

The University of Auckland Foundation

Strategic Plan

Adopted at the Trustee meeting, 5th March 2010

Mission Statement:

To support the advancement of learning and knowledge in New Zealand

Purpose:

To raise, receive and steward funds, and make grants, according to the wishes of the original donor, for: the advancement of knowledge and the dissemination thereof by teaching and research in New Zealand, assisting students to pursue courses of study at the University of Auckland, and the general advancement of the University of Auckland, while at all times observing the highest possible ethical and operational standards consistent with the terms of the Foundation's trust deed.

Strategy:

- i) to engage with potential donors where possible and assure them that their wishes will be carried out so they are comfortable about giving;
- ii) to ensure that the value of endowment gifts is appropriately maintained and enhanced but without excessive volatility;
- iii) to accept funds from charitable trusts so that they may wind up;
- iv) to become NZ's largest endowment fund for the purposes of the advancement of knowledge and the dissemination thereof by teaching and research by 2020.

1. Relations with Donors

The Foundation has an obligation to carry out the wishes of the donors consistently and reliably. Therefore, what restrictions as to purpose and use of their gift (in this case whether the gift is to be expended in the short term or invested to support an activity in the long term) donors have placed will be recorded either by drawing up a gift agreement

and creating a new named fund or depositing their gift into a named fund that already exists with those same restrictions.

The first kind of restrictions (as to purpose) will be administered by recording the relevant details in a suitable donor recording electronic database and ensuring that the gift is deposited into the correct specific named fund; the second kind (as to the use of the capital) by tracking the gift, its investment and subsequent returns, and its distributions in a suitable trust accounting electronic database.

2. Stewardship of Funds

The Foundation will ensure that donors' gifts are well stewarded. In particular, when donors make a gift to be used in the short term (for example on a building or a fixed term research project), that gift will be invested in the Foundation's Current Use Investment Pool (CUIP). The CUIP will be managed to carry out wherever possible the Foundation's objective that short term (or current use) gifts will keep their nominal value in the period before they are fully expended on the purpose the donor requested.

On the other hand, if donors make an endowment gift to provide an enduring annual income to support an activity over the long term, the gift will be invested into the Endowment Investment Pool (EIP). The EIP will be managed to carry out wherever possible the Foundation's objective that endowment gifts will keep their real value over long periods of time by (in order of decreasing importance):

- a) achieving a reasonable degree of stability and predictability in annual income distributions and hence in the level of the activity the donor wishes to see occur;
- b) generating sufficient investment returns and maintaining a distribution policy that will preserve the real value of annual income distributions over the long term so that a proper and equitable balance is kept between present and future activity;
- c) achieving the highest possible returns consistent with acceptable levels of risk, but not so as to undermine the previous objectives;
- d) ensuring that investment managers and advisors focus on long-term returns and are insulated from pressures to produce short-term gains.

The Foundation will offer to manage the trust funds of The University of Auckland, as well as those of other charities, such as The University of Auckland School of Medicine Foundation, using its CUIP and EIP and appropriate custodial agreements. The Foundation will also explore the possibility of pooling its EIP with the endowment investment pools of other New Zealand universities or university foundations.