



Press Release

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More angel investors needed to continue recent growth

New angel investment groups are being sought by the New Zealand Venture Investment Fund to partner with it in investing into new start-up companies.

The amount of capital invested by angel investors into start-up companies has increased hugely – from \$20 million a year in 2006 to over \$50 million last year - but further growth is needed to meet the growing demands for capital from young New Zealand companies, says NZVIF chief executive Franceska Banga.

“NZVIF is seeking more angel investor groups to join its Seed Co-Investment Fund programme. Angel groups are playing an increasingly important role as funders of innovative start-up companies especially. The angel investment sector invested a record \$53.8 million across 103 deals into young New Zealand companies during 2010, continuing the growth of recent years.

“We are seeing considerable activity in the angel investment sector. This mirrors the experience in the United States and Europe, where angel investing has increased hugely as the sector has become more structured and professional in its approach. It is becoming a major source of capital for commercialising New Zealand innovations.

“The Seed Co-Investment Fund is helping to build the angel sector here in New Zealand by investing alongside angel groups on a one-to-one basis. If a partnering angel group invests \$500,000 into a high growth New Zealand business, for example, NZVIF can match that - doubling the capital available to invest in a young company.

“So far, we have 12 co-investment partnerships with angel groups in Auckland, Hamilton, Manawatu, Nelson, Christchurch and Dunedin. Expanding our partner base will assist in building the pipeline of young innovative start-ups.”

NZVIF is inviting angel investor groups interested in finding out more about the Seed Co-Investment Fund to apply to become a SCIF partner. Suitable applicants will go through a contestable process involving a due diligence process for selected candidates.

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