

Kia ora,

As per your email, I have reviewed the Policy Statement and I have noted a few observations and comments. I understand that the deadline was 9/20, but please note that I am based in California right now and on a different time zone.

Here are my thoughts:

- I think it would be useful to clarify what size of venture Fund will the NZVIF be targeting. Is the minimum a NZ\$5m or larger?
- Are there are prerequisites that the fund will need to incorporate? Size of team? Sector focus? Check size?
- I would strongly recommend making a point of the difference between how rounds of funding are classified in more established markets. For example:
 - Seed rounds in major markets are typically US\$2-4m in size and valued between \$4-15m
 - A-rounds are also far larger in larger markets and are typically \$5-20m in size and valued between \$20-35m pre-money
 - This is important as until the NZ Venture market grows and matured, NZ startups will still need to raise from the US and further afield and they will be expecting the companies to use this terminology and milestones.
- I would recommend building in a focus on funds that either hire or investment in diverse teams, especially those that are underrepresented in venture - women founders, people of color etc.
- I feel it is important for this Act to take the pressure off the Angel investor community to continue funding the larger, later stage rounds for startups. This often results in unfriendly terms for founders, an unbalanced cap table, which, in turn, hinders their ability to raise subsequent rounds of funding from institutional investors.
- I would encourage the Act to also dissuade investors from charging interest rates for Angel capital as this is not the norm in more established markets and not especially founder friendly.
- It would be helpful to also clarify what are the terms and expectations for coinvestment/follow-on rights for the Fund. What are the critical milestones that the startup needs to accomplish before they can expect a check from the Fund.

I hope this helps. Sadly, I will not be able to join your workshops as I am overseas right now.

Happy to clarify any points if you would find it helpful.

Nga mihi

Rob

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