



Business-led recovery supported by private capital

New Zealand private capital investors acted early to support the companies they invest in with additional capital to help them weather the Covid-19 pandemic, according to NZ Private Capital.

Executive Director of NZ Private Capital, Colin McKinnon, says “Some funds moved early before the lockdown, to boost cash reserves for key companies in their portfolios. These funds have capital available to support their existing shareholdings and add new investments.”

New Zealand's private equity and venture capital funds have 10-year horizons that enable them to invest through economic cycles and periods of financial shock.

It is not just money that private capital investors offer - investors offer a range of skills and disciplines to complement and support a company so that opportunities are maximised.

Colin McKinnon adds: “The economic recovery is expected to be challenging for everyone. However, it is likely that business growth will lead the re-opening of the NZ economy. NZ private capital investors will play their part backing business owners prepared to risk their own capital, to start new ventures or expand sustainable businesses.”

NZ Private Capital is a not-for-profit industry association committed to developing the venture capital and private equity industry in New Zealand. Its core objectives include the promotion of the industry and the asset class and to develop a world-leading venture capital and private equity environment for the benefit of investors and entrepreneurs in New Zealand.

New Zealand Private Capital aims to foster understanding that private equity and venture capital firms accelerate the ambition of New Zealand business owners through operational improvement and investment performance.

New Zealand is home to many examples of private capital partnering with companies to improve growth and performance, to share expertise and capital. This ultimately delivers improved productivity, creates jobs and contributes to the national economy.

Association members include venture capital and private equity investors, financial organisations, professional advisors, academic organisations and government or quasi-government agencies.

Its activities cover the spectrum of investment in New Zealand private capital including Angel investment, seed and early-stage venture capital

through to expansion capital and private equity (including management buy-outs and buy-ins).

The association also helps businesses navigate and understand the Private Equity and Venture Capital world. Markets and growth require the free flow of capital and the association provides an important role in linking business owners with investors.

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