

# Hintze buys up big in the bush

Matthew Cranston

The Australian founder of \$US7 billion (\$7.6 billion) London hedge fund CQS Management, Michael Hintze, says Australia is the place for rural property — and he is putting his money where his mouth is.

The Michael Hintze Pension Fund (MHHP) has spent almost \$80 million since late 2007 on cropping and livestock property in NSW and there are plans for more.

"This is out of MHHP, my pension fund," Mr Hintze told *The Australian Financial Review*. "I'm doing this myself and frankly it's not that small — we are way away from a hobby farm."

Mr Hintze has just finished visiting his properties dotted throughout the state from Walgett to Goulburn. He also stopped in to inspect his most recent purchase, the \$15 million

Boorowa livestock operation of former Australian Agricultural Company chairman Nick Burton Taylor.

But Mr Hintze, whose wealth was estimated earlier this month by *Forbes* magazine at \$US1.2 billion is quick to dispel any sentimental attachment to his new land holdings.

"I'm not a farmer, but I do the numbers. It's got to make money," he said. "Everything needs to work — that's the whole point."

The hedge-fund chief, who spent 12 years at Goldman Sachs in roles such as head of European emerging markets, could have gone anywhere in the world to buy rural property.

"Why Australia? I know people in Australia but I want to make sure that we don't start running the risk of this land being taken away from us — it's the sovereign risk issue," he said. "I feel pretty comfortable with the property rights in this country."



Strong returns without sovereign risk . . . CQS Management founder Michael Hintze.

Photo: MICHELE MOSSOP

Hintze is not just looking for capital gain from the properties. He demands solid returns on production.

"Some people are buying for 3 or 4 per cent return and they would be right from the capital appreciation of the land but that's not why I'm buying it up," he said.

"I'm buying it for the return [on production]. My view is that [commodities] are going to keep going up

and land, well they are not making any more land."

The properties, including flagship holdings Marshmead at Walgett, and the \$22 million Warrane west of Armidale are run chiefly by Growth Farms Australia's Richard Taylor.

The properties are also becoming part of one of the biggest fat lamb operations in the state. "By the time we are finished with our work at Watson

Park together with the stuff we have a Boorowa and the land at Glainsnock outside Young, we will be one of the seriously big fat-lamb producers," Hintze said.

"If you look at our Watson Park aggregation, it's about 11,000 acres by the time you put it all together and that's got to be one of the largest properties in that region," he said. "Could I see it getting larger? Yes I could."