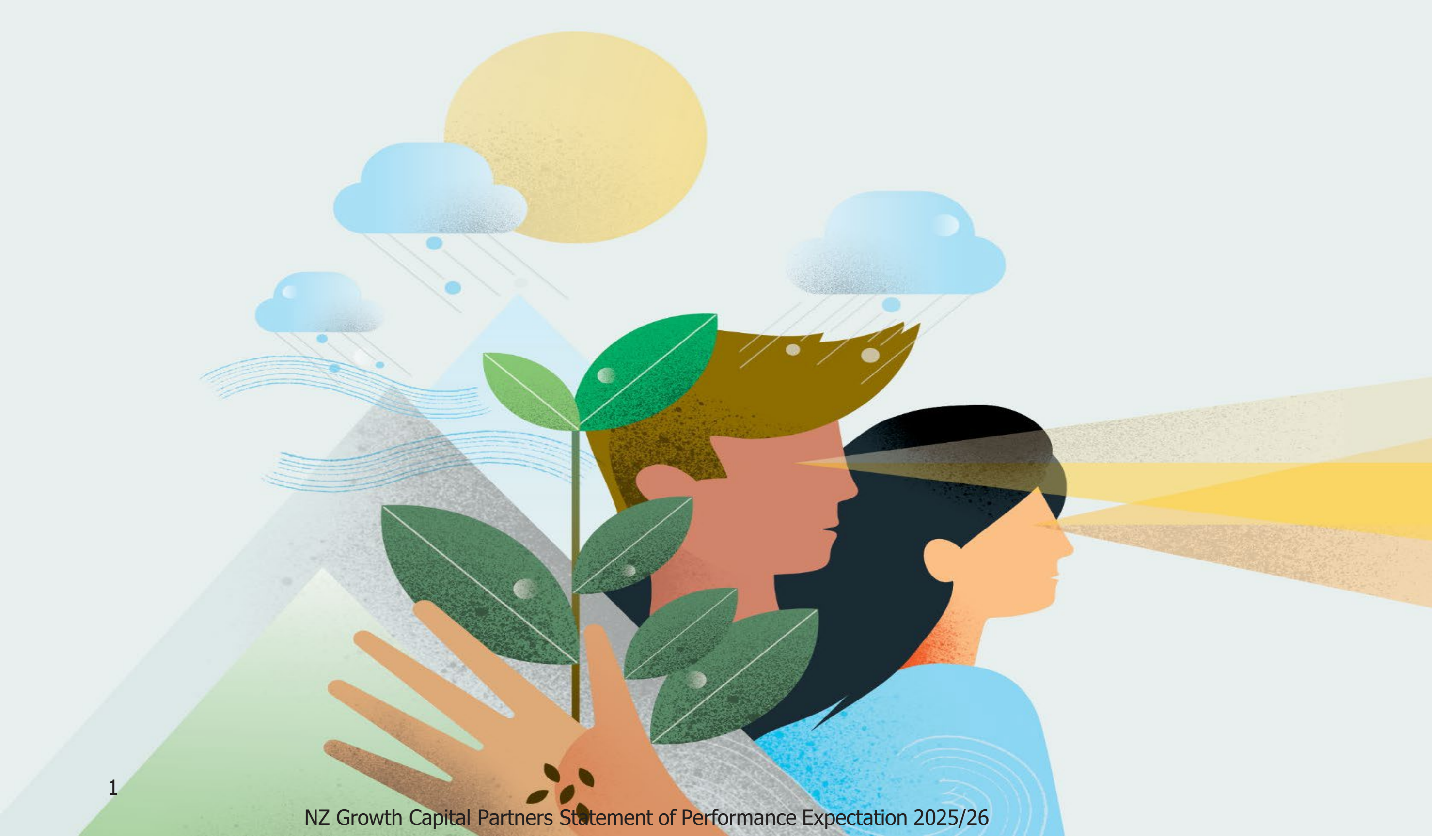
Statement of Performance Expectations 2025/26

NZ GROWTH CAPITAL PARTNERS



He whakataukī

Kotahi te kākano, he nui ngā hua o te rākau. A tree comes from one seed but bears many fruits.

Presented to the House of Representatives pursuant to section 149L of the Crown Entities Act 2004.

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NZ GROWTH CAPITAL PARTNERS

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Foreword

New Zealand Growth Capital Partners Limited (NZGCP) exists to accelerate the development of New Zealand's early-stage capital markets.

This document outlines NZGCP's role, vision and strategic direction, along with the planned activities of its two core funds: the **Aspire NZ Seed Fund**, a direct investment vehicle, and the **Elevate NZ Venture Fund**, a fund-of-funds model. These funds invest alongside private-sector partners in technology-led start-ups at various stages of growth – from proof-of-concept through to scale-up – helping to bridge capital gaps and build a strong pipeline of early-stage companies.

In parallel, NZGCP supports the development of New Zealand's venture investment sector by improving investor capability. Leveraging its market development appropriation, NZGCP runs initiatives such as a **learning and development platform (VenturED)** for investment professionals and the provision of high-quality **ecosystem data and insights**.

Through these activities, NZGCP aims to foster a more robust and sustainable early-stage capital market that delivers both economic and social value to New Zealand. By backing innovative science and technology start-ups and strengthening investment capability, NZGCP is also committed to encouraging new founders and investors to participate in the ecosystem – ultimately building a stronger pipeline of talented entrepreneurs and skilled capital providers.

This mission aligns closely with the Government's ambition to build a high-performing, technology-driven economy that supports New Zealand export growth, high-value job creation, and the commercialisation of science and innovation.

New Zealand's start-up ecosystem continues to navigate volatile and rapidly evolving global market conditions. While the local ecosystem has not yet seen the same surge in artificial intelligence (AI)-focused deal flow as international markets, recent **liquidity events**, including several successful portfolio companies' exit to overseas investors, have provided much-needed capital back into the early-stage investment space.

These exits contributed to an uplift in both new and follow-on investment activity, with the residual liquidity carrying into the 2025/26 financial year. As a result, NZGCP enters this period with a strong cash position and is well placed to expand its efforts in accelerating the start-up ecosystem.

A further $100 million was allocated to the Elevate fund during the 2025 Budget, in line with the Government's approach for Going for Growth.

A review of the Aspire policy settings is scheduled for the beginning of the 2025/26 financial year to enable NZGCP to accelerate the development of the New Zealand early-stage capital markets. In conjunction with the review, a combined work team between NZGCP, the Ministry of Business, Innovation and Employment (MBIE) and Treasury will refine the output measures of the organisation to improve demonstration of value.

Statement of Responsibility

This Statement of Performance Expectations reflects our proposed performance targets and forecast financial information for the period 1 July 2025 to 30 June 2026. It is produced in accordance with the requirements of section 149E of the Crown Entities Act 2004.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Board of NZGCP in accordance with its role under the Crown Entities Act 2004.

The Board acknowledges responsibility for the information and prospective financial statements contained in this Statement of Performance Expectations.

Signed on behalf of the Board:

Annabel Cotton	**Steve O'Connor**
Chair	Deputy Chair
30 June 2025	30 June 2025

Introduction

NZGCP is a Crown-owned company which supports the development of the early-stage capital markets in New Zealand.

NZGCP invests into start-ups with high growth potential directly via its Aspire NZ Seed Fund (Aspire) and indirectly via the Elevate NZ Venture Fund (Elevate) which it manages on behalf of the Guardians of New Zealand Superannuation (Guardians). These investment activities are supplemented with other market development activities with the combined objective of addressing the capital and investor capability gaps in the New Zealand early-stage capital markets.

NZGCP predominantly achieves its purpose by leveraging its own and Elevate's capital to attract and crowd-in private investment into high-growth start-ups. The combined investments of Aspire and Elevate cover the spectrum of start-up investments from very early (proof-of-concept stage), through to late-stage funding rounds (Series B and beyond).

Currently, NZGCP undertakes three primary activities. These are:

1. Operating **Aspire** – a direct investment fund focused primarily on pre-Series A investments from proof of concept through to Seed investments.
2. Management of **Elevate** – a fund-of-funds sitting under the mandate of the Guardians which invests in private venture capital funds that predominantly make Series A/B-stage investments.
3. Running a **market development** programme that further supports the early-stage technology investment ecosystem, with a focus on supplying ecosystem-wide data and insights and a learning management system (VenturED) to increase the capability of investors.

In addition to the above activities, MBIE will conduct a review of the Aspire policy settings to support and accelerate NZGCP's ability to delivery against its mandate.

The legacy venture investment fund (VIF 1.0) is winding down and management thereof is a more passive activity within NZGCP; the current value of the fund is $11.6 million.

Reflecting government priorities

NZGCP supports government to achieve its economic growth objectives in three of the five pillars:

Economic growth pillars	NZGCP impact
Developing talent	Aspire equity investments into early-stage technology companies enable them to create highly paid jobs (developing home-grown talent and attracting top international talent). The technology sector employs over 120,000 people with average salaries of more than $100,000. Each technology sector job creates 4.8 new jobs.[1] In addition, NZGCP is launching a learning and development platform (VenturED) specifically designed for development and enhancing investment skills within the New Zealand market.

Economic growth pillars	NZGCP impact
Promoting global trade and investment	New Zealand start-ups are focused on global markets from day one which drive direct economic value through exports. Twenty per cent of private capital invested into the underlying Elevate-backed venture capital firms came from offshore, demonstrating Elevate's capability to catalyse foreign capital into local venture funds. These funds, in turn, invest into New Zealand start-ups which raise future rounds seeking both local and international venture capital investment.
Innovation, technology and science	Venture capital catalyses commercialisation and scaling of government investment in research and development (R&D). Both Aspire and Elevate catalyse angel, venture capital and foreign investment into this critical sector.

1. Source: NZTech from data from Statistics NZ2023, Digital Nation report 2016, TIN2022 Report

This Statement of Performance Expectations (SPE) is a partner document to the Statement of Intent (SOI) 2024–2028 published in June 2023. The SOI sets out our medium-term strategic intentions for a four-year period and our measures for assessing progress towards them. It is published at least every three years. The SOI is available at: nzgcp.co.nz/assets/Media/NZGCP-SOI-2024-2024.pdf.

The SPE is published annually. It details the short-term work streams we plan to undertake for the management of the Elevate fund, market development and the operation of the Aspire fund in the financial year to 30 June 2026. It includes the key risks to these, how we intend to manage them and the prospective financial statements for one year.

The prospective financial statements of the NZGCP Group* are made up of the income and costs of running NZGCP, the appropriation and costs for running market development activities, and the assets of the Aspire fund and VIF 1.0 programme. They also reflect the cost and associated management fee recovery of the NZ Elevate Fund LP. The NZ Elevate Fund LP is not consolidated into the NZGCP Group; it is reported as part of the Elevate Fund in the Guardians' Annual Report.

We received a Letter of Expectations from the Minister of Economic Growth for the 2025/26 period outlining the Minister's expectations of NZGCP's activities. Several of the activities referred to are multi-year ones that we undertake as part of our business-as-usual work streams.

* *The NZGCP Group is made up of NZ Growth Capital Partners Limited ('NZGCP', 'the Parent' and 'the Company') and its controlled subsidiaries ('the Group'). The controlled entities are the Aspire NZ Seed Fund Limited ('Aspire'), the Elevate NZ Venture Fund GP Limited ('Elevate GP') and the Village GP Limited ('the Village') which are 100% controlled.*

Strategic Objectives

Our purpose:

NZGCP's aspiration is to power-up globally scalable Kiwi start-ups by mobilising investment and amplifying capability. This supports the Government's economic goals of productive, sustainable economic growth because we invest our capital in new technologies and industries doing things better and smarter than before, exploring local and global markets, offering opportunities and growth to our talented people and attracting capital from local and international sources.

Our strategic objectives – the outcomes we seek

NZGCP has the following **strategic objectives which are reflected in our performance measures**:

- To increase the capital available in the early-stage technology* investment ecosystem and broaden the ranges of active investors **(capital)**
- To increase the capability of investors and founders within the early-stage technology investment ecosystem **(capability)**
- To increase the pipeline and diversity of investment opportunities progressing to Series A funding and beyond **(pipeline)**.

* Technology in this context refers to technology-enabled growth sectors such as software, agri-tech, climate-tech, AI, space, gaming and health-tech.

These are the core activities undertaken in pursuit of each of the **strategic objectives**.

We review our planned activities and the exercise of our functions each year to meet changes in our operating environment and ensure alignment with our strategy. In this SPE, we describe how our work for the coming year is expected to contribute to achieving our strategic objectives, the links between our strategy and functions, as well as the performance measures and targets we intend to achieve through the exercise of our functions.

Our four major functions and their contribution to our strategic objectives are summarised in the table below, where the tick's size indicates the relative importance of contributions. Several functions contribute to more than one objective; for ease of reporting, we reflect measures for each function to its main strategic objective only.

Our functions – what we do

Our functions	Links to our strategic objectives			Funding
	Capital	Capability	Pipeline	
Management of the Elevate Limited Partner	✓	✓	✓	Operating costs refunded by Guardians
Running of a learning and development		✓		Market

Our functions	Links to our strategic objectives			Funding
	Capital	Capability	Pipeline	
platform (VenturED)				development appropriation
Data collation, reporting and insights on the New Zealand early-stage investment ecosystem		✓		
Operating the Aspire fund	✓		✓	Proceeds from existing portfolio

Capital

*Management of **Elevate** – a fund-of-funds which invests in private venture capital funds that predominantly make Series A/B-stage investments. The objectives of Elevate are to increase the availability of capital domestically at the Series A/B stage and to develop the venture capital market by proving the commercial viability of the asset class. Elevate does this by using the best-practice fund selection and monitoring processes and supporting private managers to make institutional investment ready. In the short term, Elevate helps catalyse private capital into domestic funds and invests in emerging managers to support them until they have developed proven track records which will make them more investable by private and institutional investors.*

Since it was established in 2020, Elevate has made 11 investments and committed approximately $249 million of the $300 million fund. Elevate was designed to promote an inflow of private-sector investment into the venture-capital sector alongside its own investments.

An additional $100 million was committed to the Elevate fund during the 2025 Budget announcements.

Activities planned for the 2025/26 financial year linked to the strategic objectives:

- NZGCP will continue to assess opportunities to allocate the remaining capital ($125 million) into venture capital funds that meet our due diligence requirements, alongside the portfolio construction framework agreed with the Guardians.
- Continue to embed best-practice investment approaches within NZGCP as manager to ensure effective due diligence, monitoring and reporting takes place.
- Continue to facilitate the crowding-in of a broad range of investors with a specific focus to work with other Crown entities to maximise opportunities for (1) attracting foreign direct investment, (2) local institutional investors such as KiwiSaver providers and managed retail funds and (3) investors of Māori capital to build confidence in the capability of a wider variety of investors and to encourage Māori participation in the sector more generally, whether as founders, investors or those working within the sector. This focus crosses both the capital, capability and pipeline objectives and is broader than the Elevate fund.
- Monitor capital being deployed into and by the venture capital market and assist in the development of the early-stage capital markets throughout the value chain.

Capability

Part of our mandate is to develop the start-up ecosystem beyond our investment activities in Aspire and Elevate.

FY26 market development activities outside of investment activities:

- NZGCP launched a ***learning and development system*** (VenturED) in June 2025 which provides tools for new and existing participants of the venture capital ecosystem to develop their investment skills, both technical and soft skills. During FY26 we will continue to develop new learning material, promote the use of the platform and test the effectiveness of different learning mediums. The programme is designed to be scalable and repeatable and is built on collaboration across the early-stage technology investment ecosystem. NZGCP aims to develop and deepen the investment talent pool, starting with investment professionals but broadening our scope to general partners, institutional investors, founders, etc.

- NZGCP launched the Dealroom platform during FY24 that serves as a ***data collation, reporting and insights mechanism*** for the entire New Zealand start-up ecosystem. During FY26, we will continue to focus on embedding sustainable processes, both within NZGCP and across all market participants, to continually update and enhance the ecosystem-wide data within the platform. We use Dealroom to source ecosystem-wide data, produce global benchmarking and gather insights about the New Zealand investment ecosystem. In addition, NZGCP publishes the Young Company Finance report twice a year, which gives an update on the investment ecosystem every six months against historical information. NZGCP also works with the Technology Investment Network to publish a report focusing on the economic value created by technology companies that received venture capital backing. NZGCP is working closely with MBIE to draw further insights into the economic contribution of start-ups to the New Zealand economy.
- NZGCP will continue to work with, and sponsor, industry participants that develop the capability of the sector – such as Angel Association New Zealand (AANZ) and New Zealand Private Capital (NZPC).

FY26 market development through investment activities:

- The investment teams within NZGCP spend considerable time on building capacity and capability within the ecosystem. This includes attending and hosting workshops, e.g. workshops on commercialisation of science and on how to be investor ready, and assisting founders/start-ups to make connections with other founders or investors on their start-up journey.

Pipeline

*Operating **Aspire** – a direct investment fund focused primarily on pre-Series A investments from proof of concept through to seed investments*

Going into FY26, NZGCP will continue to focus our investment and market development activities into 'underserved'[1] and 'underrepresented'[2] sectors and groups, while balancing our portfolio to generate sufficient financial returns to be able to fund our own costs and our investments going forward. This creates a complex investment strategy which combines intervention to fill identified gaps with investment in highly promising start-ups that stand the best chance of delivering the outsized returns which a venture capital model requires from those investee companies that succeed. Specifically, we will:

- Through Aspire, we will increase our efforts on deal origination activities by enhancing our partnership with the Angel and seed sector and the universities and research sector to build the pipeline of investable opportunities from the very early-stage companies up to the Series A/B stage.
- As part of Aspire, spend more time on syndication (assisting the portfolio companies to find other co-investors locally and abroad) and supporting our portfolio companies in raising funding. Aspire is focusing a greater proportion of its investment activities on underserved[1] and underrepresented[2] sectors where it sees a relative capital gap. Aspire remains a generalist fund, making commercial investment decisions irrespective of gender or race demographics. Due to the capital intensity of deep-tech in particular (and the relative lack of available private capital), Aspire anticipates making larger investments at the pre-Series A stage than it has done previously and will need to take a longer-term view on investments. This will also have an impact on the public:private leverage ratios in the performance measures and the average time from investment through to realisation.
- Continue to explore divestment opportunities to support both our financial operating sustainability

and our capacity to invest.

Winding down the original venture investment fund (VIF 1.0) programme

The VIF 1.0 programme was established in 2002 and invested in venture capital funds. That programme is now in its wind-down phase. NZGCP's aim is to manage the wind-down of the portfolio in an orderly fashion and to maximise the returns – to the extent possible within its role as a Limited Partner (LP) in the various funds in which VIF 1.0 invested. Of the two remaining active funds in this programme, one is targeting full realisation by the end of FY26 and the other by FY27.

Proceeds realised from divestments within the underlying funds and the wind-down of the VIF 1.0 programme generally are reinvested by NZGCP within the Aspire fund.

In conclusion, Aspire plays a foundational role by building the early-stage investment pipeline, which in turn feeds into the Elevate fund's mandate to provide capital that supports start-ups at later growth stages (Series A and beyond). Market development initiatives, including ecosystem data, insights, and the VenturED learning and development platform, enhance capabilities and transparency throughout the entire investment process. Together, these three pillars work in concert to crowd-in capital, strengthen ecosystem capability, and broaden the diversity of the investable pipeline – reinforcing NZGCP's mandate to address capital and capability gaps in the early-stage market.

1. *Underserved sectors are defined as those that have persistently received below-average levels of early-stage investment or support relative to their potential for contribution to the innovation economy. This is defined by NZGCP as deep-tech (e.g. bio-tech, advanced manufacturing), climate/sustainability tech, pre-revenue, science-based ventures.*
2. *Underrepresented sectors are defined as founder populations whose participation in the early-stage capital ecosystem is disproportionately low relative to national demographics or talent pools. This is defined by NZGCP as Māori and iwi-linked enterprises, start-ups outside Auckland/Wellington and women founders.*

Our funding and appropriations

Alongside the launch of Elevate in 2020, the Crown restructured the funding of NZGCP. There are three components to the funding of our operations. These are:

- The Crown provides an annual appropriation of $750,000 for the market development programme to build capability and capacity across the system. NZGCP uses this appropriation for activities such as sponsoring industry bodies like AANZ and NZPC and maintaining and enhancing our learning and development platform as well as several data and reporting initiatives.
- All costs related to our management of Elevate are reimbursed to NZGCP at cost from Elevate's capital pool. The Guardians administer this process.
- The remainder of NZGCP's operational costs and the Aspire investments are met out of proceeds received from the existing Aspire fund and VIF 1.0 portfolio companies.

NZGCP works prudently to manage the multiple financial and resource demands on a small organisation within a reasonable budget, recognising that the operating costs reflect additional resource needs stemming from being a Crown entity and reflecting our market development objectives.

Cash forecasting and the impact on investments:

Generally, neither Aspire nor the VIF 1.0 programme can initiate or control liquidity events for its portfolio companies as NZGCP typically holds small percentages of the relevant company's equity and is not in a controlling position. This creates a high level of uncertainty, and we therefore seek to manage our cash flow position actively to ensure that we do not make investment commitments beyond our financial capacity and that we maintain our ability to operate.

The operating costs of NZGCP encompass the management expenses associated with the Elevate Limited Partner. Looking ahead to FY26, the Elevate fund's committed capital is projected to grow following the additional $100 million allocation announced in the 2025 Budget. Consequently, the cost related to managing the fund is also expected to increase. As a Crown-backed fund-of-funds, the Elevate management fee is actively monitored by the Board relative to committed capital, with an accepted benchmark of 0.50% to 0.75%, consistent with industry norms during a fund's investment phase. For FY26, Elevate's management cost as a percentage of committed capital is forecasted at 0.59%, well within this expected range.

In contrast, private venture capital firms typically assess cost efficiency by expressing operating costs as a percentage of assets under management (AUM), with industry norms ranging between 1.5% and 2.5%. NZGCP, however, operates under a dual mandate – combining investment management with broader market development responsibilities. As such, the Board evaluates NZGCP's operating costs (excluding Elevate) within a more expansive range of 2.5% to 4.0%. This higher threshold is considered appropriate given NZGCP's relatively modest capital base, its emphasis on market development, capability-building, and the resource intensity of our reporting, compliance, advisory and data initiatives.

In FY26, NZGCP will further scale our market development efforts through the launch of VenturED, a new initiative aimed at increasing investment capability. As a result, the operating cost relative to AUM is projected to reach 3.9%, remaining within the Board-approved range and reflective of the fund's expanded public-good mandate.

Current market conditions and their impact on performance measures

The investment landscape in the second half of 2024 and early 2025 showed clear signs of recovery, with both deal volume and total investment levels rising significantly compared to the previous two years. Several notable buyouts injected fresh capital back into the start-up ecosystem too.

While deal numbers have yet to return to the peak of 2021, total investment has nearly doubled – indicating a strong rebound in investor confidence. New deal activity has doubled year-on-year as well, reinforcing a renewed sense of market momentum. However, despite this uplift, the new deal flow remains below the five-year average – a critical metric that must continue to improve to sustain a healthy pipeline of high-quality opportunities.

Seed-stage investment saw particularly strong growth in 2024, nearly doubling from the previous year. This signals that investors remain willing to support early-stage ventures – an essential element for long-term ecosystem vitality. That said, the funding landscape remains skewed towards follow-on rounds rather than new investments, suggesting that while existing companies are receiving continued backing, more momentum is needed to catalyse the next wave of start-ups.

Sustained growth in new deal activity will be vital to maintaining a steady flow of innovation and long-term sector growth. Venture capital remained a cornerstone of the ecosystem in 2024, accounting for a substantial share of total capital deployed. This reflects the growing ability of companies to secure later-stage funding – encouraging signs of market maturity and investor confidence.

To build on this momentum, increased support from angel and venture capital investors across both early and later stages will be critical to ensure a robust pipeline of start-ups progressing through successive funding rounds.

To further strengthen the investment ecosystem, the Government launched several initiatives in 2024 and early 2025. These include the announcement of *Invest New Zealand* to streamline investment processes and offer tailored support to foreign investors, and the easing of investor visa requirements to attract high-net-worth individuals. In addition, the launch of the *Catalyst Fund Investment Plan* aims to boost international research collaboration and the development of sustainable innovative ecosystems. With a focus on climate change mitigation, advanced technologies, and commercialising research, the plan is expected to expand the start-up pipeline over time.

The current market conditions, other related government interventions and our own strategic intentions are expected to impact on many of our performance measures in FY26:

Impact on capital measures

- The appetite to invest in venture capital by local and offshore institutional and private investors should improve with the establishment of InvestNZ, therefore improving Elevate's ability to crowd-in capital into the funds in which it invests.
- The venture capital model is for funds to make their initial investments over the first three to four years of their fund life and then deploy significantly more capital into their best prospects as they mature. As a large number of existing funds in the market are now ending their investment stage, this will see a reduction in capital available for new investments until those managers raise their next fund.
- Existing New Zealand venture capital funds looking to raise their next vintage will find it slightly easier to raise funds given InvestNZ and the reduced interest rates. These fundraising efforts received a further boost from the 2025 Budget announcement to make an additional $100 million

available to Elevate.

Impact on capability measures

- Market conditions do not have a direct impact on the market development objective of NZGCP or performance measures focusing on capability within the investment sector.

Impact on pipeline measures

- As a result of the liquidity events in the ecosystem, capital became available to reinvest. We expect to see an increase in the number of new investments made and companies progressing through the investment stages into which Aspire invests.
- More participation of offshore capital in local funding rounds should increase collaboration opportunities/activities in expanding operations globally for start-ups in their growth phase. The impact NZGCP aims to achieve over the longer term, as set out in the SOI 2024–2028 (NZGCP-SOI-2024-2028.pdf) around the pipeline and diversity of start-up investment opportunities progressing to Series A funding and beyond may be expected to improve compared to prior years.

Other

Maintaining and growing our organisational health and workforce capability

While our mandate identifies why we exist, our values and behaviours provide the how – who we are, what we stand for and how we work. Our shared values reflect these, and we will continue to implement initiatives to embed these across our organisaton.

During FY26, NZGCP will continue to:

- Live out our values, both internally and externally; these values align closely with NZGCP's vision for the early-stage technology investment ecosystem and our strategic objectives.
- Continue with our wellbeing programme and initiatives through Groov (which is our workplace wellbeing platform).
- Focus on progression and succession planning, and internal career growth through focused learning and development activities, especially using the newly launched learning and development platform.
- Provide leadership, team and individual training specifically aimed at developing skills to provide and receive constructive feedback, thereby harnessing the power of our talented and diverse workforce.
- Ensure that our office working environment retains flexible work options.
- Conduct our annual employee engagement survey and follow through on actions.

NZGCP works proactively to eliminate and address any gender pay gap and any gender bias in recruitment and remuneration. We publish our Kia Toipoto Action Plan and current state on our website and report on our organisational health and workforce capability in our Annual Report.

We are curious

We seek to learn, understand and share knowledge in a world that is not black and white.

We embrace technology, innovation, and entrepreneurship – to back bold ideas for growth.

We explore smarter ways to maximise value and to stay ahead of the game.

We uplift

We are empathetic, put heart into our work and bring the best out of each other – teammates, founders and industry partners.

We care and connect on a personal level and are constructive in helping each other up in an ever-changing environment

We amplify collaboration by playing to strengths, leveraging and celebrating diversity of all those we work with.

We move the needle

We recognise the impact we can have - we back those who strive to solve the worlds great issues, and we action change to encourage positive shifts in our early-stage investment ecosystem.

We aspire to build a lasting positive legacy through delivering great results for all stakeholders.

We help position Aotearoa on the world stage through tech investment and genuine support - creating a better tomorrow for the world.

Improving our environmental sustainability

NZGCP is not part of the Carbon Neutral Government Programme but has engaged Toitū Envirocare since FY23 to verify its greenhouse gas (GHG) emissions, set emissions-reduction targets and a plan to reduce them. During FY26 we will continue to implement these initiatives to reduce our carbon emissions with an aim to become carbon neutral in the short to medium term. NZGCP reports on our GHG emissions in our Annual Report.

Continuing our engagement with stakeholders

The Aspire and Elevate investment teams are in continuous engagement with our stakeholders, being mainly founders, angels, venture funds, industry bodies and other government entities.

Aspire will continue to send out a survey to its portfolio companies to gauge the value received from the interaction with the team. Elevate will continue to hold quarterly Pulse sessions, where it seeks feedback on industry developments, risks and opportunities. Refer to measure 3.1 for targets on these.

These engagements provide valuable insights to assist in providing advice or other assistance (datasets) to government and other industry bodies to support market development.

Performance Measures

Government mandate (purpose) Address capital and investor capability gaps in New Zealand's technology start-up ecosystem		
The outcome we seek (ambition) To power-up globally scalable Kiwi start-ups by mobilising investment and amplifying capability		
Impacts (what we aim to achieve)		
Capital Increased capital available and broader range of active investors	**Capability** Increased capability of investors	**Pipeline** Increased pipeline and diversity of investment opportunities progressing to Series A funding and beyond
Outputs (what we do)		
Through Elevate (a fund-of-funds), support the creation, diversification and success of emerging and established venture capital (VC) managers. Through Elevate, using best-practice investment selection, generate commercial returns – therefore attracting more capital into VC funds. Through Aspire, catalyse more diverse sources of investment into start-ups. Work with institutional investors and VC funds to encourage investment into the VC sector.	Through the VC learning and development (L&D) platform (VenturED), provide professional development frameworks and materials to create a deep tier of angel, seed and VC investors in early-stage markets and to accelerate that learning. Through data and analytics, provide insights into the early-stage investment ecosystem to drive policy decisions and promote investment into the early-stage ecosystem. Support AANZ, NZPC and others in developing the expertise and experience of the angel and VC sectors.	Through Aspire, invest and work actively alongside a broad range of private investors in the proof-of-concept/pre-seed/seed stages to build the pipeline of high-quality, investable start-ups which progress to Series A funding and beyond.
Inputs (what we must manage well)		
$400m+ capital pool (including recent $100m injection) NZGCP fund management expertise Guardians of NZ Superannuation mandate Selection and monitoring frameworks Relationships with VCs, LPs and Crown entities	$750,000 Crown appropriation NZGCP staff time (policy, insights, partnerships) Access to Dealroom platform and data sources Platform licenses and digital learning development tools Relationships with AANZ, NZPC, MBIE, TIN and universities	Aspire fund capital (including proceeds from VIF 1.0 and Aspire exits) NZGCP investment team expertise Co-investor networks (angels, VCs) Relationships with universities and other research institutions

These impacts are measured annually to confirm whether New Zealand is on track to reach these objectives over the longer term and NZGCP will report on qualitative and quantitative measures in our 2025/26 Annual Report.

Some performance measures we use in the SPE are also used in the 2025/26 Estimates of Appropriations included in the MBIE's SPE. These performance measures are shown in **bold**.

The way NZGCP sets out to influence the above objectives is via our quantitative and qualitative output measures. These outputs are aligned with the impacts being capital, capability and pipeline.

Reporting performance targets

The following pages detail our performance measures and targets for our functions in FY26. We will report on how we have performed against these targets in our 2025/26 Annual Report.

Service performance reporting standard

The New Zealand Accounting Standards Board (XRB) issued a Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). This SPE has been prepared to align with it.

Service performance judgements and assumptions

In preparing this SPE, NZGCP made the following judgements and assumptions in the selection of our non-financial performance measures and targets:

- We have reviewed the performance measures used, and deemed the ones selected as best capturing the work we do to deliver our functions.
- It is our judgement that the performance measures also adequately inform progress towards delivering the ambitions and outcomes in our SOI.
- In our view, the performance information in this SPE will meet the requirements of our stakeholders, including industry participants, venture capital funds, angels, founders, and related government entities.

In addition to the above judgements being made in the selection of our performance measures, we apply judgements in the measurement, aggregation and presentation of performance information. In alignment with PBE FRS 48, judgements and assumptions based on performance measure results will be disclosed in our 2025/26 Annual Report.

Output One - capital

Increased capital available and a broader range of active investors

Elevate was created because the Government believed there was a gap in the early-stage capital markets in New Zealand, leading to a dearth of innovative young companies and those heading offshore for capital. Elevate aims to prove the commercial viability of the venture capital market asset class and by doing so increase investors into the asset class and capital available to fund the early-stage capital markets. The Elevate fund supports early-stage companies and encourages private investors into the local venture capital market by providing capital. The fund is designed to support investments into New Zealand companies that have moved beyond the seed or 'angel' investor stage and need capital for further development.

The measures below track the deployment of the Elevate capital into underlying funds, private participation in these funds and the investments made by these funds. Increasing private capital, offshore participation and public:private leverage ratios would indicate that the asset class is maturing, and delivering commercial returns which attract a wide range of investors ultimately would allow government to step back.

SPE No.	Performance Measure	Forecast 2024/25	Target 2024/25	Target 2025/26
1.1	The annual number of venture capital (VC) funds committed by Elevate (including second vintages and emerging managers)	2	1	3
1.2	Annual amount of capital committed by Elevate (p.a.)	$25m	$40m	$30m
1.3	Investment leverage ratio for Elevate to date (public to total capital)	1:3.5	1:3.5	1:3.5
1.4	Investment leverage ratio for Aspire (public to total capital) [1,2]	1:7	Better than 1:4	Better than 1:4
1.5	Total capital invested in funding rounds where Aspire participated (p.a.)[2]	$60m	At least $60m	At least $45m
1.6	Number of companies that attracted offshore VC investment during their Series A/B funding round (specific to Aspire and Elevate) (p.a.)	10	10	At least 12

1. Aspire aims to invest in underserved and underrepresented early-stage rounds; the number of local and offshore VC investments participating in the rounds is expected to be lower than in later stage rounds.
2. This is measured by dividing the annual amount Aspire invested by the total size of the investment rounds in which Aspire participated.

Basis of measurement

- As defined in the amended Policy Statement on the Venture Capital Fund Act 2019, Series A and B capital is defined as "capital provided in a capital raising in which the total amount being raised in that round is from (and including) NZ$2 million to (and including) NZ$40 million and where that capital is being raised for the purposes of early-stage growth." Interpretation of Series A/B fundraises may vary by company and by sector, with some being more capital intensive than others and therefore having higher thresholds for what meets their definition.

Appropriation

NZGCP does not receive an appropriation for the Elevate fund. The financial statements for Elevate are disclosed in the Annual Report of the Guardians of New Zealand Superannuation on the basis that Elevate is a mandate of the Guardians alongside the NZ Super Fund.

The cost associated with NZGCP's management of the Elevate fund is recovered from Elevate NZ Venture Fund LP by way of management fee. This is disclosed in the annual report of NZGCP under "net operating income".

Output Two - capability

Increased capability of investors

A vibrant, self-sustaining early-stage capital market requires skilled and experienced people running start-ups and venture capital firms. NZGCP focuses specifically on investor capability and works with market participants and the industry associations (Angel Association of New Zealand (AANZ) and New Zealand Private Capital (NZPC)) to provide data and development opportunities for investors at all stages of the ecosystem.

- Specific focus points for the forthcoming year include the roll out of a learning and development platform (VenturED) to investment professionals.
- NZGCP manages an ecosystem platform called Dealroom and activities during FY26 will focus on processes to improve the completeness and accuracy of the data on an ongoing basis, and produce insights and reports to stakeholders.

SPE No.	Quantity Measures	Forecast 2024/25	Target 2024/25	Target 2025/26
2.1	**Number of industry development initiatives undertaken (which includes sponsorships of industry associations AANZ and NZPC) that specifically focus on investors to[1]:** • Build the base. • Grow capability and introduce diverse capital sources. • Foster collaboration, connectivity and healthy competition.	7 *20 (for both founder- and investor-related initiatives)*	7 (20 for both founder- and investor-related initiatives)	7
2.2	Formal advice, market data initiatives and insights provided to government and other industry bodies to support market development in the early-stage ecosystem.	7	7	7

1. Measure aligned with the FY26 estimates/appropriation.

Appropriation

The measures for Output Two relate to the NZGCP appropriation received for market development.

Cost to deliver Output Two	Forecast 2024/25	Budget 2024/25	Budget 2025/26

Crown funding	$750,000	$750,000	$750,000
Total output revenue	$750,000	$750,000	$750,000
Total output expenses	($1,080,000) [1]	($750,000)	($750,000)
Net surplus/(deficit)	$0	$0	$0

1. Amounts greater than the appropriation will be funded from NZGCP's operational budget. The amount above appropriation reflects the one-off implementation cost of the learning development platform.

Output Three - pipeline

Increased pipeline and diversity of investment opportunities progressing to Series A funding and beyond

A vibrant and self-sustaining early-stage capital market requires a sufficiently diverse quantity and quality of start-ups to enter the investment funnel. An increased deal pipeline ultimately delivers more successful companies that contribute to the economy of New Zealand. To build a pipeline of investable start-ups, government intervention is required, at the very early stages of the pipeline, where venture capital firms do not yet invest due to the risk profile. The measures below illustrate whether that pipeline is increasing, how many of the deals progress through to Series A, where venture capital firms normally step in as well as divestments received which go back into the funding of the deal pipeline. NZGCP does not opt to follow-on in all the companies in which it invests. The expectation is that, over time, these measures should show an increase which will demonstrate growth.

SPE No.	Quantity Measures	Forecast 2024/25	Target 2024/25	Target 2025/26
3.1	Number of investment opportunities reviewed by Aspire	150	Over 150	Over 150
3.2	Number of companies that raised Series A+ investment (Aspire portfolio companies even if Aspire did not participate in the round)	19	5 – 10	15 – 20
3.3	**Number of new investments in companies by Aspire[1]**	12	2 – 8	7 – 12
3.4	Number of follow-on investments in companies in Aspire (include Tranche and Exercise of Warrants)	11	8 – 15	8 – 15
3.5	Total amount invested into new companies from Aspire for the year	$3.5m	Between $2.0m and $4.0m	Between $3.0m and $5.0m
3.6	Total amount invested into follow-on rounds from Aspire for the year	$6.0m	Between $5.0m and $7.0m	Between $5.0m and $7.0m
3.7	Total proceeds from divestment of investments (Aspire and the VIF 1.0 programme)	$44.1m	$8.5m	$18.0m per annum over a rolling 3-year period

Quality measures

- 100% of investment transactions comply with the NZGCP Responsible Investment Framework which is consistently applied when approving investments.

Basis of measurement

- These measures only cover investments made by Aspire and the underlying Elevate funds and no other participants in the market.
- Proceeds are defined as distributions in the form of cash or shares distributed and do not include conversion of convertible loans.

Appropriation

NZGCP does not receive an appropriation for investment activity in the Aspire fund. NZGCP funds its investments and operational costs from proceeds received during exit transactions or other distributions. NZGCP forecasts proceeds of $49 million (FY25) which will be allocated between operating costs and investments into future financial years. Proceeds received from the Aspire fund and VIF 1.0 programme (as well as investments made by the Aspire fund) can be viewed in the Consolidated Statement of Cash Flows.

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense for the Year Ending 30 June 2026

	Budget 2024/25	Forecast 2024/25	Budget 2025/26
Revenue received from Crown	750,000	750,000	750,000
Revenue received in relation to Elevate NZ Venture Fund[1]	1,951,478	2,106,666	2,338,641
Other income		12,000	72,000
Total revenue	**2,701,478**	**2,862,504**	**3,160,641**
NZGCP administrative expenses	7,689,805	7,820,628	8,584,847
Depreciation and amortisation	50,090	50,090	47,369
Total expenses	**7,739,895**	**7,870,718**	**8,632,216**
Net operating expense	**5,038,417**	**5,008,214**	**5,471,575**
Investing interest	332,136	2,376,284	1,790,280
Management fees and costs paid to NZGCP fund managers[2]	200,000	253,668	90,000
Net unrealised gain/(loss) on investments[3]		(42,362,999)	
Net realised gain/(loss) on investments[3]		35,607,217	
Surplus/(Deficit) before taxation	**(4,906,281)**	**(2,885,598)**	**(3,771,295)**
Income tax expense			
Total comprehensive revenue/(expense)	**(4,906,281)**	**(2,885,598)**	**(3,771,295)**

1. Income prospected as administration manager for the Elevate NZ Venture Fund, not yet presented to Guardians of NZ Superannuation for review and approval.
2. Fund management fees are paid to external fund managers from capital drawn from Crown for investment. These fees are classified as an expense of NZGCP for accounting purposes.
3. Net realised and unrealised gain/(loss) on investments are not forecasted due to the uncertainty related to the valuation of these assets. Forecast 2024/25 does not include the assessment of the value of the investments at year-end FY25.

Prospective Statement of Changes in Equity for the Year Ending 30 June 2026

	Budget 2024/25	Forecast 2024/25	Budget 2025/26
Share capital	172,219,801	172,219,801	172,219,801
Accumulated shareholder's surplus at the beginning of the year	3,843,302	(5,823,123)	(8,708,721)
Total comprehensive revenue and expense for the year	**(4,906,281)**	**(2,885,598)**	**(3,771,295)**
Equity – at the end of the year	**171,156,822**	**163,511,080**	**159,739,785**

Prospective Statement of Financial Position as of 30 June 2026

	Budget 2024/25	Forecast 2024/25	Budget 2025/26
Equity	**170,156,822**	**163,511,080**	**159,739,785**
Current Assets			
Cash and cash equivalents	2,422,301	5,986,357	3,543,979
Receivables and prepayments	916,392	1,734,825	1,822,646
Term deposit investments	9,400,000	48,000,000	43,400,000
	12,738,693	55,721,182	48,766,625
Non-current Assets			
Property, plant and equipment			
Intangible assets	113,587	57,943	100,575
Term deposit	80,500	80,500	80,500
Investments	159,786,645	108,741,577	112,241,577
	159,980,732	108,880,020	112,422,652
Total assets	**172,719,425**	**164,601,202**	**161,189,277**
Current Liabilities			
Payables and accruals	1,562,603	1,090,122	1,449,492
Total liabilities	1,562,603	1,090,122	1,449,492
Net assets	**171,156,822**	**163,511,080**	**159,739,785**

Prospective Statement of Cash Flows for the year ending 30 June 2026

	Budget 2024/25	Forecast 2024/25	Budget 2025/26
Cash flows from operating activities			
Cash was provided from:			
Revenue from the Crown	750,000	750,000	750,000
Revenue from Elevate NZ Venture Fund	2,056,667	2,287,722	2,322,819
Net GST received	30,721	109,596	81,178
Other income		12,436	72,000
Term deposit investments	8,000,000	26,500,000	26,000,000
Sale of investments – the VIF 1.0 programme	2,000,000	213,455	2,000,000
Sale of investments – Aspire	6,500,000	49,278,470	6,500,000
	19,337,388	**79,151,679**	**37,725,997**
Cash was applied to:			
Payments to suppliers	(2,388,670)	(3,041,466)	(2,838,066)
Payments to employees	(5,143,661)	(4,714,755)	(5,170,589)
Purchase of investments – Aspire	(9,000,000)	(9,739,508)	(12,000,000)
Term deposit investments	(3,400,000)	(62,000,000)	(22,000,000)
	(19,932,331)	**(79,495,729)**	**(42,008,655)**
Net cash flows from operating activities	**(594,943)**	**(344,050)**	**(4,282,658)**
Cash flows from investing activities			
Cash was applied to:			
Purchase of property, plant and equipment	(90,000)	(50,214)	(50,000)
Net cash flows from investing activities	**(90,000)**	**(50,214)**	**(50,000)**
Interest earned	332,135	2,205,347	1,890,280
Net cash flows from financing activities	**332,135**	**2,205,347**	**1,890,280**
Net (decrease)/increase in cash and cash equivalents	**(352,808)**	**1,811,083**	**(2,442,378)**
Cash and cash equivalents at the beginning of the year	**2,775,109**	**4,175,274**	**5,986,357**
Cash and cash equivalents at the end of the year	**2,422,301**	**5,986,357**	**3,543,979**

Notes to the Prospective Financial Statements

Summary of significant accounting policies

Reporting entity

The reporting entity is NZ Growth Capital Partners Limited ('NZGCP', 'the Parent' and 'the Company') and its controlled subsidiaries ('the Group'). The controlled entities are Aspire NZ Seed Fund Limited (Aspire), Elevate NZ Venture Fund GP Limited (Elevate) and the Village GP Limited which are 100% controlled.

NZGCP and its subsidiaries are companies incorporated in New Zealand under the Companies Act 1993. The relevant legislation governing NZGCP's operations includes the Crown Entities Act 2004. NZGCP's ultimate parent is the New Zealand Crown. NZGCP is domiciled in New Zealand.

The primary objective of NZGCP is the development of a vibrant early-stage capital market, both formal (venture capital) and informal (angel). NZGCP has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The registered office for NZGCP is Level 9, Suite 4, 125 Queen Street, Auckland Central.

The consolidated forecast financial statements of the Group are for the year ending 30 June 2026.

Basis of preparation

Statement of compliance

These prospective consolidated financial statements are prepared in accordance with New Zealand Generally Accepted Accounting Principles (NZGAAP). They comply with the Crown Entities Act 2004 and other Financial Reporting Standards as appropriate for Public Benefit Entities (PBEs).

These prospective consolidated financial statements are prepared in accordance with the requirements of the PBE Standards Reduced Disclosure Regime (PBE Standards RDR) and PBE FRS 42 Prospective Financial Statements. The Group is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and it is not large.

The prospective consolidated financial statements are for the Statement of Performance for the 2024/25 year; therefore, actual results are not reflected. NZGCP is responsible for the consolidated financial statements presented, including the appropriateness of the assumptions underlying the prospective consolidated financial statements and all other required disclosures.

The information contained in the prospective consolidated financial statements is not suitable to be used for any purpose other than to give an indication of the magnitude of the company's financial requirements for the period of the Statement of Performance.

The actual financial results for the period covered are likely to vary from the information presented and the variations may be material.

Measurement basis

These prospective consolidated financial statements have been prepared on a historical cost basis, except where modified by the measurement of financial assets at fair value.

Presentation currency

These prospective consolidated financial statements are presented in New Zealand dollars ($).

Judgements and estimations

In preparing these prospective consolidated financial statements, NZGCP has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

It is not intended to update these prospective consolidated financial statements after presentation.

Updates until the presentation will be made if circumstances arise requiring changed forecasts. Assumptions in these prospective consolidated financial statements are based on business as usual and historic performance but include implementation costs for new policy development.

Significant accounting policies

The following specific accounting policies, which materially affect the measurement of financial performance, financial position, and cash flows, have been applied consistently to all periods presented in these prospective consolidated financial statements.

Basis of consolidation

The controlled entities are Aspire NZ Seed Fund Limited and Elevate NZ Venture Fund GP Limited, which are 100% controlled. NZGCP has the power to affect the nature and amount of those benefits through its involvement with these entities. The prospective consolidated financial statements include the parent company and its subsidiaries. All significant intercompany transactions are eliminated on consolidation.

Revenue from the Crown – non-exchange revenue

Revenue is recognised to the extent that the economic benefits will flow to NZGCP, and the revenue can be reliably measured. Revenue shown in the consolidated statement of comprehensive revenue and expense comprises the amounts received and receivable by NZGCP for services supplied to the Crown.

The Group is funded in part by the Crown for services supplied to the Crown specifically as it relates to market development. This funding is restricted in its use for the purpose of the Group meeting the objectives specified by the Crown and the scope of the relevant appropriations. The Group considers there are no conditions attached to the funding, and it is recognised as revenue at the point of entitlement.

Other revenue – exchange revenue

Other income includes fund income and is recognised when the right to receive payment is established.

The Venture Capital Fund Act 2019 was enacted to establish a new venture capital fund (Elevate fund) and the Guardians of New Zealand Superannuation, a fellow 'Crown entity' (Guardians) was given a mandate to manage the Fund. NZGCP was appointed as an external manager to manage the fund on a 'fund-of-funds basis'.

Elevate was formed in December 2019 with the main purpose of investing in venture capital opportunities in New Zealand. Elevate is managed by NZGCP, with a fund-of-funds model. The financial statements of Elevate are presented in the Annual Report of the Guardians as it sits under the mandate of the Guardians.

NZGCP incurs expenses for Elevate and is able to recharge a management fee under terms set out in the Management Deed to recover those costs which is included in Other revenue.

Interest revenue – exchange revenue

Revenue is recognised as interest accrued using the effective interest method. This is a method of measuring financial assets held at amortised cost and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Investment gains and losses

Investment gains and losses represent changes in the value of NZGCP's two investment funds, Aspire and the VIF 1.0 programme. This balance is highly variable, driven largely by the performance of start-up companies.

Goods and services tax (GST)

The forecast consolidated financial statements of NZGCP have been prepared on a GST-exclusive basis except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the consolidated statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the consolidated statement of cash flows.

Taxation

Income tax expense comprises both current tax and deferred tax and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax are charged or credited to the statement of comprehensive revenue and expense, except when they relate to items charged or credited directly to equity, in which case the tax is charged or credited to equity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, both locally and internationally, and other short-term, highly liquid investments, with original maturities of six months or less.

While cash and cash equivalents are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because no estimated loss allowance for credit loss is anticipated.

Impairment of financial and non-financial assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Foreign currencies

Transactions denominated in a foreign currency are converted at the functional currency exchange rate at the date of the transaction. The functional currency of NZGCP is New Zealand dollars. It is also the presentation currency of the consolidated financial statements.

Transactions denominated in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the reporting date, are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation and revaluation are recognised in the consolidated statement of comprehensive revenue and expense.

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- Restricted activities
- A narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

NZGCP is principally involved with structured entities through its investments in venture capital investment funds via the VIF 1.0 programme. The Group invested in structured entities to assist with the implementation of its overall investment strategy. The Group does not sponsor any structured entities.

VENTURE CAPITAL INVESTMENT FUNDS

Venture capital investment funds provide a mechanism to share exposure with other investors and may take various legal forms (e.g. limited liability companies, limited partnerships). The Group makes commitments to, and investments in, these legal structures and in return is issued with the rights to a proportional stake in their net assets. They have a broad range of investment objectives and are managed by unrelated asset managers who apply various investment strategies to accomplish their respective investment objectives.

Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

Cash is considered to be cash and cash equivalents.

Investing activities are those relating to the acquisition, holding and disposal of property, plant and equipment.

Financing activities are those activities that result in changes in the size and composition of the capital structure of NZGCP. They include activities relating to changes in public equity and the debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity capital.

Operating activities include all transactions and other events that are not investing or financing activities.

Significant assumptions adopted in the preparation of forecast financial statements

In preparing these forecast financial statements, NZGCP has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund management fees are paid to external fund managers from investment disbursements received by NZGCP. These fees are classified as an expense of NZGCP for accounting purposes only and are not part of the operational costs of NZGCP.

Realised and unrealised gains/losses are not included in the forecast. Because of the nature of these investments these sale proceeds are estimates and subject to change due to market uncertainty and/or events outside of NZGCP's control.

Fund management fees forecasted are based on investment agreements that were in place on the date the forecast was approved by the Board. NZGCP's expenses are allocated according to the current allocation model.

Service Performance Reporting (PBE FRS 48)

Service performance reporting has been adopted in the financial statements for the same reporting period as the financial statements. The performance information explains why the entity exists, what it aims to achieve and what it has done during the reporting period to achieve those aims. Contextual information has been supplied and judgements used to measure performance explained.