



# OPPORTUNITY AND RISK WITH DISRUPTION FOR INVESTORS

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Nigel Bingham, Executive Director of Pencarrow Private Equity and a council member of the NZVCA explained: 'All disruptive businesses are innovative but not all innovators are disruptive. It's the addition of a different business model to an innovative product or service which generates the disruption leading to those Kodak moments (where film cameras became obsolete in two years because of digital camera function). Truly disruptive companies offer both opportunity and risk'.

Nigel is currently on the boards of Bell Tea & Coffee Company, Rishworth Aviation and ARANZ Geo. He said that the Pencarrow portfolio includes a number of innovative businesses with varying degrees of disruptive potential. ARANZ Geo is changing the nature of mining and prospecting globally and Solarcity has introduced a different business model to the solar market in New Zealand.

Nigel explained: 'We're the only company in New Zealand that gives customers the option of buying solar panels or simply just the power they generate, thanks to our smart energy service. For either option we use the same high tech equipment covered by comprehensive guarantees delivering cleaner and more affordable solar power to our customers.'

'Private equity expects the companies it invests in to thrive and admittedly these businesses are at the riskier end of the growth spectrum. But our investors are keen to see a variety of businesses in the context of a broad portfolio. Moreover in New Zealand we knew that solar is viable without subsidies so we knew the government couldn't pull the rug from under our feet. Although it is a cash hungry business we are building up a 20 year receivable with the rooftop inventory leased to customers.'

ENDS

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