



Media Release

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New investment fund targets NZ start-ups

A new \$5 million angel investment fund is being established targeting new angel investors and which will increase the capital available to seed and start-up companies.

Seven angel investment groups from throughout New Zealand and the New Zealand Venture Investment Fund are launching the Halo Fund. NZVIF will manage the fund.

NZVIF chief executive Franceska Banga said the Halo Fund is an ideal way for new angel investors to enter the market and become familiar with angel investing.

“The Halo Fund will give its investors access to a diversified portfolio – which is important part of angel investing - of early stage companies in New Zealand. The Fund will invest alongside NZVIF’s Seed Co-Investment Fund and its active investment partners.

“To invest in the Halo Fund, investors will need to belong to one of the Fund’s partnering angel groups. Investors will then gain access to deals and investments being made by all the partnering angel groups from across New Zealand.

“At present there are limited opportunities for New Zealand investors to access the early stage investment opportunities that exist in the New Zealand market place. The Fund’s investment objective is to provide investors with qualified access to a diversified portfolio of 15 to 30 plus investments over the lifetime of the Fund.

“The best people to guide early-stage investments are successful high-tech entrepreneurs. The Fund involves leading accredited angel groups in New Zealand and a significant proportion of New Zealand’s leading angel investors who have extensive experience of investing, working in and exiting angel investments.

“It is a unique opportunity to gain qualified access in a cost effective manner to a portfolio of New Zealand early stage, high growth investments. And young New Zealand companies will benefit from the increased capital available to fund their growth,” Franceska Banga said.

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The Halo Fund – Fact Sheet

Halo Partners:

- New Zealand Venture Investment Fund
- Upstart Angels (Dunedin)
- Ice Funds – Ice Angels (Auckland)
- Powerhouse Ventures (Christchurch)
- Venture Accelerator (Nelson)
- Manawatu Investment Group (Palmerston North)
- Pacific Channel (Auckland)
- Sparkbox (Auckland).

The Funds key terms include:

- The minimum size of the Fund is NZ\$5 million.
- The minimum investment for an investor is \$25,000
- The Fund will be a closed fund i.e. once the fund closes there will be no further opportunity to invest in the fund, and operate for 10 years.
- Proceeds from liquidating investments will be distributed to investors, not invested back in the fund.
- Maximum investment in any eligible company is \$125,000 first round, maximum of one follow up round of another \$125,000 matching Co-investors' investments on a 1:2 basis i.e. the Fund will invest 50 cents for every dollar invested by the Co-investors.

The Fund will only invest in eligible deals. Eligible deals are those deals that are brought to the Fund by one of its approved Angel Groups and are:

- In businesses or business opportunities which are at the "seed" or "start up" stage of development at the time of initial investment;
- Do not fall within the following industry sectors (but without precluding investment in innovations which might be used by these industries): property development, retailing, mining and hospitality;
- Have a majority of their employees (by number) and assets (by value) in New Zealand at the time of initial investment.

The Fund's investment process is that as investments are made into early stage companies by the angel groups and NZVIF, the Halo Fund will also invest on a one-to-two basis. As an example, if an angel group committed to invest \$250,000 into an eligible early stage company, the Halo Fund would invest \$125,000 - putting in 50 cents for every dollar invested by the angel group. NZVIF's Seed Co-Investment Fund could also invest up to \$250,000. The total combined investment into the eligible early stage company would be \$625,000.