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## Venture Capital

### Ontario Leads VC Activity with local Investment

Ontario - There's no doubt that over the past several years Canada's venture capital industry has faced some difficult times.

Three years ago, Ontario decided to step up to the challenge.

The province recognized that without a strong venture capital industry, our best opportunities, our most vibrant companies, would have no choice but to seek investment outside our borders. And all too often, these companies would then follow the money and locate elsewhere just as they are on the cusp of generating profits, jobs and tax revenues.

Following best practices and in consultation with innovation leaders, Ontario's Ministry of Research and Innovation has designed a number of programs to catalyze the resurgence of local VC. Our market based approach has positioned Ontario as a national leader in VC policy.

Ontario's venture capital initiatives have now positioned the province, both nationally and internationally, as an industry leader in venture capital policy and programs. In fact both Alberta and Quebec have followed Ontario's lead.

The results?

There are now hundreds of millions of dollars more in the venture capital market today as a result of Ontario government activities over the last 18 months.

And every single Ontario dollar is leveraging up to \$3 from the market that's flowing directly into high-growth Ontario companies. Ontario is stimulating the kind of investment that would not otherwise exist.

Ontario has accomplished this by creating the Ontario Venture Capital Fund and the

Ontario Emerging Technologies fund.

The Ontario Venture Capital Fund, a \$205 million fund-of-funds, has announced commitments to three Ontario-based/focused funds and two direct Ontario co-investments totalling almost \$70 million to date. The commitments are expected to lever between \$300 million and \$500 million in total fundraising for these funds.

The OVCF is strengthening the industry by supporting companies like XPV Capital Corporation, an investor in emerging water technologies, who, in turn, will invest into many high-growth companies.

The Ontario Emerging Technologies Fund, a \$250 million co-investment fund, has announced commitments to nine Ontario-based companies totalling \$16.77 million to date. The fund has approved/qualified thirteen co-investor applications including a US-investor.

The OETF is partnering with industry to invest directly in innovative new companies like ecobee that makes smart thermostats that help consumers conserve energy, save money and reduce their environmental impact.

In 2008, Ontario created the Ontario Capital Growth Corporation (OCGC) as an arm's length agency to manage the province's interests in the Ontario Venture Capital Fund (OVCF) and to manage/operate the Ontario Emerging Technologies Fund (OETF).

*Brigitte Marleau, Ministry of Research and Innovation*