



MEDIA RELEASE: New VC fund hits NZ\$38m

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The Global from Day One (GD1) Fund II has raised NZ\$38 million – NZ\$5 million more than its first close target.

The New Zealand Venture Investment Fund (NZVIF) is a cornerstone investor in the fund, committing around NZ\$11 million (US\$7.5m), alongside its Taiwan counterpart, the National Development Fund. The remainder has been raised from foundation investor Sparkbox Investments, the Fund's management team and private investors in New Zealand, Taiwan, Australia, Singapore, Hong Kong, and the USA. New Zealand investors include Sir Stephen Tindall's K1W1, Diligent founder Brian Henry, and a range of private investors with technology and finance backgrounds.

GD1 Fund II is a cross-border technology-focused fund with the majority of capital to be invested into New Zealand and Taiwanese start-ups with a focus on the US and Asian markets.

GD1's Chintaka Ranatunga said that raising capital for VC funds is always a challenge so it was very pleasing to exceed the target.

"Investors are showing faith in our proposition, which is to target early stage software companies needing investment of between \$500,000 and \$2.5 million at the Pre Series A and Series A stages. We are typically investing into companies which already have revenues of \$1 to \$3 million, customers in offshore markets, and a clear global competitive advantage.

"We are seeing a strong pipeline of companies to look at with impressive revenue and customer traction, and a global outlook."

The Fund has completed its first investment, into sales automation SaaS startup Qotient. Qotient, co-founded by Justin Wright and serial entrepreneur Miles Valentine (founder of Zeacom), has offices and customers in Auckland, Sydney and San Francisco.

NZVIF Investment Director Aaron Tregaskis said the successful fund-raising demonstrated the growing appetite in New Zealand for investment into young technology companies.

"Venture capital investment is at healthy levels but we always need new funds coming into the market to continue and build on the momentum which has been achieved. GD1 is occupying a niche in between where the angel market invests and where other VC funds target slightly larger investments.

"We now have three New Zealand-based funds actively investing with a fourth raising capital commitments, so the VC sector should be in reasonable shape for the next few years."

GD1 Fund II is currently open for investment until final close later this year.

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GD1 FUND II FACTS

First close: US\$25.8m (NZ\$38m)

Final Target: US\$30m (NZ\$45m)

NZVIF commitment: US\$7.5m (NZ\$11m)

Investment targets: early stage software, internet, and lean hardware companies

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