



MEDIA RELEASE

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Movac launches new \$80m growth capital fund with NZVIF cornerstone stake

Wellington fund manager Movac has secured a cornerstone commitment of up to \$20 million from the New Zealand Venture investment Fund for its new growth capital fund, for which it is aiming to raise between \$80 million and \$100 million.

Movac managing partner Phil McCaw, whose previous funds invested in promising companies like Trade Me, PowerbyProxi, Aroa Biosurgery and GreenButton, said the new fund will target the next generation of iconic Kiwi companies.

“Movac Fund 4 will continue the work of our previous funds. It will be a sizable fund in the New Zealand market – at between \$80 million and \$100 million. With NZVIF’s commitment, we are now raising capital from a range of private and institutional investors.

“It will be focused on ‘later stage’ companies; those that are raising growth capital in the post seed and angel investment stages, that have a team in place to grow the business, and which have the ambition and potential to scale to \$100 million-plus in revenue.

“We continue to see significant demand for growth capital funds of this nature in New Zealand. While the angel investment community is thriving, and the private equity market is well serviced, accessing rounds of \$2 million to \$10 million in growth capital funding remains very difficult for New Zealand companies.

“We’re really encouraged by the quality of the companies, and the people behind them, that approach us seeking investment to grow their businesses. Movac Fund 4 will directly address this gap in the market and provide local investors with the opportunity to participate in high growth technology investments that are typically very difficult for them to access on their own.”

NZVIF chief executive Franceska Banga said NZVIF’s commitment to the new fund of up to \$20 million was driven by the strength of Movac’s strategy and experienced management team.

“Movac has an excellent track record of supporting high growth potential companies since its first investment in Trade Me in the late 1990s and their new fund should be attractive to New Zealand institutions and private investors.

“When the Movac Fund 4 reaches a final close, it will join Pioneer Capital, GD1 Fund II and GRC Sinogreen as being active the New Zealand market.

“We have seen significant development of the market over the past 15 years, and NZVIF has helped catalyse around \$1.7 billion of private investment alongside its own investment of \$148 million.

“Alongside the venture capital sector, there is a healthy level of angel fund activity and the emergence of crowd-funding. This is driven by the track record of companies, like Orion Health, Xero, PowerbyProxi, and Adherium, which are developing global technology businesses from here in New Zealand.”

Movac

Movac is one of New Zealand's largest and most experienced venture and growth capital investor. Since 1998, Movac has invested in more than 25 companies, deployed over \$55 million in capital, and helped create over 250 jobs for New Zealanders. Over that time significant returns have been generated for investors with notable results achieved with Trade Me, eBus, GreenButton, and Givealittle. Current Fund 3 portfolio companies include PowerbyProxi, Aroa Biosurgery, Author-it, 1Above, and Modlar.

www.movac.vc

NZVIF

NZVIF has been investing with venture capital funds through its \$250 million Venture Investment Fund since 2003. It has partnered with 11 venture capital funds which have invested into over 65 companies, including Orion Health, Xero, SLI Systems, Vend and PowerbyProxi. Since its establishment, it has invested almost \$150 million, alongside private investment of \$1.7 billion.

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