

# ACTIVE INVESTOR PLUS ADVISORY PANEL - MEETING MINUTES



**Location:** Zoom

**Date:** 20 February 2023

**Time:** 9am – 12pm

**Advisory Panel members:** Mel Hewitson (Chair), Pip Dunphy, Debbie Birch

**Attendees:** Jono Wells and Lauren Wilks (Secretariat)

**Apologies:** Nil

## Agenda items:

1. Welcome from Mel
2. Apologies
3. Review and confirmation of the Declarations of Interest register
4. Managed fund Applications
5. Direct investment Applications
6. Meeting evaluation
7. Next meeting date
8. Other updates

## Minutes:

### 1. Welcome from Mel

### 2. Apologies

The Chair confirmed that no Apologies had been received for the meeting.

### 3. Declaration of interest register

The following interests were disclosed by the Advisory Panel:

s9(2)(ba)(i)

[Redacted]

s9(2)(ba)(i)

[Redacted]

All Advisory Panel members confirmed that there were no conflicts in relation to the Applications submitted for assessment in this meeting.

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## 4. Managed fund Applications

10 Managed Fund Applications were submitted to the Advisory Panel which were taken as read. The Secretaria explained that all the Applicants had completed the required self-checks and other questions in the submitted Application forms. It was also confirmed that 'KYC' checks had been completed by NZTE on all Applications without any issues being raised. Further, any Applicants recommended to NZTE Investment for approval would need to undergo a further check using a third-party search provider before being formally approved.

i. **s9(2)(b)(ii)**

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- The Applicant did not provide registration deals in the Application form but this was checked and confirmed internally by NZTE.
- **s9(2)(b)(ii)**
- Limited information was provided in relation to the fund's ESG policy and decision-making processes.

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** **s9(2)(g)(i)**

ii. **s9(2)(b)(ii)**

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- **s9(2)(b)(ii)**
- **s9(2)(g)(i)**
- **s9(2)(g)(i)**

The Advisory Panel agreed to recommend that: **More information be requested**

**Outcome:** NZTE to request more detail on (to demonstrate that the Applicant meets Principles 1 and 3):

- The growth expectations and hurdles/requirements for the fund in relation to the entities invested into.

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- How the fund applies its ESG and other investment policies **s9(2)(b)(ii)** (and more generally in its investment decision making).

iii. **s9(2)(b)(ii)**

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- **s9(2)(b)(ii)**
- Noted that, per the guidance notes to the Principles, a fund can utilise a debt or equity strategy to invest into private businesses. **s9(2)(b)(ii)**
- **s9(2)(b)(ii)**

The Advisory Panel agreed to recommend that: **More information be requested**

**Outcome:** NZTE to request more detail on (to demonstrate that the Applicant meets Principle 1):

- **s9(2)(g)(i)**
- The sectors focused on for lending.
- **s9(2)(g)(i)**

iv. **s9(2)(b)(ii)**

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- **s9(2)(g)(i)**
- **s9(2)(g)(i)**
- **s9(2)(g)(i)**

The Advisory Panel agreed to recommend that: **More information be requested**

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**Outcome:** NZTE to request more detail on (to demonstrate that the Applicant meets Principle 1) the Applicant's criteria and decision-making process to identify and assess high growth and impact entities to invest into.

v. s9(2)(b)(ii)

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(g)(i)
- Application had clear description of their ESG policy and Application of it to investment decision making.
- s9(2)(g)(i)

The Advisory Panel agreed to recommend that the Application be: **Approved**

**Rationale for outcome:** The Applicant has demonstrated that they satisfy the criteria for managed funds, including the Objective and Principles.

vi. s9(2)(b)(ii)

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that the Applicant fund has s9(2)(b)(ii)

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** s9(2)(g)(i)

vii. s9(2)(b)(ii)

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

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- s9(2)(g)(i) [REDACTED]
- s9(2)(g)(i) [REDACTED]

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** Investment into agricultural and primary land does not meet the intent of the AIP policy, as set out in the Objectives and Principles. It was noted that NZTE has provided specific guidance to Applicants on the eligibility of property investments in the context of the first Principle and, in particular, that pure investments into property and land assets such as this are not eligible (except where they accounted for less than 20% of the fund).

viii. s9(2)(b)(ii) [REDACTED]

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]

The Advisory Panel agreed to recommend that the Application be: **Approved**

**Rationale for outcome:** The Applicant has demonstrated that they satisfy the criteria for managed funds, including the Objective and Principles.

ix. s9(2)(b)(ii) [REDACTED]

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]

The Advisory Panel agreed to recommend that the Application be: **Approved**

**Rationale for outcome:** s9(2)(g)(i) [REDACTED]

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x. **s9(2)(b)(ii)**

**Managed fund type:** MIS

## **Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- **s9(2)(b)(ii)**
- **s9(2)(b)(ii)**
- The Application did not include sufficient commentary on ESG policies.

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** Investment into residential property development does not meet the intent of the AIP policy, as set out in the Objectives and Principles. Noting that NZTE has provided specific guidance to Applicants on the eligibility of property investments in the context of the first Principle and, in particular, that pure investments into property assets such as this are not eligible (except where they accounted for less than 20% of the fund).

## **5. Direct investment Applications**

Noted that due to time constraints the submitted direct investment Applications could not be considered at this meeting and would be considered at the next meeting on 6 March 2023.

## **6. Meeting Evaluation**

**s9(2)(g)(i)**

The Advisory Panel noted that applications generally did not provide sufficient detail as to how a fund identifies high-growth potential businesses (in accordance with Principle 1) and the growth targets/hurdles for those investments. It also noted that, in relation to Principle 3, many of the Applications did not explain how they apply ESG considerations to their investment decision-making.

It was agreed that NZTE would update the application form and guidance notes to make the high-growth potential and ESG information requirements clearer to applicants. It was confirmed that any communication with applicants will be managed by NZTE. If the Advisory Panel are contacted by any actual or prospective applicants, they should be directed to NZTE.

## **7. Next Meeting Date**

The Advisory Panel noted that the next meeting is scheduled for Monday 6th March 2023.

## **8. Other Updates**

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The Secretariat provided an update on the ongoing recruitment of a Secretariat and fourth Advisory Panel member. It was noted that the Nominator may contact the Chair to discuss any identified potential candidates

**Signed**

s9(2)(a)

Mel Hewitson

**Chair, AIP Advisory Panel**

6 March, 2023

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# ACTIVE INVESTOR PLUS ADVISORY PANEL - MEETING MINUTES



**Location:** Zoom

**Date:** 6 March 2023

**Time:** 9am – 12pm

**Advisory Panel members:** Mel Hewitson (Chair), Pip Dunphy, Debbie Birch

**Attendees:** Jono Wells and Lauren Wilks (Secretariat)

**Apologies:** Nil

## Agenda items

1. Apologies
2. Review and confirmation of the Declarations of Interest register
3. Approval of the minutes from the 20 February meeting
4. Managed fund applications
5. Direct investment applications
6. Meeting evaluation
7. Next meeting date
8. Other updates

### 1. Apologies

The Chair confirmed that no apologies had been received for the meeting.

### 2. Declaration of interest register

No additional general interests were disclosed by the Advisory Panel.

The following interests were disclosed in relation to the submitted applications for the meeting:

- s9(2)(ba)(i)
- s9(2)(ba)(i)

s9(2)(a)

### 3. Approval of the minutes from the 20 February meeting



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The Advisory Panel agreed to approve the minutes from the previous meeting on 20 February 2023.

## 4. Managed fund applications

Three fund applications that had been considered at the previous meeting were re-submitted for assessment after further information was requested and obtained by NZTE.

### 1. s9(2)(b)(ii)

**Managed fund type:** MIS

**Discussion:**

The Advisory Panel noted that further information was requested from the Applicant in relation to:

1. The growth expectations and hurdles/requirements for the fund in relation to the entities invested into.
2. How the fund applies its ESG and other investment policies s9(2)(b)(ii) (and more generally in its investment decision making).

It was noted during the discussion on the responses by the Advisory Panel that:

- s9(2)(b)(ii)
- s9(2)(b)(ii)
- s9(2)(b)(ii)

The Advisory Panel agreed to recommend that: **More information be requested**

**Rationale for outcome:** NZTE to request more detail on (to demonstrate that the Applicant meets Principle 3):

- s9(2)(g)(i)
- how an ESG lens is applied to the Applicant's decision making as a fund and how they monitor ESG practices of their investee entities on an ongoing basis.

### 2. s9(2)(b)(ii)

**Managed fund type:** MIS

**Discussion:**

The Advisory Panel noted that further information was requested from the Applicant in relation to:

1. s9(2)(b)(ii)
2. s9(2)(b)(ii)
3. s9(2)(b)(ii)

It was noted during the discussion on the responses by the Advisory Panel that:

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- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]

The Advisory Panel agreed to recommend that the Application be: **Approved**

**Rationale for outcome:** Further information provided was sufficient to demonstrate to the Advisory Panel that the Application meets the criteria for managed funds, including the Objectives and Principles.

### 3. s9(2)(b)(ii) [REDACTED]

**Managed fund type:** MIS

**Discussion:**

The Advisory Panel noted that further information was requested from the Applicant in relation to:

1. the Applicant's criteria and decision-making process to identify and assess high growth and impact entities to invest into.

It was noted during the discussion on the response by the Advisory Panel that the Applicant's growth criteria and global scalability targets had been stated clearly.

The Advisory Panel agreed to recommend that the Application be: **Approved**

**Rationale for outcome:** Further information provided was sufficient to demonstrate to the Advisory Panel that the Application meets the criteria for managed funds, including the Objectives and Principles.

The Advisory Panel noted that six new managed applications had been submitted for assessment. NZTE confirmed that these applications had passed the first stage of KYC screening, with a further check to be completed using a third party search provider before any would be formally approved.

### 4. s9(2)(b)(ii) [REDACTED]

**Managed fund type:** MIS

**Discussion:**

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]

The Advisory Panel agreed to recommend that: **More information be requested**

**Rationale for outcome:** s9(2)(g)(i) [REDACTED]

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## 5. Direct investment applications

The Advisory Panel noted that it had not yet considered any Direct Investment applications and decided to ensure that at least those submitted for the previous Advisory Panel meeting were assessed at this meeting. It was also noted that a total of seven direct investment applications had been submitted, and NZTE confirmed that all applications except s9(2)(b)(ii) had passed the first stage of KYC screening, with a further check to be completed using a third party search provider before any would be formally approved.

### 1. s9(2)(b)(ii)

Current capital raise  Historic investment

#### Discussion:

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii)

- s9(2)(b)(ii)

The Advisory Panel agreed to recommend that: **More information be requested**

**Rationale for outcome:** s9(2)(g)(i)

### 2. s9(2)(b)(ii)

Current capital raise  Historic investment

#### Discussion:

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii)

- s9(2)(b)(ii)

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** A s9(2)(g)(i)

### 3. s9(2)(b)(ii)

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Current capital raise  Historic investment

## Discussion:

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii), s9(2)(g)(i) [REDACTED]
- s9(2)(b)(ii) [REDACTED]
- s9(2)(g)(i) [REDACTED]

The Advisory Panel agreed to recommend that: **More information be requested**

**Rationale for outcome:** NZTE to request more detail on:

- the intended timelines and phasing for their local and international growth
- financial information, specifically that the NZTE financial template be populated and split out for local and international growth
- the use of funds from the capital raise.
- how the Applicant applies a sustainability lens to their business activities, for example procurement, employment and waste management.

## 4. s9(2)(b)(ii) [REDACTED]

Current capital raise  Historic investment

## Discussion:

s9(2)(b)(ii) [REDACTED]

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** s9(2)(b)(ii) [REDACTED]

## 5. s9(2)(b)(ii) [REDACTED]

Current capital raise  Historic investment

## Discussion:

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii) [REDACTED]
- s9(2)(b)(ii) [REDACTED]

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- s9(2)(b)(ii) [redacted]
- s9(2)(b)(ii) [redacted]

The Advisory Panel agreed to recommend that the Application be: **Approved**

**Rationale for outcome:** The Applicant has demonstrated that they satisfy the criteria for direct investments, including the Objective and Principles..

## 6. s9(2)(b)(ii) [redacted]

Current capital raise  Historic investment

### Discussion:

It was noted during the discussion on the Application by the Advisory Panel that:

- s9(2)(b)(ii) [redacted]
- s9(2)(b)(ii) [redacted]
- s9(2)(g)(i) [redacted]

The Advisory Panel agreed to recommend that the Application be: **Declined**

**Rationale for outcome:** s9(2)(g)(i) [redacted]  
[redacted]  
[redacted]  
[redacted]

The Panel noted that the remaining submitted managed fund and direct investment applications would be carried over for consideration at the next meeting.

## 6. Meeting evaluation

**Documentation provided with the application:** It was noted that there is inconsistency in the documents Applicants are providing to supplement their application. s9(2)(g)(i) [redacted]

[redacted]  
[redacted]  
s9(2)(g)(i) [redacted]  
[redacted]  
[redacted]

## 7. Next meeting date

The Advisory Panel noted that the next meeting is scheduled for Friday 24<sup>th</sup> March 2023. Next meeting to review the applications not assessed in today's meeting.

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NEW ZEALAND  
TRADE & ENTERPRISE  
Te Taurapa Tūhono

## 8. Other updates

s9(2)(g)(i)

[Redacted text block]

s9(2)(g)(i)

[Redacted text block]

Signed

s9(2)(a)

Mel Hewitson

Chair, AIP Advisory Panel

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