

# NEW ZEALAND TECHNOLOGY GROWTH FUND

## INFORMATION SHEET

**Global From Day One (“GDI”) is raising a NZD 10 million New Zealand Technology Growth Fund (the “Fund”) that will invest in high growth New Zealand technology companies aiming to be global leaders in their markets. This sidecar Fund will be managed alongside GDI’s USD 38 million core Fund II.**

The Fund will give investors exposure to a portfolio of New Zealand origin B2B (Business customer focused) software companies typically generating NZD 2-10 million in revenue, with a global competitive advantage, and generating the majority of their revenue offshore, primarily in the US market. The Fund capitalises on GDI’s leading market position and the demand for capital in the fast growing technology sector, New Zealand’s third largest source of export revenue.

## DRIVERS OF RETURNS



### **Established Inbound Dealflow**

Access to hundreds of NZ investment opportunities per year.



### **Market Position**

Highly selective on investments made given limited competition.



### **Valuation Arbitrage**

Companies are typically invested in at significantly lower valuations than comparable offshore companies, and likely to be sold to international investors at higher revenue multiples, providing scope for significant gains.

**The Fund offers a unique NZ Growth investment opportunity that may help investor migrants qualify for the Growth category of the NZ Investor Visa programme, which provides benefits in terms of flexibility around time required to be spent in New Zealand as well required investment amounts.**

In addition investor migrants gain access to the Fund's business network and will be offered co-investment opportunities. Investor migrants will be investing alongside GDI's investors in the core fund, including the Fund Manager, the New Zealand government's New Zealand Venture Investment Fund (NZVIF), and prominent New Zealand family offices and HNW individuals.

## INVESTMENT APPROACH

- The Fund will invest into the existing seven New Zealand companies of the core fund and into new New Zealand origin companies. In total, the Fund will hold 10-12 companies, typically investing at much lower entry valuations than similar companies in the US or China, benefiting from valuation arbitrage.
- The Fund is investing at the early expansion phase where companies are relatively derisked compared to typical Seed and Angel investments, and well positioned for significant revenue growth over 3-5 years, having proven global market demand.
- The Fund's target companies are already generating at least 50% of their revenue offshore, generally with the US as a key market, and have one or more offshore offices. The growth path is for the companies to grow Sales and Marketing functions in the US, UK and Asia with Product and Engineering remaining in New Zealand.
- The Fund represents a rare opportunity to buy into an existing New Zealand technology portfolio generating material revenue: The existing portfolio of seven companies has grown revenue 5X over the last two years, with over 80% of revenue coming from outside New Zealand
- The Fund's existing New Zealand portfolio companies have a product based global competitive advantage and have been able to acquire leading global brands such as Disney and Tesla as customers.

## PROVEN INVESTMENT MANAGER

- This is the third fund raised by GDI's experienced team with a track record of successful technology company investments and exits, and a leading market position.
- The GDI team is well resourced to help accelerate growth and maximise company value with a focus on driving offshore revenues through investment in Sales and Marketing and attracting additional follow-on investment from offshore investors.
- GDI's investors in the core fund, which will invest alongside the new Fund, include the Fund Manager, the New Zealand government's New Zealand Venture Investment Fund (NZVIF) and an Asian Sovereign W, various prominent New Zealand family offices and HNW individuals, as well as professionals in technology, law, accounting, and wealth management.

<b>Stage:</b>	Early Expansion
<b>Sectors:</b>	Enterprise Software and Internet
<b>Focus:</b>	100% New Zealand Growth Assets
<b>Term:</b>	8 years
<b>Fees:</b>	2.5% management fee + 20% carried interest over 8% p.a. hurdle
<b>Minimum:</b>	NZD 250,000 per investor
<b>Key dates:</b>	30 June 2018 - Close
<b>Structure:</b>	NZ Limited Partnership structure



GLOBAL FROM DAY ONE  
FUND II

**FOR FURTHER  
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