

Video Transcript - NZ Direct Investment

Hi, I'm Matt Whineray, Chief Investment Officer at the NZ Superfund.

The NZ Superfund has a team focused on unlisted New Zealand investments – called the NZ Direct team.

This team manages a portfolio of investments in forestry, farming and a number of stakes in New Zealand companies, including our stakes in Datacom, Scales and Metlifecare. The Kaiangaroa forest investment managed by the team represents the largest individual investment in the fund.

These investments make up a big part of the roughly 15 per cent of the Fund that is currently invested in New Zealand.

Our strategy in New Zealand is to target opportunities where we are a preferred investor, because of who we are and what we can bring to the table.

We believe that because we are local we have a home-town advantage that we can leverage when investing in New Zealand.

We have a long term investment horizon and we're one of the few local investors of scale. These are advantages that many investors active in New Zealand don't have.

However, all our investments in New Zealand need to stack up against the many overseas opportunities that are available to us.

In fact we expect our NZ investments to provide a premium to those offshore opportunities to offset the risk of concentrating the fund in New Zealand assets.

We have a strong focus on responsible investment. As an active shareholder, we expect companies that we invest in to manage their environmental, social and governance risks in line with global best practice.

One important restriction on us is that we are a minority investor. We can't control an operating company. So our approach is very much to partner up with other like-minded investors, with similar long investment horizons and investment beliefs to us.

We're not looking to build a portfolio of a large number of domestic direct investments. Scale is important. The kind of investment we're interested in is a hundred million plus, with a stake of 20 to 50 per cent in a company.

We look for companies that have a strong management team, good growth opportunities and where we can play an active role to contribute to the company's future. We look to take governance roles in our investee companies to oversee our investments.

The New Zealand Direct team is an important team within the Fund. And the fund is proud to be a major investor in NZ. We will continue to play an active role investing in NZ businesses and contributing to the growth and future of New Zealand.

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