



## Press Release

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### **MOVAC VC fund targets growing NZ companies**

Wellington investment firm MOVAC has successfully raised a new \$30 million growth capital fund to invest into young New Zealand companies poised for expansion.

The MOVAC 3 Fund is the first investment fund targeting young growth companies to be raised since 2007. The fund was seeded by MOVAC Partners – a group of ex-Trade Me shareholders – and the New Zealand Venture Investment Fund, which is committing between \$10 million and \$20 million, depending on the final level of private capital raised. Having completed its first close and launch, the Fund will be open to eligible investors until December 2011.

MOVAC managing partner Phil McCaw said that having successfully reached the first close of fund-raising, the fund will now begin actively assessing a significant back-log in investment proposals it has been receiving since signalling its intention to raise the new Fund earlier this year.

“There is a huge demand for capital from young technology companies who have received angel investment over the past few years and have reached the stage of needing new investment to take them to the next level. Indeed, since we announced that we were raising this new fund, we’ve received approximately one proposal a day.

“We’re absolutely delighted and humbled that a broad cross section of Kiwi investors have agreed to work with us in this new fund. This extra horse power will make a real difference in addressing the gaping hole which exists in the New Zealand early stage capital market.”

NZVIF chief executive Franceska Banga said the successful capital raising for the new fund was a welcome boost to the venture capital sector.

“The past few years have been difficult for new venture capital funds looking to raise capital. Yet we have seen strong levels of investment activity by angel investors over the past few years, providing a healthy pipeline of promising growth companies. We need a significant increase in the availability of growth capital if we are to meet the needs of the young technology company pipeline.

“We expect to see another one or two new funds start to raise capital from investors this year. Hopefully MOVAC’s success and the strength of the investment opportunities in the New Zealand market will convince private and institutional investors to back new growth and venture capital funds. Investment capital is the lifeblood for emerging young companies.”

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