

Victorian Traditional Owners Trust

ABN 93 731 388 312

REPORT CARD FOR THE YEAR ENDING 30 JUNE 2014

DJA DJA WURRUNG PEOPLE

The Victorian Traditional Owners Trust was established on 13 September 2011 by Deed between Robert Clark the Attorney General of Victoria and the Trustee Victorian Traditional Owners Funds Ltd.

The directors of Victorian Traditional Owners Funds Limited as Trustee of the Victorian Traditional Owners Trust present this report on the Trust for the financial year ended 30 June 2014.

Directors

The names of each person who has been a director of the Trustee Company during the year and to the date of this report are:

Mark William Sibree

Elizabeth Helen Eldridge

Gary Andrew Lennon

Directors have been in office since the company was incorporated to the date of this report unless otherwise stated.

Principal Activities

The Trust was established for charitable purposes to benefit the Aboriginal people of Victoria. The Victorian government established a Native Title Settlement Framework to reach agreements with Traditional Owners through execution of Participation Agreements.

The State reached a settlement with the Dja Dja Wurrung people and the Participation Agreement was executed on 28 March 2013. In terms of this Participation Agreement the State of Victoria has paid a settlement amount to the Trust of \$5m. The Dja Dja Wurrung people are represented by the Traditional Owner Group Entity the Dja Dja Wurrung Clans Aboriginal Corporation Ltd ("DDWCAC").

The principal activity of the Trust is to invest settlement funds received on behalf of the beneficiaries.

Report on Operations and Activities

During the year the Trust developed a tailored investment strategy for DDWCAC and invested the funds with Victorian Funds Management Corporation ("VFMC").

The investment strategy was adopted by the Trust after a series of meetings with DDWCAC. At these meetings DDWCAC outlined its long term and short term investment objectives and its tolerance for risk.

Given DDWCAC objectives: of minimal drawdowns for the short term but increasing over time; for the preservation of the amount of the capital sum (\$5m) (adjusted for inflation) at the end of 20 years and their risk tolerance, the Trust has set a target rate of return of CPI + 1.5% and invested the funds with VFMC. While the target rate of return is

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useful to determine the appropriate investment strategy for the funds, it is not, and should not be considered a guaranteed rate of return. The actual return of the funds will be determined by a wide range of market driven factors.

The funds are invested and valued in the following VFMC Funds as at 30 June 2014:

VFMC Capital Stable	\$2,605,053
VFMC Balanced	<u>\$2,578,448</u>
Total	<u>\$5,183,501</u>

Over time the investment return will vary and in some years will be above and in other years will be below the targeted return. For this year the return has exceeded the target rate of return. The target rate of return was 4.0% per annum and the funds produced a return after all fees of 6.84% per annum.

Report on Significant Changes and Likely developments

A longer term investment strategy was implemented during the 2014 financial year. Funds were invested into the VFMC which is a public authority governed by an independent board of directors whose members are appointed by the Governor in Council of Victoria.

The first payment of the minimum annual drawdown of \$250,000 is expected to occur in the 2015 year.

Major Financial and Performance Statistics

The table below sets out a summary of the financial results for the year.

DJA DJA WURRUNG CLANS ABORIGINAL CORPORATION

Opening Balance	-
add	
Settlement Amount	5,000,000
Investment Return	183,501
Interest Received	<u>1,101</u>
	<u>5,184,602</u>
less	
Audit Fees	(917)
Bank Charges	(38)
Distributions Made	<u>-</u>
	<u>(955)</u>
Closing Balance	<u><u>5,183,647</u></u>

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Report on distributions made to the DDWAC.

During the financial year no distributions were made to DDWCAC.

Dialogue has continued to determine future distributions and the projects to which these distributions relate and that any payment is for a charitable purpose.

Environmental Issues

The Trust's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Workforce Data

The Trust does not employ any staff.

Consultancies

There were no consultancies entered into during the year.

Proceedings on Behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trustee of the Trust, or intervene in any proceedings to which the Trustee of the Trust is a party for the purpose of taking responsibility on behalf of the Trustee of the Trust for all or any part of those proceedings.

The Trust was not a party to any such proceedings during the year.

As Approved by the Board



Mark Sibree
Chairman

Stephen Adrian
Secretary

Dated this 22nd day of October 2014