

## NZ Funds expands mandate

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by Philip Macalister

New Zealand Funds Management has expanded the mandate for its Property and Infrastructure trust to include Australian stocks.

"The narrow range of quality stocks available in the New Zealand sharemarket is a limitation on the manager," NZ Funds says. "Significantly this situation looks likely to continue in the future."

The trust is now allowed to hold up to 30 per cent of its portfolio in Australian companies. NZ Funds says this move will allow the trust, and its unitholders, to gain exposure to a range of industries that are not represented on the New Zealand market, including the likes of the banking sector.

Also by investing in a bigger market the range within each sector is greater, giving the manager the ability to invest in "a wider array of quality companies, rather than being restricted to the best of the bunch in New Zealand".

NZ Funds says the manager is already familiar with many of the Australian property and infrastructure stocks as some, such as Telstra, are dual listed and already included in the portfolio. "The expansion of this sector will also ensure the trust is positioned to take full advantage of the increasing integration of the Australian and New Zealand economies. The broad business environment in the trans-Tasman nations is becoming

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increasingly seamless.

"The access to superior communications, the greater transfer of research information and the increasingly interwoven nature of the two economies ensures New Zealand Funds is well placed to maximise the effect of the integration," NZ Funds says.

You can read Philip's blog here: <http://www.goodreturns.co.nz/blog/>