

# Information Memorandum

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**Wholesale Investor Offering of Ordinary Shares  
and Options in Punakaiki Fund Limited**

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**5 AUGUST 2022**

# Wholesale Investors Only

The information provided in this information memorandum must not be used for any purpose other than assessing the opportunity presented herein. This investment memorandum is supplied to you subject to the conditions outlined on this page and in Appendix One.

This document contains details of the offer (the “Offer”) to apply for shares in Punakaiki Fund Limited (“Punakaiki Fund”). The Offer is an offer of ordinary shares that is only capable of acceptance by persons who are permitted to receive a non-regulated offer of financial products under Schedule 1 of the Financial Markets Conduct Act 2013.

No application will be accepted by Punakaiki Fund under the Offer unless it meets the requirements of clauses 3, 4 or 5 of Schedule 1 of the Financial Markets Conduct Act 2013.

Neither this document nor any other Offer materials constitute an offer or solicitation to any person to whom it is unlawful to make such an offer or solicitation. No action has been taken that would permit a public offering in any jurisdiction where action for that purpose would be required.

This offer will remain open from the date shown on the cover page until such time as it is suspended or closed by Punakaiki Fund.

An investment in Punakaiki Fund should be considered a long-term investment, carrying the risk of loss of a substantial part of the investment. Given that Punakaiki Fund invests in multiple companies, we believe that the risk of total loss is low, while the risk of some loss is moderate to high.

## Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is \$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

[APPLY NOW](#)

# Offer Highlights

**\$30 per share +  
attached \$30 November 2023 option**

**Options planned to be tradeable, expire 30 November 2023**

**Year End Audited Assets**

**\$98.2  
million**

*at as 31 March 2022*

**Asset Value \$37.37/share**

*Up 25% over FY2021*

**iNAV \$33.38/share**

**June 30 Assets**

**\$96.0  
million**

*Down just 2.2% from year-end,  
despite tech stock crash*

**Asset Value \$36.52/share**

**iNAV \$32.70/share**

## Compelling High Growth Technology Investments:

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- Devoli
- Quantifi Photonics
- Onceit
- Orah
- RedSeed
- Whip Around
- Conqa
- Couchdrop
- Projectworks
- ...and more

**\$137  
million**

Trailing 12 months total  
portfolio revenue

\$47 million equity  
weighted revenue

**\$23m  
realised**

\$20 million in exits in FY2022

2.2x average FY2022 exit mark-up

ROI 2.0x (June 2022)

27.4% Gross IRR current mandate

23.3% Gross IRR overall



# 01. Offer Overview

## About Punakaiki Fund

Punakaiki Fund Limited (“Punakaiki Fund”) is a venture capital fund making long-term private equity investments into high-growth, revenue-generating New Zealand companies. The company had audited assets of \$98.2 million as at 31 March, 2022, and reported total assets of \$96.0 million as at 30 June 2022.

## About This Offer

Welcome to the Punakaiki Fund 2022 Wholesale Offer, which is capped at \$10.5 million, and priced at \$30 for a share plus attached \$30 option that expires in November 2023. The options will be tradeable close to expiry date.

Punakaiki Fund aims to principally invest proceeds from this offer into privately held, high-growth technology companies, both in and new to the existing portfolio. The funds will also be used to provision for net operating costs for the next year.

The offer price is discounted by 8.2% from the most recent net asset value per share, while the attached options will be valuable if the investor net asset value per share increases over the next year.

The key risks affecting your investment are covered in the **Product Disclosure Statement**, and include Venture Risk – being exposed to the inherent high return and high risk profile of venture investing, Investment Concentration Risk, with Devoli and Quantifi Photonics currently representing almost 40% of the value of Punakaiki Fund’s investments, and Control Risk, where the manager is unable to assert control of the activities portfolio companies.

Punakaiki Fund remains committed to its intention to list the company, but, especially considering current listed market conditions, has no immediate plans and has not retained any advisors for that purpose.

## Read the Product Disclosure Statement

Please read the **Product Disclosure Statement dated 8 November 2021 (“PDS”)**, which is the most recent offer to retail investors and contains all material information up to the date of PDS.

**This information memorandum (“Investment Memorandum”) states the most material changes since the PDS was issued.** While further information is available on [punakaikifund.co.nz](https://punakaikifund.co.nz), the information provided is not intended to be comprehensive or complete. We also recommend reading the [2022 Annual Report](#) and the [June 2022 Quarterly Report](#).

## Summary Terms

Price	Free Option	Minimum	Cap
<b>\$30</b> per share	November 2023 <b>\$30</b> tradeable	<b>500</b> shares <b>\$15,000</b>	<b>350,000</b> shares <b>\$10.5</b> million

# 02. Offer Details

## Offer Terms

### Price

**\$30.00** per **Punakaiki Fund Limited ordinary share** (“Share”), inclusive of 3% brokerage.

One **November 2023 \$30 Option** will be issued with each Share purchased, with an exercise price of \$30.00 each and an expiry date of 30 November 2023. These options may be traded independently of the Shares, with trading via the Catalist platform planned after 12 months. The exercise price may be varied before the exercise date if Punakaiki Fund’s capital is restructured, such as upon a rights issue, bonus issue, convertible securities issue, share consolidation or subdivision or a cancellation or buyback of Shares.

Once you pay for your Shares, you have no obligation to pay any further amounts unless you wish to exercise the options.

### Minimum Investment per Shareholder

**500 Shares** (\$15,000).

### Maximum Offer

The maximum number of Shares being offered is **350,000**, at a total issue price of **\$10.5 million**, or such other amount as the Punakaiki Fund Board determines.

### Offer Dates

This offer opens on **5 August 2022** and closes on the earlier of **30 September 2022** or such date as this information memorandum is either closed or replaced, at Punakaiki Fund Board’s discretion.

Shares will be allotted periodically during the offer and in any event, no later than seven days after the offer closes or after this information memorandum is replaced.

### Who Can Invest

This offer is being made to wholesale investors only. This Offer is **not open to the public**.

**An investment in Shares is by its nature relatively high risk. It will not be suitable for all investors. We recommend you seek professional financial advice before making any decision to invest.**

Apply to invest via Punakaiki Fund’s [offer page](#) on the Catalist Markets platform. Applications are binding once received unless this offer has been withdrawn, which will be notified on the Catalist Markets website.

Shares are issued once Catalist Markets has confirmed your details (including meeting anti-money laundering customer due diligence and common reporting standard requirements) and payment has been received.

If you require any further information or assistance with the application process, please contact Catalist (020 4009 6929, [hello@catalist.co.nz](mailto:hello@catalist.co.nz)).

# 03. Key Metrics

The Board determined the following metrics as at **30 June 2022**.

## Key Metrics

Value of all assets for the purpose of this offer	<b>\$96.0 million</b>
Investor Net Asset Value <sup>1</sup>	<b>\$85.9 million</b>
Shares on issue	2,627,372
<b>Investor Net Asset Value per Share</b>	<b>\$32.70</b>
Offer cost (3% brokerage payable to 2040 Ventures)	\$1.01
Share price basis for Offer	<b>\$33.71</b>
<b>Price for this offer</b>	<b>\$30.00</b>
Effective Discount versus iNAV	(\$2.70) <b>8.2%</b>
Effective Discount versus Share price basis for Offer	(\$3.71) <b>11.0%</b>

<sup>1</sup>The fair market value of the assets less both the liabilities of Punakaiki Fund and the share-based component of the accrued Performance Fee.

# 04. Material Events

The following material events and other matters have occurred since 7 October 2021 (the valuation date for the PDS) in relation to shareholdings in Punakaiki Fund's portfolio companies, and since the date of the November 2021 PDS (8 November 2021) in relation to other matters.

## Material Events

Punakaiki Fund raised \$5,007,450 by issuing 175,700 new shares in the November 2021 retail offer that closed on 9 December 2021.

The sale of Moxion (Tinderbox Media Limited) to Autodesk was executed in December 2021 and announced on 19 January 2022. Punakaiki Fund sold all of its interest in Moxion (shares and convertible notes) and received a lump sum payment, along with an additional amount which is presently held on escrow.

Exit proceeds of \$5.1 million were received from the sale of Moxion (Tinderbox Media Limited) and a return of capital from ThisData (TD Limited).

Twelve investments, totalling \$10.3 million, were made into Quantifi Photonics, Weirdly, Formus Labs (new portfolio company), Get Home Safe, Couchdrop (new portfolio company), Projectworks (new portfolio company), QUBEdocs (x2), Orah, Melon Health (x3) and Mobi between 8 November 2021 and the date of this Information Memorandum.

The investments into Quantifi Photonics and Weirdly were as indicated on page 33 of the PDS. The updated shareholdings are reflected in the table below.

Quantifi Photonics completed a \$25 million fund raising round lead by Intel Capital. Punakaiki Fund is subsequently the largest shareholder, holding 17% of the issued shares.

Punakaiki Fund has made a commitment to invest in a new convertible note issued by Conqa, subject to Punakaiki Fund raising a predetermined amount from this Offer.

Blake Richardson resigned as a director, effective 28 February 2022, and Candace Kinser, Tracey Jones and Nigel Scott were appointed as Punakaiki Fund directors effective from 1 January 2022.

Nadine Hill became a Punakaiki Fund partner in the 2040 Ventures team (joining Lance and Chris), effective 1 April 2022. Rohan MacMahon and Jez Weston became partners in the 2040 Ventures team.

Nadine Hill joined the boards of Weirdly (9 November 2021), Projectworks (24 March 2022), Mindfull Group (QUBEdocs - 31 March 2022) and Orah (1 July 2022), and resigned from the Board of Melon Health on 17 March 2022. Lance Wiggs joined the Board of Couchdrop on 18 March 2022, and resigned as a director of Weirdly (9 November 2021), Mindfull Group (QUBEdocs - 31 March 2022) and Orah (1 July 2022).

Punakaiki Fund released the [FY2022 Annual Report](#) and the [June 2022 Quarterly Report](#). These documents contain information regarding Punakaiki Fund and its portfolio of investments that may be useful when considering an investment in Punakaiki Fund.

Punakaiki Fund's share register and investor onboarding processes are now managed by Catalyst Markets.



# 05. Our Investments

Punakaiki Fund has core investments in 17 companies as outlined in the table below. These have reported combined last twelve-month revenue of \$137 million to the end of June 2022. Punakaiki Fund also has interests in cash amounts held in escrow relating to exits of Vend, Timely and Moxion, and also has a small number of non-material investment holdings.

Portfolio Company	Punakaiki Fund Shareholding <sup>1</sup>	Punakaiki Fund Option or Commitment to Further Invest
<b>Devoli</b>	53.9%	-
<b>Onceit</b>	25.6%	-
<b>Quantifi Photonics</b>	17.0%	-
<b>Raygun</b>	6.3%	-
<b>Mobi HQ</b>	19.6%	-
<b>QA Tech (Conqa)</b>	20.0% <sup>2</sup>	Convertible Note Investment Commitment
<b>RedSeed</b>	48.1%	-
<b>Boardingware International (Orah)</b>	28.9%	-
<b>Melon Health</b>	29.6%	-
<b>Weirdly</b>	49.6%	-
<b>Core Schedule</b>	17.5%	-
<b>Get Home Safe</b>	16.7% <sup>2</sup>	-
<b>Mindfull Group (QUBEdocs)</b>	26.5%	-
<b>Whip Around</b>	3.0%	-
<b>Formus Labs</b>	3.0%	-
<b>Couchdrop</b>	17.9%	-
<b>Spiderworks (Projectworks)</b>	12.9%	-

<sup>1</sup> Shareholding percentages are based on issued shares. Effective shareholding maybe lower due to the dilutionary impact of any employee options or financial instruments such as convertible notes.

<sup>2</sup> Punakaiki Fund also has a convertible note investment in this portfolio company.

# 06. How to Apply

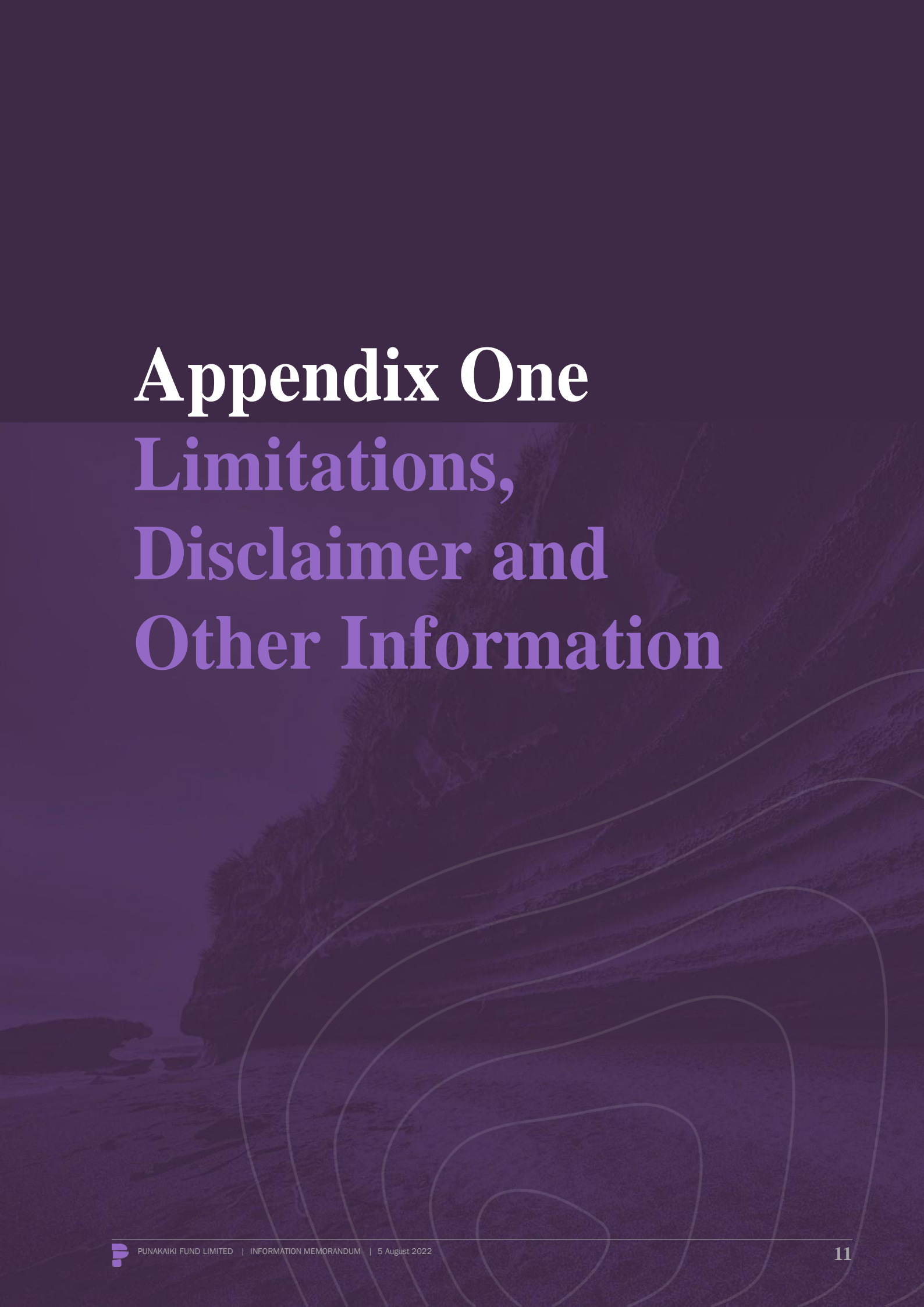
Apply now through Catalist's platform. If you don't have an account with Catalist, sign up [here](#).

**APPLY NOW**

Please contact 2040 Ventures directly if you would like more information, including presentations to larger investors and groups.

## Contact

If you have any questions regarding Punakaiki Fund or this Offer, or would like to meet with 2040 Ventures (the Punakaiki Fund manager), please contact Lance Wiggs ([lance@2040ventures.com](mailto:lance@2040ventures.com), 021 526 239), Chris Humphreys ([chris@2040ventures.com](mailto:chris@2040ventures.com), 027 622 7803) or Nadine Hill ([nadine@2040ventures.com](mailto:nadine@2040ventures.com)).



# Appendix One

## Limitations, Disclaimer and Other Information

## Limitations, Disclaimer and Other Information

This document (the “Information Memorandum”), along with other documents and information provided (together the “Documents”), are supplied to various parties (“Recipients”) for the exclusive purpose of enabling them to determine whether to proceed with a further investigation of a potential investment (the “Capital Raising”) in Punakaiki Fund Limited (“Punakaiki Fund”) and on the condition that the Documents are used for no other purpose. The Documents may not be used without the express consent of Punakaiki Fund for any purpose other than deciding whether to proceed with the Capital Raising.

The Documents have been prepared by Punakaiki Fund for general information purposes only and do not purport to contain all the information that a prospective participant in the Capital Raising may require. Recipients should conduct their own investigation and analysis of the opportunity and the background and other information contained within the Documents. The Recipient should, and for the purposes of any investment will be deemed to, have made its own appraisal of Punakaiki Fund and to have satisfied itself as to the accuracy, reliability, completeness, correctness or currency of the information in the Documents and such other information as they consider relevant (including seeking professional advice).

None of Punakaiki Fund or its respective related companies and affiliates including its shareholders, directors, officers, employees, manager and advisers or other representatives (“Representatives”), as the case may be, have verified or will verify any of the Documents or any other information provided to a Recipient in connection with the Capital Raising.

No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness, correctness or currency of the information, statements, or opinions contained in the Documents or any other statements or representations made to Recipients in connection with the Capital Raising. To the maximum extent permitted by law, Punakaiki Fund and its related companies and affiliates and its Representatives disclaim and exclude all liability whatsoever for any loss, damage or other consequence (whether foreseeable or not) suffered by any person from the use of the Documents or their contents, from refraining from acting because of anything contained in or omitted from the Documents, from participating in the Capital Raising or otherwise arising in connection therewith (including for negligence, default, misrepresentation or by omission and whether arising under statute, in contract or equity or from any other cause). The Recipient agrees that it will not sue or hold Punakaiki Fund and its related companies and affiliates or their respective Representatives liable in any respect for the provision of the Documents or any other information and waives any rights the Recipient may otherwise have in this respect.

The Documents do not constitute an offer or invitation to invest in Punakaiki Fund nor will it form the basis of any contract between a potential investor and Punakaiki Fund, and the issue of the Documents shall not be taken as any form of commitment on the part of any person to discuss or negotiate with any person in connection with, or to proceed with, the Capital Raising. It is not a recommendation that any Recipient proceed with any further analysis of, or with any investment in Punakaiki Fund. The Documents shall not be deemed to be an indication of the state of affairs of Punakaiki Fund nor shall it constitute an indication that there has been or will be no change in Punakaiki Fund since the date of the Documents or since any other date at which any information contained herein is expressed to be stated.

Punakaiki Fund may at any time provide additional information to, or negotiate with, one or more persons or organisations in connection with the Capital Raising. Punakaiki Fund reserves the right to terminate, at any time, further participation by any Recipient in the process described in the Documents and to vary procedures or modify the process, to terminate all or any part of the process altogether, or to do anything else that it, in its absolute discretion, sees fit and is legally entitled to do in relation to the process. None of Punakaiki Fund and its related companies and affiliates and its Representatives is under any obligation to provide Recipients with access to any additional information.

## Important

The distribution of this Information Memorandum outside of New Zealand may be restricted by law. This is not intended to, and does not, constitute an offer of securities in any place which, or to any person to whom, the making of such offer would not be lawful under the laws of any jurisdiction outside New Zealand. This includes, but is not in any way limited to, Australia and the United States. It is the responsibility of any Applicant to ensure compliance with all laws of any country outside New Zealand relevant to their subscription, and any such Applicant should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to apply for securities pursuant to the Information Memorandum. The failure to comply with any applicable restrictions may constitute a violation of securities law in those jurisdictions. The Shares have not been and will not be registered under the US Securities Act or the securities law of any state of the United States.

## Definitions

Where the words “you” and “your” are used, they refer to the person who subscribes for the Shares. References to “we” and “Punakaiki Fund” mean Punakaiki Fund Limited and its directors.

## Currency

Unless otherwise indicated, all references to monetary amounts in this Information Memorandum are references to New Zealand Dollars.