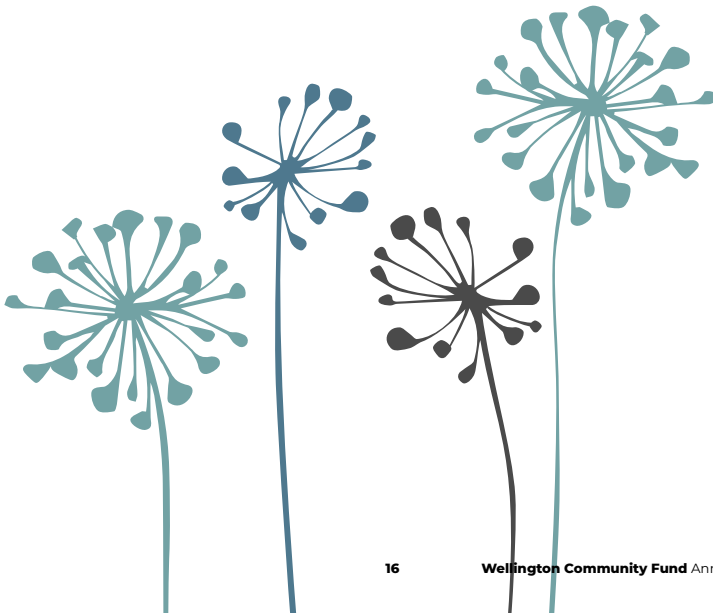
79% of our spend this year went towards community-led initiatives, strongly supporting our ambitions and outcomes around communities having meaningful representation and leadership.

 up from **67%** for FY2022-23

Community-led | **initiatives**

58

Community-led initiatives YE2023-24



AMBITION FIVE

Increase access, and reduce barriers, to funding

This year we saw a slowing down of new organisations applying to us – however, half of these were led by our priority populations, and a majority were new to funding – a strong indicator of us increasing access to funding.

Looking at reducing barriers – we’ve received feedback that shows **99% of applicants rating our application process as being easy/normal.**



Rate our application process as easy/normal



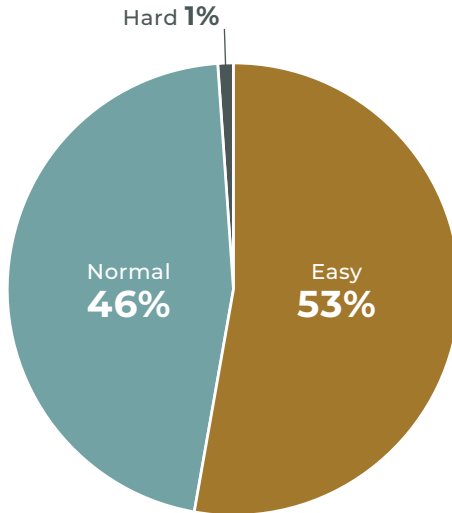
up **1%** from FY2022–23

We also received overwhelmingly positive feedback from applicants about our process:

“Application was easy, and great that you were open to us using the application we made to another funder.”

“The initial conversation was the best funding conversation our kaimahi have been involved with, more about the kōrero and getting to know to each other rather than a funding conversation.”

Application process | as rated by applicants



“It was a very straight forward and accessible process. Ngā mihi nui.”

“Really fantastic application process. It’s a ‘breath of fresh air’ when compared to so many others that require large numbers of signed documents and forms.”



Funded organisations

64 GENERAL GRANTS

\$1,144,251

Changemakers Refugee Forum Inc.	\$50,000	The Luo Community of Wellington Inc.	\$19,980
WELLfed NZ Trust	\$50,000	Eritrean Community in Wellington New Zealand Inc.	\$15,000
Ekta NZ Inc.	\$45,000	Gender Minorities Aotearoa	\$15,000
Dress for Success – Wellington	\$45,000	Saiyans Cub	\$10,000
Porirua Multicultural Council	\$40,000	Aotearoa Latin American Community Inc.	\$10,000
Cuzzies in the Māra	\$40,000	VERI-MI CHARITABLE TRUST	\$10,000
Malu o Alo Fā	\$40,000	Citizens Advice Bureau Lower Hutt Inc.	\$10,000
Asert-Tatou Development Trust	\$38,500	Arohanui Ki Te Tangata Marae	\$10,000
Upper Hutt Community Youth Trust	\$36,084	Male Survivors Wellington	\$10,000
Therapyin Charitable Trust	\$35,000	JustSpeak	\$10,000
Pregnancy Help Inc. Greater Wellington Branch	\$35,000	Moera Community House Inc.	\$10,000
Youth Inspire Trust	\$34,861	Vulnerable Support Charitable Trust	\$10,000
New Zealand National Refugee Youth Council	\$30,000	Goodtime Foundation	\$10,000
Hutt City Newlife Trust	\$30,000	Foundation for Equity and Research New Zealand	\$10,000
Te Ngākau Kahukura O te Awa Kairangi	\$30,000	He Puawai Trust	\$10,000
Rainbow Youth Inc.	\$30,000	Meat the Need	\$10,000
Age Concern Wellington Inc.	\$28,000	Kāpiti Womens Health Collective Inc.	\$10,000
TI HEI MAURI TŪ INC.	\$25,000	Mountains to Sea Wellington Trust	\$10,000
The Cannons Creek Youth Charitable Trust	\$25,000	Wellington Group Riding for the Disabled	\$10,000
Newtown Budgeting and Advocacy Service	\$24,500	Wellington Muthamizh Sangam	\$10,000
Soup Kitchen (Suzanne Aubert Compassion Centre Wellington)	\$20,000	Project Village Charitable Trust	\$10,000
Wellington Womens Health Collective	\$20,000	Adessa Assyrian Language	\$9,980
New Zealand Prostitutes Collective	\$20,000	Wellington Women's House	\$8,500
Up Foundation	\$20,000	CAB Petone	\$8,145
		Porirua Arabic Study Centre Inc.	\$8,000

Ngā Hapū o Ōtaki	\$8,000
Porirua Access Connectivity Education Trust	\$8,000
The House of Grace Trust Inc.	\$8,000
Strathmore Park Community Centre Trust	\$7,700
Que Onda!	\$6,500
Living Violence Free – Te Noho Riri Kore Inc.	\$6,000
The Blackhouse 106.lfm	\$5,500
Nature School NZ Trust	\$5,000

Somaliland Society in New Zealand	\$5,000
The Wellington City Mission (Anglican) Trust Board	\$5,000
Awatea Community Garden	\$5,000
Back to School Project	\$5,000
Incredible Families Charitable Trust	\$5,000
Oasis Community Cafe Trust	\$5,000
Sense Rugby (New Zealand) Trust	\$3,000

21 HE RAU AROHA GRANTS

\$964,812

ĀTIAWA KI WHAKARONGOTAI CHARITABLE TRUST BOARD	\$157,031
Papawhakaritorito Charitable Trust	\$140,000
Te Rūnanga o Toa Rangatira Inc.	\$100,000
Wharewaka o Pōneke Charitable Trust	\$100,000
Māori Literature Trust Te Waka Taki Kōrero	\$80,000
Te Reanga Ipurangi – Ōtaki Education Trust	\$50,000
Te Kairangi o Poutama	\$50,000
Ngahuru Charitable Trust	\$34,281
Tū Roa Kōhanga Reo	\$30,000
Te Kākano Wellness Trust	\$30,000

Ngā Hapū o Ōtaki	\$27,000
Whakatupuranga Rua Mano Charitable Trust	\$20,000
Te Rūnanga o Toa Rangatira Inc.	\$20,000
Pukeatua Kohanga Reo Trust	\$20,000
Pukehuia Charitable Trust	\$20,000
Te Reanga Ipurangi – Ōtaki Education Trust	\$20,000
Te Kupe Charitable Trust	\$20,000
Te Puna Reo o Ngā Kākano Charitable Trust	\$20,000
Ngā Hapū o Ōtaki	\$16,500
Te Whakatipuranga Hou	\$5,000
Māori Women's Welfare League Inc.	\$5,000

Financial summary

OUR FINANCIAL PERFORMANCE	2024	2023	2022
During the year we received income from:			
Investments	10,493,287	(2,500,378)	4,180,288
Other Income	28,205	38,036	48,799
	10,521,492	(2,462,342)	4,229,087
We used this income for:			
Administration	768,654	750,549	690,544
Investment Management	232,475	209,642	289,030
Grants to the Community	2,002,569	2,930,053	3,572,536
Leaving a balance to be added to Trust Capital	7,517,794	(6,352,586)	(323,023)

OUR FINANCIAL POSITION	2024	2023	2022
We began the year with:			
Total Equity	64,329,500	70,682,086	71,005,109
added the surplus / (loss) for the year	7,517,794	(6,352,586)	(323,023)
finished with total equity of	71,847,294	64,329,500	70,682,086
This amount is represented by:			
Current Assets	531,496	1,076,981	4,350,586
Portfolio – Cash	2,252,317	4,217,215	4,775,528
Portfolio – New Zealand Fixed Interest	11,549,260	9,258,114	9,772,230
Portfolio – International Fixed Interest	0	0	0
Portfolio – New Zealand Equities	9,057,213	8,629,382	9,130,946
Portfolio – International Equities	37,126,632	32,699,825	32,818,882
Portfolio – Australian Equities	7,108,684	6,977,192	7,427,162
Portfolio – Property	4,703,630	2,753,351	3,440,131
Portfolio – Infrastructure Fund	0	0	0
Portfolio – Alternatives	252,750	114,140	0
Property, Plant, Equipment and Intangibles	12,167	19,971	18,449
Non-current Assets	0	0	500,000
	72,594,149	65,746,171	72,233,914
Less Current Liabilities	(246,856)	(1,271,671)	(828,494)
Less Non-current Liabilities	(500,000)	(145,000)	(723,334)
	71,847,293	64,329,500	70,682,086

Please see our website for more information and a copy of the full financial statements for 2023/2024.

Our investments

Wellington Community Fund (the “Fund”) is a community trust which, as its primary objective, provides distributions to the communities of Wellington, Lower Hutt, Porirua and Kāpiti Coast (including Ōtaki), split across two core strategic granting streams: He Rau Aroha and General Grants.

Funds under management:

\$72 million as at 31 March 2024.

Distributions since inception:

\$61.9 million.

Investment objectives:

The Trust’s investment policy aims to earn returns after tax and investment related fees that exceed CPI increases by at least 3.50% p.a. over rolling 15-year periods.

Risk profile:

The Fund’s approach to investing is framed by a set of clearly defined overarching beliefs that drive the investment decisions. The Fund’s investment beliefs are set out below:

- Strong governance and well-defined decision-making structures enable sound investment decision-making, and can reduce costs and risks.
- The investment horizon of the Fund is perpetual. Setting an Asset Allocation that is appropriate for its objectives and risk-tolerance is the primary driver of long-term success and the most important investment decision to be made.
- A broadly diversified portfolio both across and within asset classes improves the “risk to return” of the portfolio over time. The differing characteristics of the varying asset classes provide risk-reducing benefits from diversification when they are aggregated into a total portfolio.
- Markets are not always efficient. Smaller less liquid markets are more likely to be inefficient and provide opportunity for active management to add value over benchmarks. For some markets/asset classes, a passive approach may be more appropriate or complement active strategies.
- Costs matter and in some asset classes low-cost passive strategies can be blended with higher cost active strategies to minimise the overall cost of investing. The primary goal is to maximise “net of fees” returns at an acceptable level of risk.

- It is important for the investment activities of the Fund to align with the values of the organisation including its commitment to the principles of Te Tiriti o Waitangi.
- Responsible investors should have regard to the environmental, social, and governance issues of companies in which they invest.

Governance model and compliance

The Fund retains Forsyth Barr as its Investment Adviser who is responsible for the following:

- Managing the Fund’s assets in accordance with the Statement of Investment Policies and Objectives (the “SIPO”).
- Selecting securities and/or managers/funds within each asset class, consistent with the SIPO and the policies advised by the Trustees, and any applicable legislation.
- Monitoring investment authority limits for compliance within the asset allocation ranges as defined in the SIPO and in accordance with the Investment Manager’s discretionary investment management (DIMS) guidelines.
- Evaluating the appropriateness over time of the long-term asset allocation policy (Benchmark Portfolio).
- Advising the Trustees of events and changes that may affect the manner in which the Fund’s assets should be invested.
- Monitoring the Fund’s total performance relative to the Trustees’ adopted investment performance objectives.
- Participating with the Trustees in the annual review of this SIPO.

There were no breaches of the SIPO during the period under review.

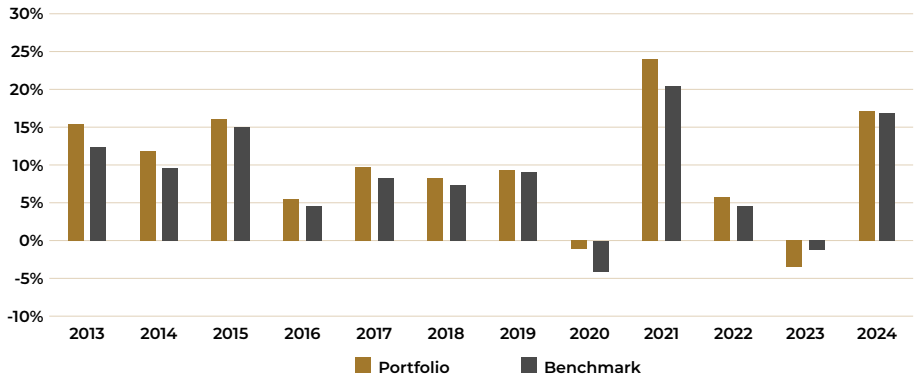


Performance summary – period ending 31 March 2024:

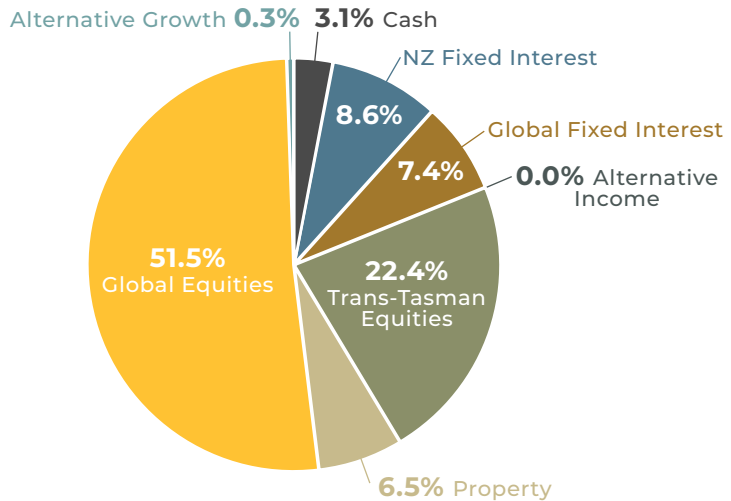
The following table shows the performance of the Fund (gross of fees and net of fees) versus benchmark for the last year and 10 years.

	Gross of Fees & Gross of Tax	Net of Fees & Gross of Tax	Benchmark	Value Added (vs Gross)
1 Year Return	17.1%	16.7%	16.7%	0.4%
3 Year Return	6.2%	5.8%	6.3%	-0.1%
5 Year Return	7.9%	7.4%	6.8%	1.1%
10 Year Return	8.8%	8.3%	7.8%	1.0%

Historical Annual Returns vs Benchmark – Year to 31 March:



Portfolio Asset Allocation (as at 31 March 2024):



Strategic Asset Allocation (as at 31 March 2023):

	SIPO SAA Benchmark Target (%)	SIPO SAA Range (%)	Current Weighting (%)	Current Allocation (\$)
INCOME ASSETS				
Cash	7%	0%-20%	3.1%	\$ 2,252,317
NZ Fixed Interest	5%	0%-20%	8.6%	\$ 6,213,001
Global Fixed Interest	8%	0%-20%	7.4%	\$ 5,336,260
Alternative Income	0%	0%-10%	0%	\$ –
Total Income Assets	20%	10%-40%	19.2%	\$ 13,801,578
CAPITAL ASSETS				
Trans-Tasman Equities	10%	15%-35%	22.4%	\$ 16,165,896
Property	19%	0%-10%	6.5%	\$ 4,703,630
Global Equities	18%	35%-65%	51.5%	\$ 37,126,632
Alternative Growth	30%	0%-10%	0.4%	\$ 252,750
Total Capital Assets	0%	60%-90%	80.8%	\$ 58,248,909
GRAND TOTAL	100%		100%	\$ 72,050,486

Fund Managers (5% and over):

Fund Manager (Issuer)	Fund	Asset Class	% of FUM
Fisher Funds	Fisher Institutional International Bond Fund	Global Fixed Interest	7.4%
Vanguard Australia	Vanguard Ethically Conscious International Shares Index Fund – NZD Hedged	Global Equities	25.6%
Vanguard Australia	Vanguard Ethically Conscious International Shares Index Fund	Global Equities	17.4%

Responsible investment:

The Fund has a detailed Responsible Investment (RI) Policy set out in the SIPO. Ethical consideration can further be summarised by the values that underpin the Fund's work:

- Respect
- Upholding principles of Te Tiriti o Waitangi
- Mana enhancing practice
- Responsiveness and flexibility
- Responsible investments
- Transparency.

Responsible Investment Guidelines:

Consideration should be given to entities in terms of whether an entity may have significant involvement in the following activities. Unless otherwise stated the criteria for determining involvement is a 5% revenue threshold:

- Gambling
- Mining
- Extraction, refinement or sale of fossil fuel
- Native timber logging
- Large-scale fishing or farming and processing thereof to an extent that is materially detrimental to the environment
- Other environmentally damaging activities
- The manufacture or sale of armaments
- The manufacture, distribution or sale of tobacco
- The processing of whale meat.

Additionally the Fund will not own companies that:

- Have consistently bad industrial relations; or
- Have dubious business ethics; or
- Have an excessive management remuneration policy.

By definition, some of these criteria will entail a dialogue between Forsyth Barr and Trustees. Forsyth Barr will monitor controversial activities of companies owned by the Trust and appraise Trustees of and potential breaches of this policy.

Investing sustainably:

The Fund's aspiration for Responsible Investment is to achieve prudent investment outcomes while remaining consistent with its values. Incorporation of ethical considerations and embedding Environmental, Social and Governance (ESG) factors into the investment process are important elements of this aspiration.

The Fund's RI policy has also been structured with reference to the UN Principles for Responsible Investment guidance.

Climate change:

Wellington Community Fund and Forsyth Barr have agreed to a combined commitment towards a net zero portfolio.

The "Combined Statement" solidifies and strengthens a commitment to climate change in the Fund's portfolio, however acknowledges that:

- Knowledge and measurement are currently not perfect and will drive evolution
- The Fund's investment portfolio is already very low in terms of carbon intensity and financed emissions therefore, effort should be focused on engaging with portfolio companies
- Portfolio companies can improve on reporting of Scope 1, 2 and 3 emissions, emissions reduction plans and (credible) net zero targets
- Improving understanding of how companies are transitioning to a low carbon economy is needed.

Source: Forsyth Barr Research, SecuritEase, Bloomberg, TR Eikon, Mercer (WCF Supplied)

Note: Gross portfolio performance is calculated as the portfolio's time-weighted rate of return (TWRR) and is shown on a before tax and fees basis. Net portfolio performance is calculated as the portfolio's time-weighted rate of return (TWRR) and is shown on a before tax but after fees basis. Asset allocation weightings are shown as at the period ended.

Disclaimer: The portfolio performance and other information shown in this report is obtained from various sources believed to be reliable. While every effort has been made to ensure accuracy, no liability is accepted for any errors or omissions.

This report is provided to you by Forsyth Barr Limited, Forsyth Barr Cash Management Nominees Limited (the custodian for the Forsyth Barr Cash Management service) and Forsyth Barr Custodians Limited (the custodian for other financial products in your Customised Investment Solutions portfolio).

We engage a qualified auditor to produce assurance reports for our custodial and cash management services. You may request copies of the latest reports by contacting your investment Adviser.



Our trustees:

Mele Wendt (Chair), **Horiana Irwin-Easthope** (Deputy Chair),
Ming-chun Wu (Convenor Finance, Audit & Risk Committee),
Roger Palairt, **Dr Pushpa Wood** (Convenor People Committee),
Diane Tunoho (Convenor Te Ohu Manaaki), **Mary O'Regan**,
Ken Allen, **Steve Flude** (until February 2024).

Our staff:

Linn Araboglos, Chief Executive, **Chiara LaRotonda**, Community
Engagement & Funding Manager, **Whetū Campbell**, Kaitakawaenga
Māori (until July 2023), **Sara Norling**, Kaitakawaenga Māori,
Marysia Collins, Communications, Systems, & Data Lead,
Hen Priestley, Office Coordinator (until July 2023),
Deanne Krieg, Office Coordinator.

Wellington Community Fund

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