

10 November 2022

██████████
BusinessDesk

By email: ██████████

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Dear ██████████

Official information request regarding investment in Auror via Movac Fund 5

I refer to your official information request to the Guardians of New Zealand Superannuation, as manager of the NZ Super Fund, dated 25 October 2022, following up on our [30 March 2022 OIA response](#) to the earlier request relating to this matter:

According to the response “we note the information and background you have provided us and your concerns about this investment. This information is being considered by our investment team”

Please may I have all documents relating to the enquiry into the concerns raised about this investment.

On 31 October you clarified that you were:

interested in all documents, including correspondence, and subsequent correspondence with Movac or internally within the Guardians, to discuss the concerns raised.

As laid out in our 30 March response, the NZ Super Fund is invested as a limited partner in Movac Fund 5 Limited Partnership (**Movac Fund 5**) and does not have any direct interest or investment in Auror. However, Movac Fund 5 is an investor in Auror.

Movac Fund 5 is independently managed and overseen by Movac Limited on behalf of all limited partners, including but not limited to the NZ Super Fund. Movac has responsibility for sourcing investment opportunities and doing due diligence on companies that are being considered for investment in Movac Fund 5.

Following receipt of the OIA request, we sought and received satisfactory assurances from Movac regarding the nature and scope of due diligence it had completed on Auror. Diligence was in line with the range of what we would typically expect in this context.

We have, however, decided to refuse your request for this information, primarily under sections **9(2)(b)(ii), 9(2)(i) and 9(2)(ba)(i) and (ii)** of the Official Information Act 1982.

In order to operate as a responsible asset owner and institutional investor we must develop and maintain strategic relationships with investment managers. These relationships require certainty that information supplied to the Guardians, as the manager of the NZ Super Fund, is held in confidence.

Our discussions with our investment managers are undertaken on a confidential basis, as is our managers' due diligence into prospective investee companies. This is normal commercial practice. Because these are investment matters, discussions with investment managers and diligence activities include commercially sensitive information, analyses and judgements both in respect of the investment manager and the investee company concerned.

Investment managers and investee companies operate in their own highly competitive markets and are very concerned to protect their sensitive commercial information. Furthermore, companies may be less likely to seek investment from Movac Fund 5 (or the NZ Super Fund), less likely to agree to submit to

comprehensive due diligence processes and less likely to forthrightly answer questions asked during due diligence if they believe there is a risk that the information they provide may be disclosed. In addition, Movac's commercial position would also be prejudiced by making their professional analysis and judgements (for which we have paid a fee on a commercial basis) freely available.

Failure to uphold the confidentiality of this commercially sensitive information therefore risks jeopardising not just the future supply of information to the Guardians from Movac, but from all the investment managers with which we contract: other entities will be reluctant to engage with us as a Crown investor because of the perceived risk of disclosure of their confidential information. It therefore risks prejudicing the Guardians' general ability to operate as a commercially-focused investor.

We have considered whether the public interest in favour of disclosure outweighs our reasons for withholding such information and consider that it does not. We note that since we invest the NZ Super Fund for the benefit of taxpayers, there is a strong public interest in enabling us to fulfil our commercial activities without unreasonable constraint, and in order to do this, we must maintain the highest levels of confidentiality in our discussions with our business partners, and respect the commercial sensitivity of the materials we hold.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that it is our policy to proactively release our responses to official information requests where we consider the request to be a material one. Our response to your request will be published shortly at <https://www.nzsuperfund.nz/publications/disclosures/oiia/>, with your personal information removed.

Yours sincerely



Catherine Etheredge

Head of Communications