

Purpose Capital Impact Report

For the year ended 31 March 2025



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Introduction

A note from Purpose Capital's team



Purpose Capital wins Mindful Money's 2024 Best Impact Investment Fund Award

Welcome to Purpose Capital's FY 2025 Impact Report.

As we begin raising capital for our second impact fund, the progress of our first fund's investee companies is critical. While investors rightfully expect risk adjusted financial return on their investments, they also expect that we, as an impact investment fund, will deliver social and environmental returns and be able to demonstrate this. This Impact Report is our way, using best practice tools, of disclosing and holding ourselves to account for the impact we are having.

You'll read about how we are helping to create employment and training in one of New Zealand's most deprived areas, provide housing for New Zealand's most vulnerable children, develop affordable long term rental housing, facilitate utility scale renewable energy generation, and significantly lower emissions in New Zealand's largest industry – dairy.

The opportunities for us to 'make a difference' are endless. The great challenge for the Purpose Capital Team is to meet this need in ways that provide our investors with confidence to continue investing with us.

We hope this report, along with our Annual Report detailing our financial returns to investors, does just that!

Yours Sincerely,

The Purpose Capital Team

Philosophy and approach



Lodestone's Rangitaiki Solar Farm in Edgecumbe

Vision

To demonstrate how financial investment can protect and regenerate the environment, support the low/no carbon transition and provide opportunities for people to flourish, as part of the new economy.

Mission

Use the power of investment to drive social and environmental change and to demonstrate a new way to make money work.

Strategy

We invest in projects and companies that have:

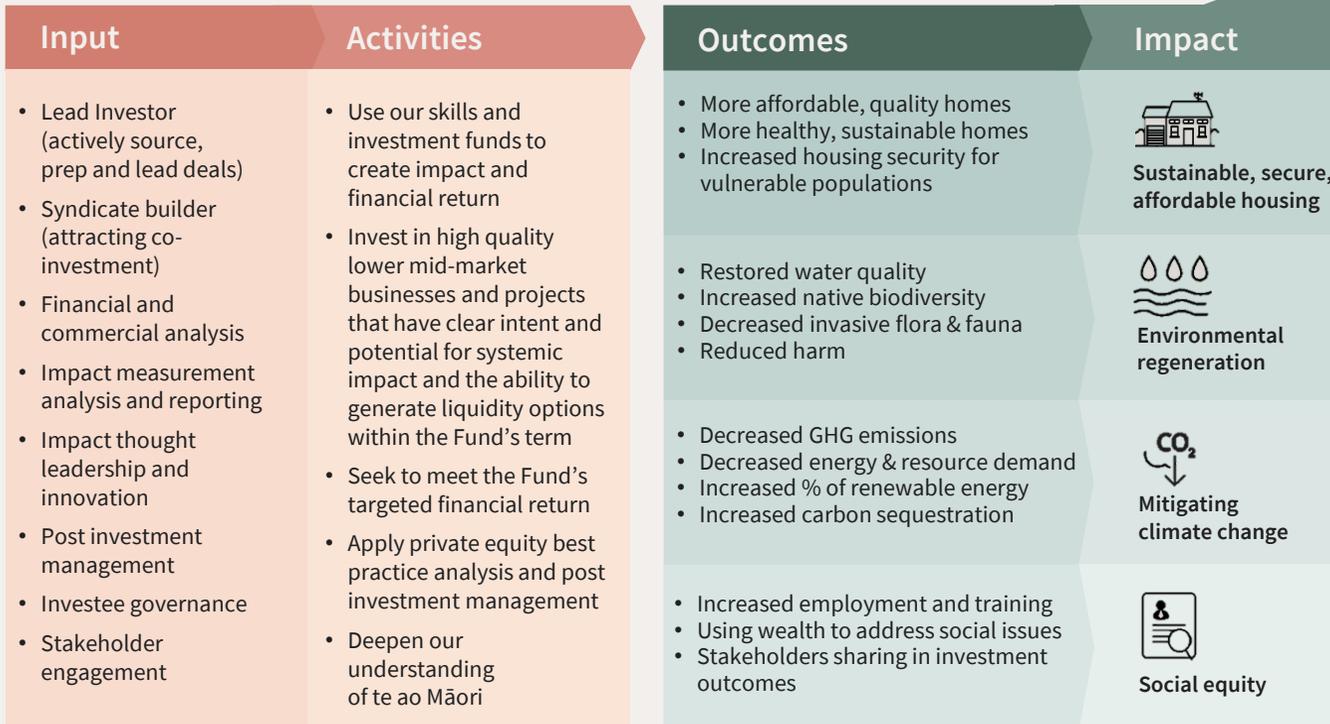
- Clear, systemic impact potential and intent;
- An ability to meet the Fund's financial return target; and
- Can generate liquidity options within the Fund's term.

Theory of Change

This is our framework for achieving positive impact through our investments – please see the next page.

Our Theory of Change

Using the power of investment to drive social and environmental change and demonstrate a new way to make money work.



Assumptions

- We recognise that Impact Investing is just one of many actions needed to drive social and environmental change in New Zealand, but we believe that strategic impact investment can play a key role.
- We aim to use knowledge, networks, investment, skills and leadership, working in partnership with others, including the commercial and philanthropic investment sectors and Māori to achieve our Vision.
- The intention is to provide confidence to the investment market so that investment funds flow into impact investments via our Funds, co-investment, syndicated investment and blended finance.
- This will be done intentionally, within the bounds of our Fund's mandates and with rigorous due diligence in the measurement of both financial and non-financial (impact) risk and return.
- We will refine and improve our approach to impact investment and measurement over time.

Impact Measurement

Impact Measurement and Management (IMM)

We incorporate the following into our practice:

- The Operating Principles for Impact Management¹ (Impact Principles), hosted by the Global Impact Investing Network (GIIN)
- The Impact Management Project (IMP)'s Five Dimensions of Impact Framework²
- IRIS+ metrics³

Independent Verification

Our alignment with Impact Principles has been independently verified by The Lever Room. More details and a full report here.

Responsible investment

Our responsible investment policy details our approach to wider environmental, social, and governance (ESG) issues beyond the positive impacts we target specifically. We also contribute to the ESG Data convergence initiative, a global private market collaboration to streamline ESG reporting.

Signatory to:

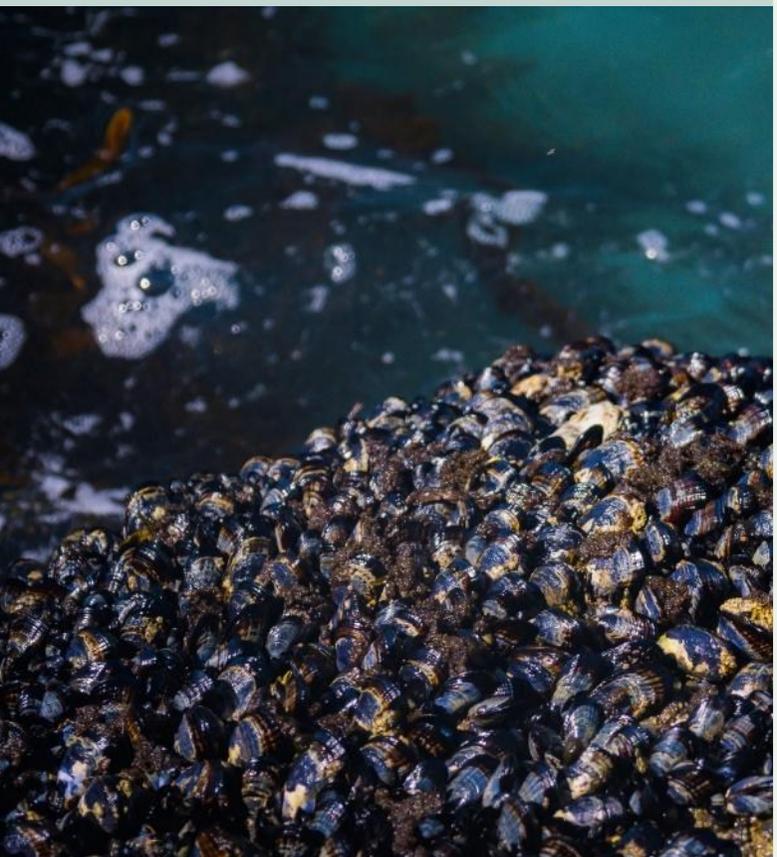


Operating Principles for
Impact Management

IMPACT
MANAGEMENT
PROJECT



Individual Company Metrics



Apportionment

As is common practice, we report the overall metrics for each investee entity at the company level. For transparency, we present these alongside the quantum and shareholding of both the Purpose Capital Impact Fund (PCIF) and our syndicates.

Outcome Tracking

As much as possible, we track outcomes directly, based on the desired *outcomes* listed in our theory of change. For example, GHG emissions mitigated by upgrading refrigeration equipment.

In some cases, we are currently only able to directly track *outputs*. While this is not ideal, we are on a journey with each of our investee companies and we consider this an acceptable starting position. Over time, the metrics which we use may change as our companies mature and are able to track additional, refined, or other kinds of impact data.

Verity

We rely on self-reporting of data by investees. While we review the information, it is neither independently verified, nor comprehensively audited by us or any other party.



Name
Whakatōhea Mussels Ōpōtiki Limited

Location
Bay of Plenty

Sector
Aquaculture

Stage/Type
Expansion

Date of Investments
30 June 2020
18 May 2022

Amount of Investments
\$2m & \$0.2m as part of a \$6.89m impact syndicate

Ownership Percent
2.5% as part of a syndicate holding 7.3%

Website
www.openocean.co.nz



Whakatōhea Mussels Ōpōtiki

In partnership with Bay Trust and Trust Horizon, PCIF has invested in Whakatōhea Mussels Ōpōtiki Limited (WMOL) - a New Zealand first and world leading open ocean mussel farm and processing plant - with a goal to bring prosperity back to Ōpōtiki and the Eastern Bay of Plenty.

The mussel farm – off the coastline of Ōpōtiki – is 3,800 hectares of nutrient rich, clear, open ocean. Mussels are harvested daily and delivered directly to the processing plant.

Employee welfare, training and advancement continue to be at the heart of the business.

Employees Earning a Living Wage or Higher

IRIS+ ID: OI4724

83*

(on 31 March 2025)
*37% of the workforce

2024 = **187**
2023 = **237**
2022 = **180**
2021 = **50**

Percentage of employees from Eastern Bay of Plenty

76%*

(on 31 March 2025)
*excludes Pacific Island team living in Ōpōtiki.
2024 = **68%**
Metric updated to align with a company reporting change in 2024.

A+ Aquaculture Score⁴

64

(2024 score)

⁴ is a voluntary aquaculture sustainability improvement framework with a rating out of 75.

Outcomes

- Increased employment and training
- Using wealth to address social issues
- Stakeholders sharing in investment outcomes

Impact



Social equity

Impact Highlights

- WMOL is pioneering deep water aquaculture - the future of aquaculture in New Zealand - in the Eastern Bay of Plenty, one of New Zealand's most socio-economically deprived regions.
- Addresses an issue of critical importance (economic opportunity) using a solution (aquaculture) identified by stakeholders (Whakatōhea Iwi and the wider Ōpōtiki community).

Impact Update

There are currently 224 employees, up 20% since last report, while the number earning the New Zealand [living wage](#) has dropped as the living wage increased. Demographics:

- 59% male and 41% female
- 59% Māori and 26% Pacific Peoples
- 43% under 30

WMOL invests in people through structured training and development pathways that support progression from entry-level roles into more skilled positions, including:

- 48 employees currently in structured training programs.
- 527 training course enrollments since inception.
- Employees supported to gain their Class 1 Driver License - increasing confidence and agency.

“Employment at Whakatōhea Mussels doesn’t just put food on the table - for many of our team, it’s been a steppingstone to building a better future. The steady income, combined with wraparound wellbeing support and opportunities to grow, has enabled individuals and families to take major steps forward.”

- Company Quote



Name
New Ground Living (Bureta Park) Limited

Location
Bay of Plenty

Sector
Housing

Stage/Type
Expansion

Date of Investment
31 March 2022

Amount of Investment
\$2m as part of a \$4m syndicate

Ownership Percent
50.0% as part of a syndicate holding 100%

Website
www.purposecapital.co.nz/project/bureta-park-build-to-rent/



Bureta Park Build to Rent

Working closely with New Ground Capital and Mike Greer Homes, Purpose Capital is focused on maximising the positive impact of this new housing development in the central Tauranga suburb of Otūmoetai.

Upon the completion of this project, our investment will have contributed to 89 medium density homes, built to a Homestar star 6+ standard and located close to retail, recreational, employment and public transport amenities. In addition, it is intended that approximately 50% of these homes will provide long term certainty of tenure and higher levels of affordability than competing market product.

Number of Housing Units Financed

IRIS+ ID: PI5965

89

(on 31 March 2025)

2023/2024 = 89

Project Status vs Expectations

Delayed due to consent challenges

(on 31 March 2025)



Outcomes

- More affordable, quality homes
- More healthy, sustainable homes

Impact



Sustainable, secure, affordable housing

Impact Highlights

- Increasing affordable housing stock for both renters and first homebuyers and providing a much-needed example of housing intensification done well for Tauranga city.
- Promoting the 15-minute city⁵ concept of housing: most daily necessities and services can be easily reached by a 15-minute walk or bike ride. This is an important climate consideration given 63% of Tauranga’s carbon emissions come from transport.
- Targeting a Homestar⁶ rating of 6+ indicating an easier to heat, healthier, cost-effective, and environmentally friendly home - with reduced power bills also improving financial resilience.
- Providing greater security of tenure.
- Community Housing Providers (CHPs) provide quality, affordable housing to those in need by limiting rent to 30% of household’s income.
- We expect these homes to have better environmental footprints compared to other developments, with anticipated advantages, including: high performance windows / insulation; future proofing for EV charging; rainwater harvesting; and rooftop solar panels.

Impact Update

The project continues to remain in the land development phase due to significant consenting delays. While we are pleased to report that resource consent has now been issued, the impact outcomes we can report are limited. Future potential social impact metrics include:

- Number of families with multi-year tenancies.
- Number of people in safe, warm, dry and healthy homes.
- Tenant satisfaction.
- Security of tenure / eviction rate.
- Proportion affordable housing.



Name
Homes for Tamariki Limited

Location
New Zealand

Sector
Housing

Stage/Type
Property

Date of Investment
6 May 2022

Amount of Investment
\$2m as part of a \$2.3m syndicate

Ownership Percent
52.71% as part of a syndicate holding 61.20%

Website
<https://www.purposecapital.co.nz/project/homes-for-tamariki/>

NewGround
Homes for Tamariki

Homes for Tamariki

The Homes for Tamariki (H4T) Fund houses some of the most vulnerable children and young adults - young people with a variety of complex needs who are unable to be placed in the care of extended family or foster care.

The fund is the result of a partnership between New Ground Capital (NGC) and Oranga Tamariki (OT).

Children tend to stay for their more high-risk / high-need years (generally 13 – 18 years old). Given the support needs, these homes often cater for one or two children at a time before they re-integrate into society, allowing further children to move in.

Number of Housing Units Financed
IRIS+ ID: [PI5965](#)

5

(on 31 March 2025)

2024 = 5
2023 = 4

Number of children and young people with permanent homes
Aligned to IRIS+ ID: [PI4060](#)

7

(on 31 March 2025)

2024 = 7
2023 = 5

Outcomes

- Using wealth to address social issues

Impact



Social equity

Impact Highlights

New Zealand ranked last in children’s mental health, and highest for child suicide rate in the 2025 Innocenti Report published by UNICEF.⁷

The most vulnerable children – in state care due to a lack of family or it being unsafe for them to be with family – are often in emergency housing or motels due to a lack of other options.

This investment meets our target outcome of increased housing for vulnerable populations, and more broadly, contributes to social equity and the New Zealand government’s child well-being priority, complimenting the work of other agencies supporting these children.

The high-quality homes provided by H4T have flow on benefits through lessened demand on the country’s healthcare, welfare, and justice systems. A 2019 OT report on the social effects of moving children from suboptimal housing to safe and secure housing found:

- School truancy & suspensions decline by 35% & 46% respectively.
- Attainment of NCEA level 2+ increases by 49%.
- Serious offending declines by 45%.
- Hospitalisations decrease by 11%.
- Year long employment at age 20 increases by 23%.

Impact Update

The number of houses owned remains at five and the number of vulnerable children housed at seven. While these numbers are low and well below the ambition of the fund, the impact on the lives of each of these children is huge.

The fund manager, NGC, is looking to bring on board an institutional investor later this year to significantly increase the scale and impact of the fund.



Name
Lodestone Energy Limited

Location
Bay of Plenty, Waikato
& New Zealand

Sector
Renewable Energy

Stage/Type
Projects

Date of Investments
17 October 2022
21 March 2024
31 March 2025

Amount of Investments
\$2m as part of \$10m syndicate
\$1.5m as part of \$7.4m syndicate
\$1m as part of \$3.6m syndicate

Ownership Percent
1.81% as part of a syndicate
holding 8.63%

Website
www.lodestoneenergy.co.nz



Lodestone Energy

Lodestone is pioneering Utility-Scale Solar Agri-voltaics in New Zealand - enabling dual land use where farming and solar photo-voltaics co-exist.

In 2022, Purpose Capital raised and led a \$10m equity investment syndicate, followed by a \$7.4m syndicate in 2024, and a \$3.6m syndicate in 2025.

Energy Capacity of Product

IRIS+ ID: [PD2713](#)

Phase 1

320 GWh p.a.

Assumes 5 sites and a 25+ year lifetime

Phase 2

486 GWh p.a.

Assumes 7 sites and a 25+ year lifetime

Energy Generated for Sale: Total

IRIS+ ID: [PI8706*](#)

Phase 1

134.7 GWh

(17 October 2022 – 31 March 2025)

FY25 Annual Production = **117.9 GWh**

FY24 Annual Production = **16.8 GWh**

FY23 Annual Production = **0 GWh**

Phase 2

0 GWh

(21 March 2024 – 31 March 2025)

***Primary Energy Source** (IRIS+ ID [QI3781](#)):

100% Solar-PV

Outcomes	Impact
<ul style="list-style-type: none"> Decreased GHG emissions Increased % of renewable energy 	 <p>Mitigating climate change</p>

Impact Highlights

- Contributing significantly to the national effort to decarbonise New Zealand’s energy sector.

Impact Update

- GHG Emissions Avoided:** Lodestone conservatively estimates its solar generation in FY 2025 has displaced ~14,625 tCO₂e emissions, based on an average grid emission factor. However, it can be argued that utility scale solar preferentially displaces emissions due to marginal generation from coal and gas⁸, the last and typically most expensive generation to be dispatched. This would mean that the actual carbon abatement is likely to be significantly higher. Estimates indicate the net CO₂e avoided over the lifetime of Lodestone’s first four farms to be in the order of 230,000 tonnes (conservative, based on displacing grid average emissions) to 1,400,000 tonnes (based on gas).
- Carbon Payback Period:** The carbon payback period of each of the first four farms is estimated to be as low as 1 year (assuming displacement of marginal gas generation), with an upper bound of approximately 7 years (assuming displacement of average grid emissions).
- Native Tree Planting:** Over 5,500 native trees were planted at the Waitoaha and Edgecumbe sites this year, adding to the 41,500 planted last year.
- Dual-Use Design:** Lodestone has 700+ sheep grazing at its Kohirā farm (Kaitaia) and recently introduced a flock of 600+ to its Rangitaiki farm (Edgecumbe). Te Herenga o Te Rā (Waitoaha) will also be grazed in FY26 once the necessary infrastructure has been established.



Name
Cool Group Limited

Location
Waikato

Sector
Manufacturing

Stage/Type
Expansion

Date of Investments
29 August 2023
1 March 2024

Amount of Investments
\$3m equity
\$1m convertible note

Ownership Percent
37.50%

Website
www.coolsense.co.nz



Cool Group

Cool Group Limited is a Hamilton headquartered manufacturer specialising in milk chilling solutions for dairy farms. The company’s refrigeration units utilise low Global Warming Potential (GWP) refrigerant and next-generation refrigeration technology that is more efficient, cost-effective and environmentally friendly. The units deliver transparent data reporting and allow real-time, remote monitoring.

Purpose Capital’s investment provided the equity capital in an innovative partnership with Fonterra and New Zealand Green Investment Finance (NZGIF). The partnership allows Fonterra farmers to lease the cooling units through a “Pay As You Save” (PAUS) programme.

Greenhouse Gas (GHG) Emissions Avoided*
IRIS+ ID: [PI2764**](#)

12,500 t CO₂e

From investment to 31 March 2025.

1 April 2024 - 31 Mar 2025: **8,700 t CO₂e**
1 Sept 2023 - 31 Mar 2024: **3,800 t CO₂e**

* Estimates based on Total Equivalent Warming Impact (TEWI)⁹ figures from units sold during the period. Assumes a 15-year product lifetime. Does not include emissions related to manufacture or transport.

** **Greenhouse Gas Emissions Mitigation Types (IRIS+ ID: [QI9839](#)):**
GHG emissions avoided from product replacements

Potential GHG Emissions to be Avoided*

100,000 t CO₂e

Based on estimated units (736) to be sold from 1 September 2023 to 31 March 2030

Outcomes	Impact
<ul style="list-style-type: none"> Decreased GHG emissions Decreased energy & resource demand 	 <p>Mitigating climate change</p>

Impact Highlights

- Refrigerants are extremely potent greenhouse gases, yet their impact remains largely unknown to the public. Due to the high Global Warming Potential (GWP) of refrigerants, [Refrigerant Management & Alternative Refrigerants](#) are described as top solutions to mitigating climate change.¹⁰ For this reason, PCIF actively sought an investment in this sector.
- We believe that the cumulative risk from New Zealand’s legacy on-farm milk chilling units is a significant climate liability. Many of New Zealand’s 10,000 dairy farms’ use R404a milk chilling units, each with an annual leakage equivalent to the emissions of up to 7 cars.*
- Cool Group’s milk chilling units use refrigerant that has significantly lower GWP than legacy units (466 GWP vs up to 3,920 GWP) and much less refrigerant (7kg vs 30kgs on average).
- Traditional units also leak at an estimated 15% per annum, while leakage of the Coolsense units is estimated to be negligible due to the nature of the design and CoolCare remote, real-time monitoring.
- Coolsense’s milk chilling units can result in up to 30% reduction in overall dairy shed energy usage, resulting in decreased energy & resource demand.

Impact Update

- The company has sold 96 units since investment, correlating directly with impact at an estimated average CO₂e abatement of 131 tonnes per unit.
- 1,356.5 kg of refrigerant, equivalent to 9,110 tCO₂e, has been removed from farms and safely destroyed. Learn more about Cool Group’s gas disposal partnership [here](#).

* Using the average CO₂e emissions of a New Zealand car (0.171kg CO₂e/km) and the average distance travelled by a New Zealand car (12,000km/year), results in an average carbon footprint of ~2 tonnes/year.



Name
Maungaturoto Solar Farm
Parent LP

Location
Northland

Sector
Renewable Energy

Stage/Type
Project

Date of Investment
28 August 2024

Amount of Investment
\$1.5m

Ownership Percent
12.2%

Website
www.purposecapital.co.nz/project/maungaturoto-solar-farm/



Maungaturoto Solar Farm

Purpose Capital has partnered with Harbour Infrastructure and Tupu Tonu (Ngāpuhi Investment Fund), to provide equity funding for the construction of a 21MWp solar farm project in Maungaturoto, Northland.

At the site blessing, the project was gifted the name “Te Papa-Reireia” which translates to “The Solar Rays.”

The solar farm will supply electricity to Ryman Healthcare via Mercury Energy under a long-term power purchase agreement (PPA).

Energy Capacity of Product
IRIS+ ID: [PD2713](#)

32 GWh p.a.

Assumes a 25+ year lifetime

Energy Generated for Sale: Total*
IRIS+ ID: [PI8706](#)

0 GWh

(28 August 2024 – 31 March 2025)

*Primary Energy Source (IRIS+ ID [OI3781](#)): 100% Solar-PV



Outcomes

- Decreased GHG emissions
- Increased % of renewable energy

Impact



Mitigating climate change

Impact Highlights

- [Harbour Infrastructure](#), the developer, was established in New Zealand by the Kiwi founders behind the Australian distributed renewable energy generator [Solar Bay](#).
- [Tupu Tonu](#) is a crown established investment fund whose mission is to acquire and grow the value of a portfolio of high-performing commercial assets that can be offered to ngā hapū o Ngāpuhi in future Treaty negotiations, and to distribute a portion of the profits back to Ngāpuhi hapū, whānau, and uri.
- In order for New Zealand to achieve our carbon reduction targets, we must decarbonise and electrify our economy, and investment into new renewable generation infrastructure is critical to this.
- The importance of new renewable generation projects like Maungaturoto are particularly obvious at present given our dwindling gas supply, increased burning of coal due to low hydro levels, and increasing electricity demand in conjunction with rising wholesale prices
- Solar generation is one of the cheapest and cleanest forms of new electricity generation with utility scale solar ranking as the #8 solution to climate change (in terms of total atmospheric CO2e reduction) in Paul Hawken’s book “Drawdown – The Most Comprehensive Plan Ever Proposed to Reverse Global Warming.”¹⁰
- We expect to see hydro (traditionally baseload) shift to play more of a flexible role in smoothing intermittency from wind and solar and increased solar assisting in displacing marginal generation such as coal and gas.

Impact Update

- Development of the project is progressing well with virtually all solar panels installed and commissioning works underway. Practical completion expected in July.
- Upon completion, the site is expected to generate around 32GWh of electricity per annum, enough to power approximately 4,000 Kiwi homes each year.

Getting to know the team



*Ian Greaves, Nick Pacey, Bill Murphy, Terri Eggleton,
Blake Richardson, Matt Currie at the
2024 Mindful Money Awards*

It's all about the people

The Purpose Capital Team are a dedicated group of individuals, united by a passion for improving the lives of people and the state of the planet.

The executive and investment team (Bill Muphy, Matt Currie, Nick Pacey, Claire Hahnhaussen) is lean and mighty. We are supported in back-office functions by the skilled Enterprise Angels team, and in governance by strong boards and an independent investment committee.

All governance positions are held pro-bono, allowing more capital to be directed to impact. We are forever grateful for the skilled and dedicated support of our boards and investment committee members over the last year: John Birch, David Plummer, Riri Ellis, David McCallum, Beppie Holm, Rob Dorey, Ian Greaves, Terri Eggleton, Blake Richardson, Katie Beith and Steve Howse.

For this year's impact report, we are sharing with you the voices and perspectives of various individuals from within our wider team.

We want to acquaint you some of the personalities and passions which are helping to lead impact investment in New Zealand.

We hope you enjoy their stories.

Nick Pacey, Investment Manager



Nick is responsible for finding and screening environmental investment opportunities, conducting due diligence and term negotiation, raising capital and post investment management. His transaction experience includes Lodestone Energy, Cool Group and Maungaturoto Solar Farm.

Nick holds a Bachelor of Engineering with Honours (Mechanical) and believes that for-profit businesses have immense capacity to solve some of the world's biggest environmental problems. Impact investing is at the intersection of Nick's interests in business, investing and sustainability.

What's something people should know about Purpose Capital?

- An investment in a listed ethical / ESG fund typically is made via secondary share sales, so the companies themselves do not receive any new capital. In contrast, Purpose Capital's investments are new money flowing directly into companies and new projects.
- The reality is that we require more primary (new) capital flowing into private New Zealand based companies and projects to achieve some of the positive social and environment outcomes New Zealander's desire, rather than more investment offshore in listed markets.

What about Purpose Capital makes you most proud?

- Being an early and significant investor in Lodestone Energy. The company is on track to become a billion-dollar business and is likely to deliver more than one million tonnes of CO₂e abatement over the farms' lifetime while helping to reduce air pollution.
- Shining a light on the refrigerant problem and leading the charge in investing in solutions within the refrigeration sector.
- In terms of catalytic capital, Purpose Capital Impact Fund has invested \$6m of equity in solar, which has led to \$22.5m of Purpose Capital led Solar Equity Syndicates, unlocking the equivalent generation of spending ~\$100m capex on residential solar systems.
- Aiding in the reallocation of capital from traditional investments to more impactful investments by increasing Purpose Capital's AUM to \$45m.

How do you manage the challenges of delivering both positive impact and attractive financial returns?

- We try to balance impact, risk and returns by investing in later stage or asset-backed opportunities that have a high chance of succeeding commercially and delivering the intended impact. Rather than being enticed by the prospect of 10-100X returns typically sought in the angel & VC worlds, we seek a more balanced proposition with some level of downside protection and a more modest return.
- We seek to invest in experienced founders, seasoned industry veterans, or businesses with good momentum and track records. We also look to mitigate risk contractually via offtake agreements and investment terms, as well as through people, asset-backing, and doing our homework.

Terri Eggleton, Investment Committee

Terri is a valued member of Purpose Capital's Investment Committee and the Impact Investment Manager at Bay Trust, one of our cornerstone investors.

Terri is a Chartered Accountant with formal qualifications in Business Studies, Management, Accounting and Economic Development and experience in the philanthropic and SME sectors. She is an experienced governance practitioner in the For-Purpose space, with current appointments at Habitat for Humanity, Spectrum Foundation and Homes of Choice.

Terri has a passion for promoting sustainable practices and driving impactful changes through investment. She would like to see a world where the impact of every investment is considered as part of the investment decision.

What led you to impact investing?

My path to impact investing was initially through my role at Bay Trust when, after the Global Financial Crisis, we were looking at an extended period of very limited granting and we needed to find other ways to create impact. Hence impact investing, although we didn't have a name for it then! We were a bit of a lone voice in the wilderness in the early days, and it is gratifying to see the increased awareness of impact investing New Zealand today.

If delivering impact is a journey, what sustains you?

The journey in impact investing is long, and everyone is at a different stage. Seeing new investors make their first steps in creating impact through investing is always heartening. But what really enables me to sustain this journey is seeing the unmet need that could be serviced by additional funds invested, and knowing that there are funds invested in non-impact related investments which could be diverted to enable positive changes to our communities, environment and our planet.

What are some of the big challenges facing impact investment?

There are always a few constant challenges in 'selling' the concept of impact investing and the biggest is always the perception that impact investments have a lower financial return than mainstream investments. This is not the case. It is possible to find investments that provide returns reflective of the risk involved AND create impact, as PCIF has.

What are your long-term aspirations for impact investing in New Zealand?

I would like to see a realisation by investors that all investments have impact, some negative, some positive, but it's very hard to have a neutral impact. Having recognised that, it's easier to make the transition to considering how to create positive impact from what you invest in.

What changes would you like to see within New Zealand's investment markets?

I would like to see a portion of each investor's portfolio – be they KiwiSaver, Managed Funds, Trusts, Foundations - invested in local impact investments. This would make a significant change to the impact investment landscape and the ability of those we invest in to create impact at scale.



David Plummer, Board Chair

David is a consultant and trusted advisor in Private Equity and Impact Investments for long-term Trusts, Family Offices, Wealth Managers, Private Equity Funds, and private investors; providing support for the complex processes of assessing, accessing, and managing investment portfolios. He has a special interest in the practical application of “ESG” and responsible investment governance and opportunities for environmental and social impact investment.

David currently serves as Chair for both Purpose Capital and Envirostrat Ltd. He is director at 4am Consulting Ltd and a consultant for Capital Advisory Partners NZ which he co-founded. He studied Engineering and Management and is a graduate of Massey University and AGSM University of NSW.

What led you to impact investing?

I came to this through a corporate management career in FMCG, dairy, internet engineering and visual effects companies. This morphed into strategic consulting and then private equity investment with a range of investors – including NZ Super Fund and Bay Trust. Impact investing became a natural extension as they focused on using their capital, reputation, and skills to make investments with real, sustainable impact in their community.

If delivering impact is a journey, what sustains you?

Mainly, it is working with smart, dedicated people. I’ve been fortunate to work with some visionary impact investment leaders – especially Alastair Rhodes, Terri Eggleton, and Bill Murphy. I’ve enjoyed learning from them and being part of the team effort needed to attract capital, find impact investment opportunities, and deal with the inevitable ‘bumps in the road’.

What are some of the big challenges facing impact investment?

- A lack of investment scale across early stage through to later stage and infrastructural investments. There are many small, under-developed early-stage high risk investments.
- A need for long-term capital able to follow on from initial impact investments through to growth and exit.
- A lack of ‘supply’ of well-developed impact investment opportunities that are investment ready - especially in social enterprises.

What’s something you think people should know about the Purpose Capital Investment Fund?

Purpose Capital has a focused investment team who have built very deep knowledge across the impact investment ‘market’. They are supported by a dedicated investment committee who generously volunteer their time and considerable skill to ensuring PC’s focus on building a great portfolio.

What are your long-term aspirations for impact investing in New Zealand?

I would like to see far more impact investment collaboration between the capital pools of Community Trusts, Energy Trusts, PSGE/ Iwi groups, and family offices. There is significant need and opportunity for social, environmental, cultural, and systemic impact investments that will benefit all New Zealanders beyond regional boundaries and at a deeper level of impact.



Encouraging Impact Investing

\$21.7m

PCIF Fund Size

\$45.2m

Total assets under
management

Being one of the first impact investment funds in New Zealand, we use our experience to encourage others to invest for impact.

Leading Investments

We take on the due diligence, structuring, negotiation and first investment commitment, in order to give others the confidence to invest for impact along side us.

Syndication

For those who co-invest with us, we offer syndication services which include due diligence, post investment management, investment updates and valuation.

Thought leadership

We share our learnings and research through regular posts, white papers, contributions to publications, and speaking engagements. We support the development of the Impact Investing ecosystem in New Zealand through involvement with the Impact Investing Network, Mindful Money, Responsible Investment Association Australasia, and The Centre for Sustainable Finance Toitū Tahua.

Performance

Through demonstrating the effectiveness of our approach, Purpose Capital aims to increase the amount of capital invested in impact investments from asset and fund managers as well as private and philanthropic wealth.

Organisational Impact

Awards & Recognition:

- 2024 Mindful Money Awards “Best Impact Investment Fund” for the third year running.
- Responsible Investment Association Australasia (RIAA) Responsible Investment Leader 2024.
- Sustainable Business Network’s “Next 95” list, a group of award finalists selected to showcase companies and individuals at the forefront of sustainability.



Carbon measurement

Our FY 2025 business operation’s Scope 1, 2, and 3 emissions footprint was 3.53 tCO₂e. This is a significant reduction from our FY 2024 & FY 2023 emissions, due to increasing our work from home ratio, reducing our office footprint, and reduced business travel.

We have offset 120% of our remaining carbon footprint with certified carbon credits. This year we chose credits from the Aureate Native Reforestation Project, north of Waihi Beach to support the active regeneration of a logged pine plantation into native forest, and the Flax Hills Permanent Restorative Forest Project in Kaikōura to support the reversion of retired grazing land to native forest.

This year we began asking portfolio companies for their scope 1 (direct) and 2 (purchased electricity) emissions as part of wider set off ESG questions from the ESG Data convergence initiative. While this remains a work in progress, we are pleased to see initial progress.



Aureate Native Reforestation Project



Flax Hills Permanent Restorative Forest



References



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5. 15-minute city concept: www.c40knowledgehub.org/s/article/Why-every-city-can-benefit-from-a-15-minute-city-vision
6. Homestar: www.nzgbc.org.nz/homestar
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9. Total Equivalent Warming Impact (TEWI) = Direct refrigeration emissions (in tonnes of CO₂e) + Indirect CO₂ emissions from electricity generation (in tonnes of CO₂e).
10. Hawken, Paul. Drawdown: The Most Comprehensive Plan Ever Proposed to Reverse Global Warming. Penguin, 2017. [See also Project Drawdown's table of solutions: www.drawdown.org/solutions/table-of-solutions]



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For questions, feedback, or more information, please reach out to us at info@purposecapital.co.nz or follow us on [LinkedIn](#).