



ANNUAL REPORT

2017



RitchFam Holdings

David Grace

DANNY MCCARTHY



@venturegrade



Ellen.Farrell@SMU.ca



Letter to Stakeholders

November 6, 2017

Dear Stakeholders,

We are thrilled to update all of you on the second-year operation results and accomplishments of Venture Grade: Student Venture Capital Fund. Our mission has been to provide university and college students with an applied and pro-active learning experience, that develops new networks and entrepreneurial skills to help succeed in the private equity asset class. Through this annual report we demonstrate Venture Grade's amazing progress and success.

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 year one, with the support from VCs, business angels, academics, and entrepreneurs in Atlantic Canada and the US, we have grown adding undergraduate and graduate student associates from three universities. We are expanding our reach and diversity by adding different programs, departments and schools. We are now in our third semester and coasting along nicely.

The Fund has now raised almost \$200,000 since inception in 2016, that is \$150,00 in 2016. Venture Grade is well on its way to its \$250,000 target. Contributions fulfilled to date include SMUSA, Innovacorp, East Valley Ventures, TD Bank, Killam Properties, ACOA David Grace, Danny McCarthy and RitchFam Holdings. We have also cultivated strategic partnerships and mentoring relationships with Innovacorp, Sobey School of Business, ACOA, Build Ventures, First Angel Network and Peloreous look to expanding our reach into Newfoundland and Labrador this year.

Currently, the 9 Student Associates have experience in accounting, banking, computer science, engineering, finance, entrepreneurship, human resources, import/export, marketing, manufacturing, sales and agriculture.

Working shoulder-to-shoulder with mentors we have:

- Positioned the Fund before 21 potential contributors;
- Initiated due diligence on 6 potential investments;
- Initiated 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,

Venture Grade Team



Major Milestones of 2017



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 \$167,000 from four generous investors to contribute directly to our investment pool. This includes a generous \$33,000 from ACOA & SMU Student Association to facilitate promotion and recruitment expenses.

We are diligently working on securing an addition contributions worth at least \$25,000 to contribute to the investment fund. The fund is now well within reach of our \$250,000 goal.

Thanks to our Generous Contributors

Innovacorp

East Valley Ventures

Killam Properties

RitchFam Holdings

SMU Student Union

David Grace

TD Bank

Danny McCarthy

ACOA



"The money is out there, you just have to find it." — Mike Powell, \$500 million fund

Highlights

- Un-paralleled **STUDENT EXPERIENCE**
- Bona-fide **SENIOR LEVEL CREDIT COURSE** that builds on Venture Capital course facilitated each week by Ellen Farrell, an ongoing member of the team.
- **STUDENT LEAD** meetings & administration of VG activities.
- **DUE DILIGENCE** work for VC accessing campus databases
- **VET ENTREPRENEURS** for investment and make investment contributions alongside VCs.
- **NETWORKING OPPORTUNITIES** to meet and work with industry leaders and entrepreneurs.
- **SPEAKER SERIES** hosted bi-weekly to give exposure and engage students in an informal setting with significant candidates in a variety of industries.
- **REGION WIDE** co-operation in the Atlantic provinces between various disciplines, programs and schools. Including Saint Mary's MBA, MTEI, Dalhousie Corporate MBA, Memorial MBA
- **WORLD RECOGNITION** as the Canadian Venture Capital Investment Competition (**VCIC**) while sending the Venture Grade to compete in the United States against American Ivey league schools such as MIT, Yale, Babson, Rochester and Dartmouth.

Current Venture Grade Team

A diverse group of MBAs, MTEI and BComm, our team demonstrates expertise in finance, entrepreneurship, engineering, IT, sales and a variety of other disciplines.

Our team this year is a diverse group of 9 ambitious and engaged associates. To date there have been 30 students to move through the program.

Venture Grade is actively recruiting the next generation of student from a broad range of disciplines, programs and schools.

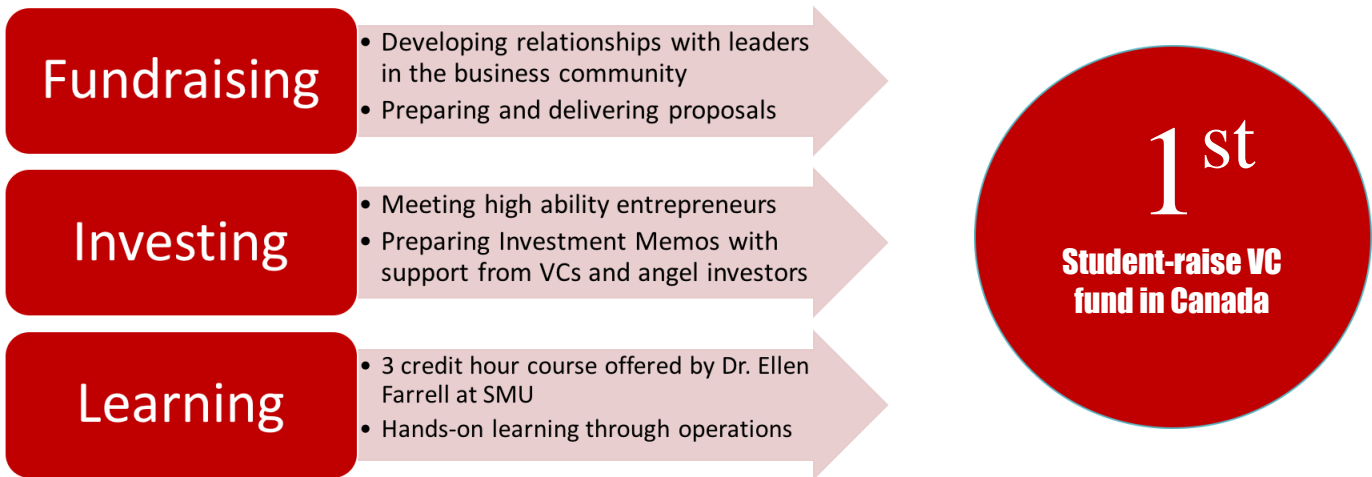


"When you build a course like this, it is magnet for the best students." — Ellen Farrell, Professor



Fund Goals

Venture Grade: Student Venture Capital Fund is a revolutionary university course designed to give university students in Atlantic Canada hands-on learning in the world of entrepreneurship and venture capital.



Partners and associates meet with high potential entrepreneurs to collaborate with leading VC's and Angels on due diligence and preparing investment memos. Investments to a maximum of \$15,000 per investment are made along-side VC firms. Returns from investments are held in fund to support investments for years to come.

GOVERNANCE COMMITTEE



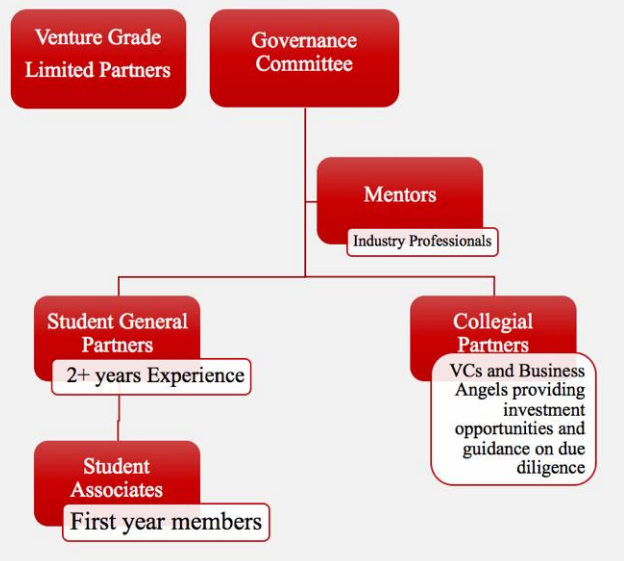
Dr. Ellen Farrell
Sobey School of Business



Patrick Fitzgerald
Cox and Palmer



Andrew Ray
Innovacorp



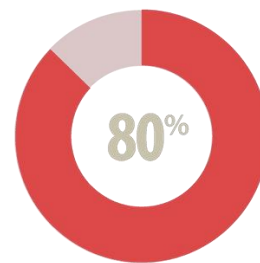
2018 Goals

- **Conduct 8 Due Diligence Reports**
- **Make first investments alongside East Valley Ventures & Innovacorp**
- **Create a continual student recruitment program**
- **Expand reach of Venture Grade to other programs and schools within the Atlantic provinces**
- **Continue the Bi-Weekly Speaker Series**
- **Host Canadian teams for first ever Venture Capital International Competition (VCIC) at Saint Mary's.**
- **Compete in the international VCIC in Boston.**

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

Our long-term goal for the fund is to leave a lasting impact on all 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 learning experience for students.

Mentors & 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
Permjet Valia, 4-Deep

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
Chris Meyer, Pelorens



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



Strategic Relationships

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 industry and business community.



HOULIHAN LOKEY



SOFINNOVA



COX & PALMER

GENESIS
CENTRE

