



FAQs Pooled Development Funds Programme – Accessing Equity Capital

Q. What kind of companies can PDFs invest in?

A. PDFs must invest in new equity in small to medium sized companies with total assets of less than \$50 million that will establish a new business, substantially expand production capacity or services, or expand or develop markets. They are not, however, permitted to invest in companies whose primary activities are retail operations or property development.

Q. What should firms look for in an equity partner?

A. PDFs make equity investments and as such become part owners of the firms they invest in. Before approaching a PDF it is therefore important that firms consider what they want from a partner with whom they will be sharing ownership. They also need to consider what they will be giving up in return in terms of shared ownership.

Q. What would a PDF look for in you?

A. Each PDF operates independently on a commercial basis and each makes its own investment decisions. There are, nonetheless, some features common to all.

In order to receive money from a PDF it is necessary to convince them of the potential commercial value of what you are doing or planning. Remember that PDFs back potential high-growth businesses and

not just good ideas. Therefore you will need to provide them with an appropriate business plan.

Furthermore, firms should have a management team who are committed and willing to accept and work with an equity partner.

The Australian Private Equity & Venture Capital Association Limited (AVCAL) provides information for companies seeking venture capital - it explains what venture capitalists and PDFs might be looking for before they agree to invest in a company. This information may be found at AVCAL's website, at <http://www.avcal.com.au/>

Q. Who should you approach?

A. You should approach one of the PDF companies directly. To see a list of companies registered as PDFs, please refer to the key document on the main page.

For more information please email VentureCapital@industry.gov.au or contact AusIndustry on 13 28 46.