



Press Release

NZVIF welcomes new support for venture capital

The New Zealand Venture Investment Fund is likely to invest into a number of new venture capital funds, following the government's announcement of a new \$40 million underwrite commitment to NZVIF's venture capital programme.

NZVIF chief executive Franceska Banga said the \$40 million underwrite commitment will enable NZVIF to make new investment commitments to another two, or possibly three, venture capital funds, up to a total of \$200 million of investment commitments.

"The government has already committed \$160 million to our venture capital programme, and this capital is close to fully committed with six existing venture capital funds and two new funds in the pipeline.

"This \$40 million underwrite commitment will enable NZVIF not only to make new fund commitments, but also enables us to reinvest the returns from our existing funds into new venture capital funds.

"It is a timely announcement. We have seen a significant rise in the level of angel investment into start-ups over the past few years. The most successful of those companies are now developing to the stage where they will require new investment to assist their growth, particularly as they start to look build presence in offshore markets. We hope that new venture capital funds can fill that funding gap for promising new companies. Then the companies can stay in New Zealand for longer, and local investors can reap a greater share of their success.

"NZVIF will now consider the best option for committing to new private sector venture capital funds. We expect to make an announcement within the next few weeks on our preferred pathway forward."

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