

FNZC Launches Principal Investments

Confidence in New Zealand economy prompts investment bank's new offerings

FNZC is launching a new offering, Principal Investments, to provide mid-to-large scale New Zealand companies and their shareholders with access to private capital.

Principal Investments, combined with FNZC's extensive transaction and financial structuring expertise, will be uniquely placed in the New Zealand market to deliver bespoke funding solutions to its clients.

The scope of the strategy is wide-ranging, but will be focused on providing the equity and junior debt required to execute transactions and grow businesses, including financing acquisitions, providing growth capital, taking pre-IPO stakes and succession planning. Investments will be funded using a mix of capital from the FNZC balance sheet and its existing network of private investors.

Principal Investments is formalising an offering previously delivered on an ad hoc basis. Such services are common internationally but until now have been rare in New Zealand due to its smaller market scale.

The launch of Principal Investments comes at a time when New Zealand's economy is strong and business owners are increasingly seeking alternative sources of capital, both domestically and offshore. FNZC's CEO, James Lee, said Principal Investments will primarily facilitate a growing need for capital efficiency between New Zealand companies and investors. "As the New Zealand market has grown, some companies have experienced difficulty in raising capital. In some cases, this has led to pursuing the listed market too early. Private equity is increasing in size, which is fantastic, but some companies don't fit private equity requirements."

Principal Investments is another step in FNZC's growth strategy and investment into the local market. It follows successes such as its stake in Harbour Asset Management, which has approximately \$3.5 billion in funds under management, and investment into Pearlfisher Capital. FNZC is also making significant investments into its interest rate and derivative trading teams, and building its research division - already New Zealand's largest.

Principal Investments will be headed by Michael Walmsley, who was most recently Associate Director and 2IC in the Macquarie Capital Principal Transactions Group in London. Michael's appointment brings both international experience and a deep understanding of principal investing that will help FNZC deploy capital in support of its clients, Lee said. "This shows our confidence in the New Zealand economy. We're proud to announce Michael's appointment and know his experience will deliver immediate value to our clients and partners."

Michael added, "We're very pleased to be launching this at a time the New Zealand economy is so strong. We recognise companies have a lot of opportunities but do not always have access to private sources of capital to realise them. We aim to change that and believe there is huge potential to invest in and raise capital for our country's best entrepreneurs and businesses."

"Principal Investments will offer flexible and creative structures which are specific to our client's needs. We will be able to offer capital across the capital structure and from several sources, including our own balance sheet. Ensuring that our clients' objectives are met will always be of critical importance," Michael said.

With the largest investment banking team and trading desk in New Zealand, FNZC is a leader in M&A and ECM. Its experience in complex deals and ability to access capital make it a recognised leader in the industry.

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