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MEAG acquires forestry in New Zealand

MEAG, on behalf of its clients, has successfully acquired about 2,200 hectares of forests in Southland, New Zealand for a medium double digit million NZD amount. This investment is part of a midterm program to increase the investment exposure of MEAG's clients to New Zealand forestry.

In view of persistently low interest rates, MEAG is increasing its focus to alternative investments that offer attractive risk adjusted returns over long term periods. MEAG has been building up considerable inhouse expertise in this field while at the same time leveraging the outstanding competence of Munich Re with regards to assessing natural risk and potential impacts of climate change. MEAG started to build a global timberland portfolio over ten years ago and has since invested on all of the six continents.

Besides generating attractive returns, sustainably managed forests have the potential to deliver significant positive impacts on different ESG aspects at the same time. Holger Kerzel, Managing Director of MEAG, concludes: "Forestry investments can be an attractive alternative for institutional investors to further diversify portfolios in these uncertain times. For successful investments in this field, however, specific competence is needed not only relating to pure financial aspects, but increasingly regarding assessing natural risk and sustainability in light of climate change. Wood is a renewable resource that helps to mitigate climate change through sequestering and storing CO₂. At MEAG, all of these aspects are an integral part of our due diligence process and ongoing management considerations. In that regard, the sustainable management of our forest investments is certified via independent internationally recognized schemes." The New Zealand forestry is seen as an attractive investment meeting these targets. MEAG's strategy is to be a long-term sustainable player in the New Zealand forest industry.

MEAG manages the assets of Munich Re and ERGO. It has representations in Europe, Asia and North America and offers its extensive know-how to institutional and private customers. MEAG currently manages assets to the value of around €336 billion, around €70 billion of which for institutional and private customers.

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