



**VENTURE  
GRADE  
ANNUAL REPORT  
2016**



RITCHFAM HOLDING



**innovacorp**  
EARLY STAGE VENTURE CAPITAL



**SOFINNOVAVENTURES**

STUDENT VENTURE CAPITAL FUND

Twitter: @EllenFarrell 16

Twitter: @venturegrade

Facebook: @venturegrade

Email: Ellen.Farrell@SMU.ca



## Letter To Stakeholders

November 20, 2016

Dear Stakeholders,

We are delighted to share with you the results and accomplishments of Venture Grade: Student Venture Capital Fund's first year of operation. From day one, our mission has been to provide university and college students with an applied and pro-active learning experience that develops their network and entrepreneurial skills to succeed in the private equity asset class. Our results are in line with this mission, and through this annual report, we demonstrate our progress and success to our stakeholders.

The fund was launched in Fall 2015 by Dr. Ellen Farrell, an award-winning professor at the Sobey School of Business at Saint Mary's University and Andrew Ray, Investment Manager at Innovacorp along with four MBA students studying entrepreneurship and venture capital. In one year, with the support from VCs, business angels, academics, and entrepreneurs in Atlantic Canada and the US, we have grown the fund to over a dozen undergraduate and graduate student associates.

The Fund has raised \$47,000 since inception in 2016, and with over \$50,000 of additional financing in the pipeline, is well on its way to its \$250,000 target. Contributions fulfilled to date include Innovacorp, East Valley Ventures, Killam Properties, and William J. Ritchie. We have also cultivated strategic partnerships and mentoring relationships with Innovacorp, Sobey School of Business, ACOA, Build Ventures, First Angel Network and look to expanding our reach into Newfoundland and Labrador this year.

Currently, the 12 Student Associates have experience in Accounting, banking, computer Science, engineering, finance, human resources, import/export, marketing, manufacturing, and sales and agriculture.

Working shoulder-to-shoulder with mentors we have:

- Positioned the Fund before 13 potential contributors;
- Initiated due diligence on 2 potential investments;
- Attended over 25 meetings with potential investors and mentors.

We would like to express our thanks to each stakeholder of Venture Grade: Student Venture Capital Fund who assisted us through financial contributions, mentorship, and encouragement. With your support, we will continue to grow Venture Grade's impact throughout Atlantic Canada.

Sincerely,

The Venture Grade Team



## Major Milestones of 2016



As the first student-raised venture capital fund in North America, we are delighted to announce our fund-raising progress for our first annual report.

The Venture Grade team has raised \$47,000 from four generous investors to contribute directly to our investment pool and is working on securing contributions worth at least \$50,000 to contribute to the investment fund. Administrative expenses are also under consideration by one supporter.

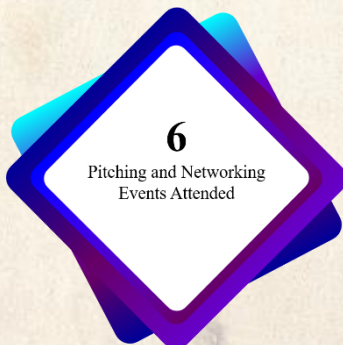
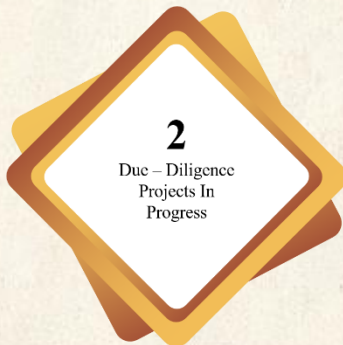
### Thanks to our Generous Supporters

#### Fund Contributors

Innovacorp,  
East Valley Ventures,  
Killam Properties,  
William J. Ritchie



## Metrics



## Venture Grade Team

A diverse group of BComm and MBA students from Saint Mary's University, our team demonstrates expertise in finance, entrepreneurship, engineering, IT, sales and a variety of other disciplines.

Our team has grown from three founding student associates to a group of 12 ambitious and engaged Associates.

Venture Grade has just admitted three students from Memorial University in Newfoundland and Labrador, and three students from Dalhousie in Halifax.





## Strategic Partnership

Venture Grade's development of strategic partnerships throughout 2016 has been an important contributor to our success and growth. Our partners are all industry experts with unique perspectives on the Atlantic Canadian business community. Partnerships and mentors include:

- Andre Ray, Innovacorp
- Bill Ritchie, Angel Investor and Business Leader
- Brenda Hogan, Ontario Capital Growth Corporation
- Charley Baxter, Innovacorp
- Gerry Pond, East Valley Ventures
- Kevin Talbot, Relay Ventures (Silicon Valley)
- Mike Powell, Soffinova Ventures (Silicon Valley)
- Patrick Fitzgerald, Cox Palmer
- Phil Fraser, Killam Properties
- Rob Barbara, Build Ventures
- Ross Findlay and Brian Lowe, First Angel Network

## Goals

### Fundraising

- Raise \$250,000 investment fund
- Raise \$12,000 to secure funding for operations

### Investing

- Conduct due diligence and prepare Investment Memos for four high potential entrepreneurial firms
- Make \$5K-\$15K investments in suitable high-potential startups

### Regional

- Expand Fund's reach by cultivating relationships with students from other Atlantic Canadian universities



## 2017 Goals

### **Conduct due diligence on four high -potential businesses in Atlantic Canada and prepare investment memos using industry specific skills and knowledge**

Working concurrent to and alongside our industry mentors, we aim to identify at least four "venture grade" firms seeking investment. Our research process is informed by industry standards.

## 2017 Goals

### **Make investments in suitable, sustainable high-potential start-up companies**

Given our fund-raising success, we now have enough money to start investing \$5-15k increments in promising startups. We have not identified a specific number of investments we aim to make, however. Given the high-risk high-reward nature of this asset class, critical analysis of potential investment companies and patience for the best possible opportunities must be exercised. Although we are all eager to make successful investments, it is crucial we exercise discipline in our investment decisions.

## 2017 Goals

### **Raise investment fund of \$250,000**

Our long-term goal for the fund is to leave a lasting impact on all of Atlantic Canada through supporting local entrepreneurs and educating students in the field of entrepreneurship and entrepreneurial finance.

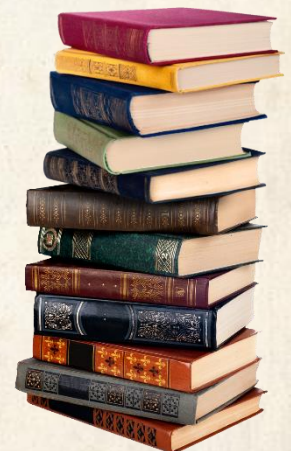
For every successful entrepreneur, we support through funding, we anticipate increased job opportunities within the community. These potential jobs will give new graduates prospects and incentives to remain within Atlantic Canada, which in turn, will help the growth of our local economy.



The fund is an evergreen fund. Returns will be returned to the fund which provides learning through hands on experience for many years to come. Providing a sustainable experience for students.

## Mentors and strategic Relationships

Andrew Ray, Innovacorp      Ben McDade, Innovacorp  
Bill Ritchie, Angel Investor and Business Leader  
Brenda Hogan, Ontario Capital Growth Corporation  
Charley Baxter, Innovacorp      David Hovey, ACOA  
Gerry Pond, East Valley Ventures      Jason Guidry, Halifax Partnership  
John McIntosh, Houlihan Lokey, (Silicon Valley)  
Kevin Talbot, Relay Ventures (Silicon Valley)  
Marino Linardon, Indigo Sky, (Silicon Valley)  
Mike Powell, Soffinova Ventures (Silicon Valley)  
Pena Tech      Phil Fraser, Killam Properties      Rob Barbara, Build Ventures  
Ross Findlay and Brian Lowe, First Angel Network



"I like what you guys are doing here... we can keep talking about potential opportunities."—Rob Barbara, Build