

BAY TRUST

**“To accelerate bold, meaningful change, assisting BOP communities
and the environment to flourish”**

Bay of Plenty Community Trust and its 100% owned subsidiary BayTrust Charities Limited

**34th Annual Public Meeting – 19 August 2022
Strategy Update**

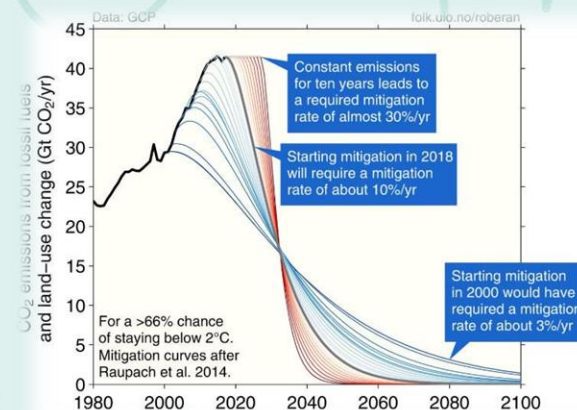
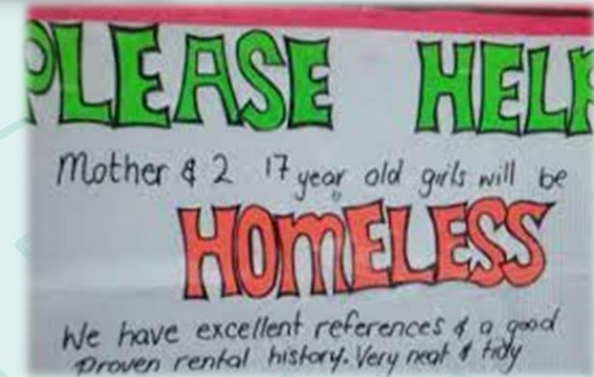
Once in a lifetime challenges

In these challenging times, funders must also change and use all their tools:

- ✓ Traditional Transactional Granting
- ✓ Longer Term Strategic Granting
- ✓ Capacity Building
- ✓ Partnerships
- ✓ Best in Class Governance / Staff



- › **Sustainable and Impact Investments**
- › **Advocacy / Leadership / System Change**



Positioned as well as we can be

People/Leadership

- **High performing** team, good diversity & respect (targeted Trustee recruitment)
- **Aligned culture** to new purpose with purpose across all investments, grants & operations
- **Strategic NZ leader** in impact investments and climate change work within NZ Trusts
- Māori development focus

Investments

- **Funds grown by 25%** to \$265m (top 3 of C/Trusts)
- **Climate Change, sustainability and Te Tiriti o Waitangi** commitments in place
- Leader in **impact investments** with over \$20m in commitments – Housing

Community & Impact

- **Well respected**, with strong community support
- Climate change commitments & support
- **Strategic partnership funding** & increased MYF
- NZ leading move to **3-year forward** grant forecast
- Increased Māori /Iwi & environment engagement
- Combined Event funds

Other

- Overhead costs flat over 5 years
- Consolidated policies
- **Trust is set up very well to handle upcoming volatility to make a meaningful BOP impact**

	2017	2022	5 Yr %
BOP Population	~340k	~360k	6%
BT Grants	\$5m (\$5.5i)	\$8m	45%
Average Grant	\$28k	\$35k	25%
BT Investments	\$197 (\$215i)	\$265m	25%
Impact Investments	\$2.5m	\$11m (\$20m Commit)	340 %
Grants Reserves	56% (CT Ave 20%)	78% (CT ave 40%)	40%
Overhead Costs	\$1.35 m	\$1.35m	0%
Staff and Trustees	16	18	10%

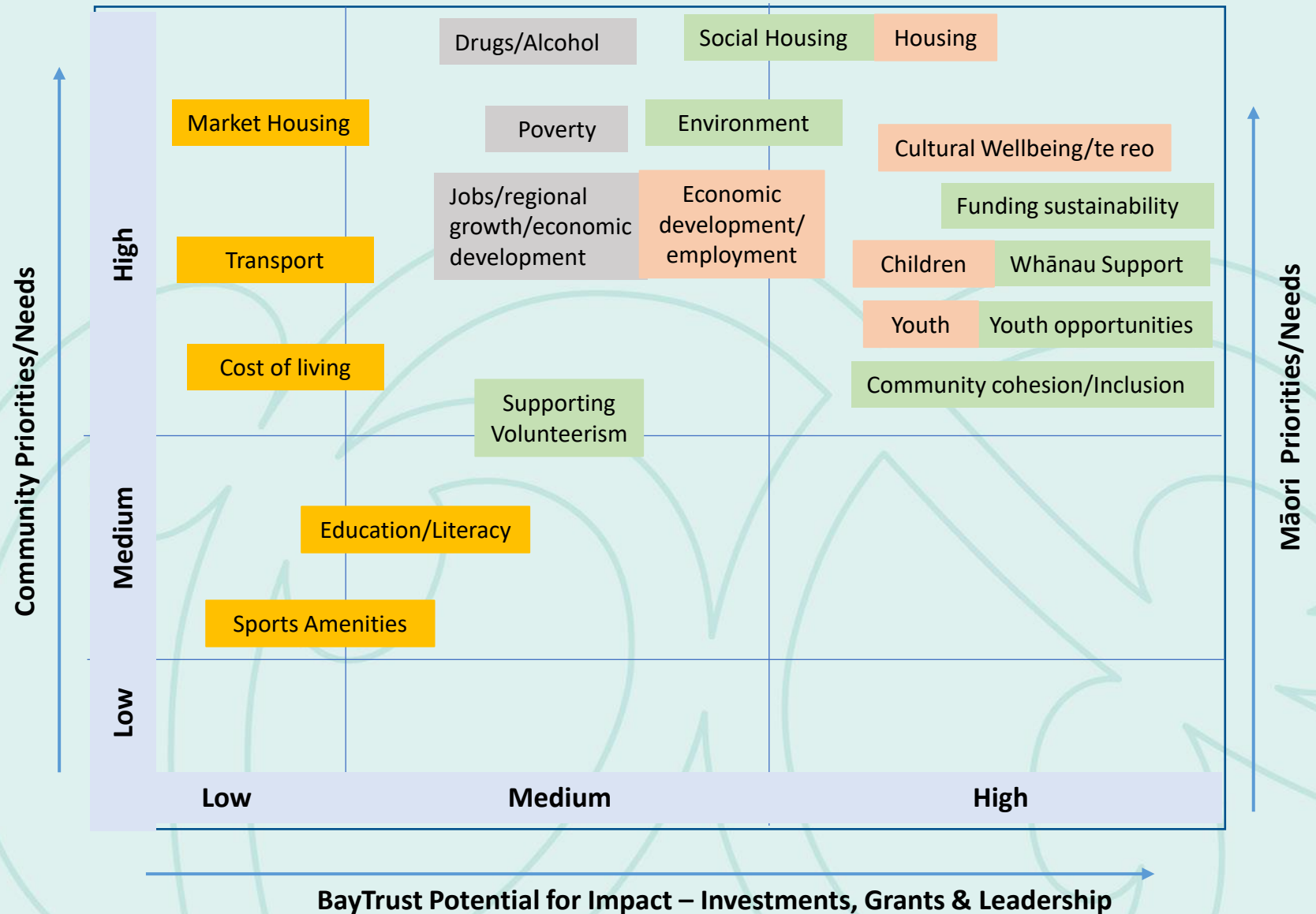
BayTrust potential for Impact

Current BT Priority

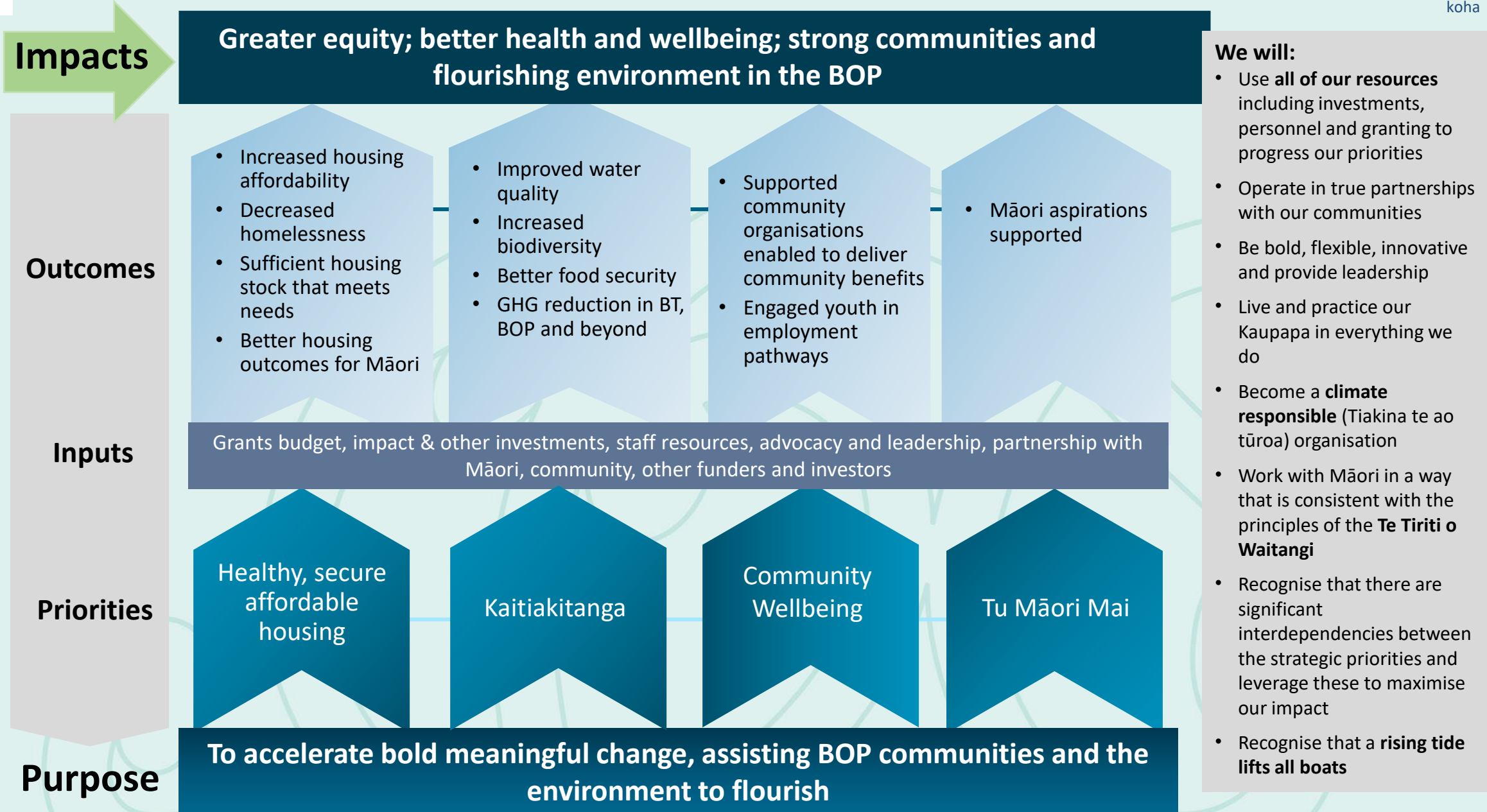
Can fit with BT Outcome Framework

Not a current BT Priority

Māori Priority



BayTrust Theory of Change



Kaitiakitanga 2030 Success

BOP people live in harmony with the natural environment enabling it to support our future generations:

In the BT rohe:

- All fresh waterways and coastal ecosystems are healthy for swimming and to sustainably harvest kai moana
- Food security is strong
- Invasive pests have been significantly reduced and there is an optimal level of biodiversity
- The BOP is greenhouse gas neutral with pollution below world health guidelines

SDGs: 7, 13, 14, 15



By 2025 BT will have...

Facilitated a 50% improvement in water quality of BT funded projects



Have increased hectares covered by environmental landscape projects in our rohe from 250k to 300k → substantially increasing planting, pest reduction and biodiversity



Be committing 30% of SPF/CAF grants to Kaitiakitanga (\$6.3m over 3 yrs)



BAY TRUST Achieved climate +ve status

BAY TRUST Ensured >50% of our investment portfolio is carbon neutral

Invested \$5m in Nature Carbon programme providing a quality offset programme with co-benefits (impact investment)



Reduced GHG in BOP



Supported two Māori/Mātauranga Māori initiatives that contribute to CC Action



Worked successfully with other funders/partners to co-fund climate change actions



Housing 2030 Success

Everybody in the BOP should be housed in suitable, adequate and affordable accommodation that fits their whanau and cultural requirements

SDG 1, 10 & 11



By 2025 BT will have...

Increased capacity for partner CHPs to take on investment, improve their equity and increase their own housing investments



- Reduced the housing shortage through BT investment in public housing of ~250 units that are delivered to match community needs
- Assisted in addressing existing shortages both directly through BayTrust investment and through the Housing Equity Fund (target of \$100m)



Dedicated ~5% of our grants budget per year to non-capital housing projects e.g., 20 degrees project and a pathway for potential housing investments



BayTrust's investment partners have increased impact through additional capital provided by BayTrust



Tū Māori Mai Key Strategies



Strategies to support and accelerate bold, meaningful change in this priority area:

1. Review Tū Māori Mai in light of CIIRC position being established and the evolution of funding in this space to align with best practice – potentially separate out from Community Wellbeing
2. Develop deeper relationships with other funding stakeholders
3. Engagement with subregional Iwi/Hapū bodies
4. Iwi /Māori legacy events fund

In FY22 we spent ~9% on Tū Māori Mai initiatives through granting, and we are looking to increase this to 15%. The focus will build stronger relationships with our local Iwi/hapū in our rohe, our other local funders and delivering greater impact.

SDG 10,17



By 2025 BT will have...

- Reduced the funding burden on groups
- Facilitated greater collaboration with other funders
- More co-funded projects

Ensured 70% of Iwi/hapū understand who BayTrust is, what it does, and its role within the BOP



Increased community appreciation for Te Ao Māori culture and tangata whenua



Increased % of support towards Tū Māori Mai applications to 15% of grants budget (\$4m over 3 yrs)



Effectively supported Iwi/hapū groups/Māori organisations

TE TOMIKA TRUST
Te Rangū Tautoko Mō Te Hīnangaro



Toi Kai Rawa

Progressed further on our journey:

- Representation of Trustees who whakapapa Māori
- Increased use of Te Reo Māori
- Greater Trustee and staff understanding of Te Ao Māori
- More embedded understanding



- Developed and well-established relationships with Iwi/hapū
- Increased collaborative investments into/with Iwi/hapū



Community Wellbeing 2030 Success

BOP Communities flourish when they are equitable, vibrant, fun and safe:

- Where people have opportunities to participate in arts, sport and recreation
- Where youth are engaged and empower to achieve their goals
- Where people come together to share culture & knowledge to create thriving language and greater understanding

SDGs: 1,2,3,4,8,10



By 2025 BT will have...

- Reduced the funding burden on groups
- Facilitated greater collaboration with other funders

More co-funded projects



- Efficiently supported community groups to deliver those services that are in line with BT strategic priorities that contribute to:
 - Flourishing communities that are equitable, vibrant, fun and safe
 - Participation in arts, sport and recreation
 - Youth empowerment and engagement

Supported the delivery of SPF partners' impacts



- Met our Trust deed obligations of being an intergenerational funder to all beneficiaries



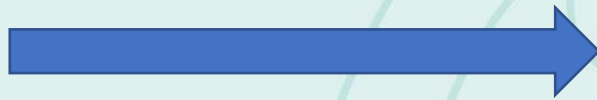
- Continued to maintain a special relationship with Sport BOP
- Contributed to overall community physical activity participation through sport & recreational activity



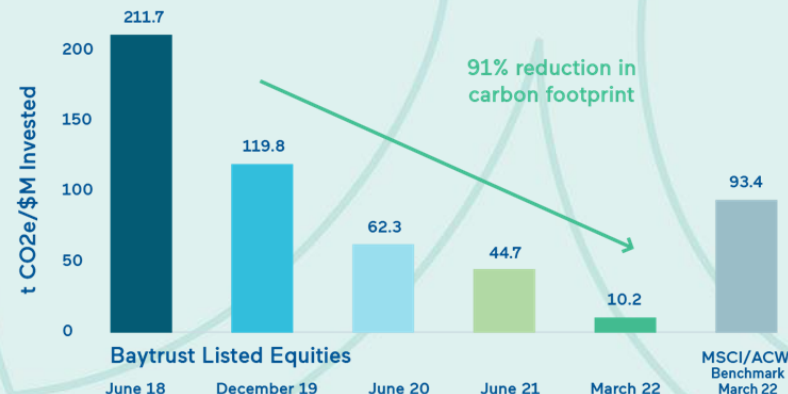
2022 - A Positive \$250m Investment Portfolio

FIGURE 1 RIAA's responsible investment spectrum

CORPORATE ENGAGEMENT & SHAREHOLDER ACTION	TRADITIONAL INVESTMENT	RESPONSIBLE & ETHICAL INVESTMENT							PHILANTHROPY
		ESG INTEGRATION	CORPORATE ENGAGEMENT/ SHAREHOLDER ACTION	NEGATIVE SCREENING	SCREENING NORMS-BASED SCREENING	POSITIVE/ BEST IN CLASS SCREENING	SUSTAINABILITY- THEMED INVESTMENT	IMPACT INVESTING (& COMMUNITY INVESTING)	
FOCUS	Limited or no regard for ESG factors	Consideration of ESG factors as part of investment decision	Using shareholder power to influence corporate behaviour	Industry sectors or companies excluded/ divested to avoid risk and better align with values	Screening out investments that do not meet minimum standards & including investments that meet defined ESG criteria	Investments that target companies or industries with better ESG performance	Investments that specifically target sustainability themes eg: clean energy; green property	Investments that target positive social & environmental impact and provide either a market or below market rate.	Grants that target positive social & environmental impact with no financial return



- **91% reduction in GE and EM listed equities carbon footprint since 2017**
- **BOP impact investments to increase to \$20m+ by 2025**
- **BT Second Highest Return in FY21 of C/Trusts @ 24%**



Our Investment Intentions:

- **Transition to a fully sustainable investment portfolio by 2030** where all the Trust's investments will look after the environment, our communities & our financial returns
- **Drive a 50% reduction in climate change emissions by 2025 and be carbon neutral by 2030**
- **Continue to grow our Private investments to help target the transition**
- **Materially grow our BOP Impact Investments**
- **Continue to deliver strong and sustainable investment returns.**

Combined Community Trusts Conference 2022

“To accelerate bold meaningful change”

- BayTrust is hosting the 2022 **Combined Community Trusts** conference at the Events Centre in Rotorua

- **Key facts:**

- 12 Community Trusts (+ 5 local Trusts and mana whenua)
- 22-24 November 2022
- 150 – 200 attendees
- \$150m+ of granting each year
- ~\$3.5b+ of investments

Whakataukī - ***Kia toi te hua mākohakoha***
“To ensure the fruits of generosity”

- Environment / climate change
- Māori/Iwi partnerships
- Inclusive growth & inclusive capitalism
- Housing



**BAY
TRUST**

Conference Naming Sponsor:

C | A

**CAMBRIDGE
ASSOCIATES**