

INTRODUCTION

Growing innovative New Zealand companies is hugely rewarding, involving the thrill of developing high growth ventures, the satisfaction of helping to build a new generation of great companies, and, hopefully, the financial rewards of successful investing.

If you are involved with an angel investment network or fund, the New Zealand Venture Investment Fund Limited (NZVIF) would be interested to talk with you about a co-investment relationship. We enter into co-investments alongside “approved Co-investors” through our \$40 million Seed Co-investment Fund (Seed Fund) to invest into young companies at the seed and start-up stages. The investors we partner choose the companies, decide on the details of each investment, and work with the ventures to help them grow and ultimately exit. The Seed Fund is there to support these partners as a passive co-investor.

We invest to a maximum of \$500,000 in any eligible company (or group of companies). Co-investment partners must, at minimum, match the amount invested by NZVIF, in each investment.

WOULD YOU LIKE TO JOIN US?

NZVIF is inviting private investors, investor networks and funds who would like to make an application to become an approved Seed Fund Co-investor to submit written proposals to us.

Our evaluation process takes approximately three months and includes a desktop evaluation, a site visit, and detailed due diligence on the capabilities of the potential investment partner. If successful, a co-investment partnership will be offered by NZVIF.

NZVIF also welcomes expressions of interest from potential partners who would like more information on the requirements of becoming an approved Co-investor.

PROCESS

This is a contestable process and NZVIF is looking for applications from potential Co-investment partners which demonstrates their experience, credibility, commitment and professionalism in early stage investing in New Zealand.

APPLICATION INSTRUCTIONS

Step 1

Applicants should contact a member of the Seed Fund management to advise NZVIF of their intention to make an application. This is also an opportunity for applicant's to discuss any initial queries they may have regarding the Co-investor role and/or Co-investor application process.

Contact person	Mobile	Email
Chris Twiss, Investment Director	021 609 163	chris.twiss@nzvif.co.nz
Richard Palmer, Investment Director	021 997 957	richard.palmer@nzvif.co.nz

Step 2

Written applications to become an approved Seed Fund Co-investor should be between 10-20 pages long and cover the following key areas:

Structure

1. Is the proposed angel investment structure a 'best practice' commercial and legal structure? The proposal should adequately describe how the applicant intends to govern and manage its operations.
2. Explain how the proposed structure is commercially and sustainably viable in the medium term.
3. Does the applicant have in place adequate processes and systems across all stages of the investment process – sourcing deals, due diligence, negotiating terms, managing investments, etc?
4. Provide a full explanation of the decision making process including details of the key investment personnel, investment committee, and any other parties who will have a role in investment decisions.

Key Persons and Experience

5. Does the applicant have a credible board and investment management team (or individual) who understand and have experience in running an early stage company investment business?
6. Does the applicant have access to credible and experience investors who understand investing in seed and early stage companies?
7. What sort of track record and investment strategy does the applicant have in terms of making money in early stage company angel investing?
8. Does the applicant have the necessary experience with co-investing and deal syndication to ensure access to capital and markets in New Zealand and offshore?

Resources

9. Does the applicant have an extensive pipeline of potential investments?
10. Is at least \$5m of private sector capital available over a 3-4 year period for co-investment with the Seed Fund?

For more details on the Seed Fund, applicants should carefully read:

- Annex A which contains the Seed Fund Guidelines and outlines, at a general level, our principle criteria and requirements for investment through the Seed Fund.
- Annex B which contains a copy of the Seed Fund “Deal Information Guide” addressing how the Seed Fund invests once a partnership is entered into.

The most current versions of these documents can be obtained from Ruth Malo, Administration Manager, New Zealand Venture Investment Fund Ltd - email: ruth.malo@nzvif.co.nz - Phone: 09 951 0170. Applicants are also encouraged to review other background information contained on the NZVIF website www.nzvif.co.nz.

Step 3

Applicants should provide:

- Four hard copies of all of the materials that comprise their application.
- Additional relevant information may be attached as appendices. Applicants should also clearly identify any specific requirements, which they would like to discuss with NZVIF or might have any difficulty complying with.

- The documents should be unbound.
- One electronic copy (email copy is preferred). The electronic copy may omit supporting documents such as published reports provided these are included with the hard copy.
- Applications must be addressed as follows:

By courier: Ruth Malo, Administration Manager
New Zealand Venture Investment Fund Ltd
Unit 1B, Ascot Office Park
93-95 Ascot Ave, Greenlane, Auckland

By email: ruth.malo@nzvif.co.nz

CLOSING DATE

Applications must be received by **27 August 2010**. NZVIF reserves the right to amend this date at its sole discretion.