


[Home](#) / [Personal Finance](#) / [Superannuation & SMSFs](#)

Apr 10 2017 at 11:00 PM | Updated Apr 10 2017 at 11:00 PM

[Save Article](#)[Print](#)[License Article](#)

Media Super to fund clean energy, tech R&D



Media Super chief Graeme Russell is backing his fund's new R&D investments. Pat Scala

by [Alice Uribe](#)

One of Australia's largest profit-for-member funds has set aside \$30 million to lend to small to medium companies to fund their research and development efforts in what its chief executive calls a low-risk way to make member money "work harder".

Media Super's Graeme Russell said the \$5 billion fund had hit its peak in infrastructure, property and equities, like "a lot" of funds in Australia's \$2 trillion sector.

"You're left with how much money do I want to have in cash and I don't want to have too much in the bond market. So we need to look at other ways of making our money work harder, but without moving too far up the risk curve," he said.

The fund has set aside a revolving fund to make loans of up to \$3 million available to companies and research institutions with a turnover of less than \$20 million per annum undertaking R&D eligible for a tax credit under the federal research and development tax incentive program.

"This sits in the opportunistic part of the portfolio ... and the reason we're looking at these sort of things is because in a low interest, low inflation environment we think we need to look for other ways of generating decent returns," he said.

"We're already fully invested in infrastructure, which delivers good, consistent long-term returns. But we can't really invest more in infrastructure, we can't really invest more in the sharemarket, we're already fully invested there."

The fund is being managed by Paddington Street Finance, part of The Sherman Group, and companies eligible for a 43.5 per cent refundable tax offset can apply. Loans are expected to be repaid within one to two years.

Choosing carefully



Advertisement

Related Articles

'Not clear' bank profits reflect performance: ACCC

1 hr ago

Chemist Warehouse is a gold mine

Chemist Warehouse is a gold mine

Sydney, Melbourne 30pc overvalued

Trump ready to 'totally destroy' North Korea

Latest Stories

Seven Group Holdings to raise

Founder and principal of Paddington Street Finance Theodore Dow, also a former chief investment officer at the Clean Energy Finance Corporation, said 30 per cent of the R&D projects it recommends "fit into the clean energy basket", with another 30 to 40 per cent coming from tech companies making developments in things like blockchain.

Paddington Street Finance advises Media Super on the investments and Mr Russell said that it was agnostic about the types of companies it loans money to.

"We're not specifying what types of projects ... but we'll look at your funding against a set of criteria such as the experience of the company, has it been funded before, has it a got a solid track record, has it got solid management. There will be a proper due diligence process," he said.

Media Super's R&D fund is modelled on its film and television finance facility, which has so far loaned out more than \$100 million to more than 70 Australian film and television productions including Channel 9's Here Come the Habibs and Lion starring Nicole Kidman and Dev Patel.

"Every loan for completed film and television productions has been repaid, and Media Super members have shared in strong returns over six years," Mr Russell said

"It's turned out to deliver very solid returns and so we were confident. In fact we think we'll get even better returns out of the R&D fund."

SuperRatings' SR50 Balanced fund survey for February 2017 ranks Media Super's MySuper Balanced option as the seventh best performing fund for the financial year to date.



\$375 million
33 mins ago



Propertylink sells Central Coast warehouse for \$9.63m
43 mins ago



Put product managers back on visa shelf
1 hr ago

[More](#)

Recommended



I used Tesla Autopilot to drive from Sydney to Orange, and...



Sydney, Melbourne property 30pc overvalued, may fall

10pc:...



How a dazzling new gas industry became a scapegoat



Bain, KKR, Vornado suffer wipeout in Toys 'R Us...



ASIC sends police to (almost) raid Channel Seven

From Around the Web



Help UNHCR provide life-saving aid

Promoted

UNHCR



Finding a Cheaper Health Insurance Just Got Easier!

Promoted

Health Insurance



Australia's Cheapest Home Loans of 2017 Revealed

Promoted

Mozo



Darren Aronofsky's Mother! with Jennifer Lawrence is...

Promoted

Mother



New Online Tool to find out your Borrowing Limit

Promoted

Home Loan Report

powered by [plista](#)

Australia's hottest new export
What to wear in Melbourne at twilight
Why Melania Trump loves Delpozo
The designers making money from 3D fashion
The best place to be a jewellery maker

Stop the meeting madness
MBA Rankings 2017: The best MBA courses in Australia
Google's diversity dilemma
Short, fast and intense courses for busy executives
University of Sydney Business School tops BOSS 2017 MBA rankings

True romance with an unusual jeweller
2017 World Heritage sites for your bucket list
Love 'em or loathe 'em, bike helmets could do better
Sheep commodes and other collectable furniture
To look powerful, embrace this latest fashion trend

Special Reports

Uplifting education the goal
Taking Australian universities to the world
Why 'old school' methods should not be forgotten
STEM critical, but not the sole solution
Transforming the workforce

Subscription Terms

[Digital Subscription Terms](#)

[Newspaper Subscription Terms](#)

[Corporate Subscriptions](#)

Contact & Feedback

[About us](#)

[Our Events](#)

[FAQ](#)

[Contact us](#)

[Letters to the Editor](#)

[Give feedback](#)

[Advertise](#)

[Site Map](#)

[Accessibility](#)

Markets Data

[Markets Overview](#)

[World Equities](#)

[Commodities](#)

[Currencies](#)

[Derivatives](#)

[Interest Rates](#)

[Share Tables](#)

Brands

[The Australian Financial Review Magazine](#)

[BOS\\$](#)

[APK Lists](#)

[Chanticleer](#)

[LUXURY](#)

[Kear Window](#)

[The Sophisticated Traveller](#)

Fairfax Network

[The Sydney Morning Herald](#)

[The Age](#)

[Adzuna](#)

[Domain](#)

[Drive](#)

[RSVP](#)

[Essential Baby](#)

[Home Price Guide](#)

[Weatherzone](#)

[Oneflare](#)

[The Store](#)