

\$205 MILLION INVESTMENT FUND TO GROW JOBS OF THE FUTURE*McGuinty Government Partners With Top Investors To Launch Ontario Venture Capital Fund*

NEWS

June 11, 2008

The new \$205-million Ontario Venture Capital Fund is open for business.

The fund will strengthen the ability of the province's venture capital sector to support innovative, high-growth companies in Ontario by making it easier for them to find the investment, expertise and support they need.

The fund is a limited partnership between the Ontario government and leading institutional investors to invest primarily in Ontario-focused venture capital and growth funds. It has been established to address the lack of investment funding in Ontario for innovative, high-potential companies. Without access to long term investment capital and support, these companies cannot grow and create jobs in Ontario. Early stage venture capital — funding to emerging Ontario companies looking to grow — declined from \$1.5 billion in 2000 to \$236 million in 2007.

The partners have unanimously selected [TD Capital Private Equity Investors](#), Canada's leading private equity fund of funds manager, to manage the Ontario fund. Investments decisions will be market-based and returns focused, with the aim of supporting the most promising opportunities in Ontario. The partners will also seek additional investors to grow the fund and anticipate holding a second closing later in 2008.

The leading institutional partners in the fund are:

- [OMERS Capital Partners](#)
- [RBC Capital Partners](#)
- [Manulife Financial](#)
- [Business Development Bank of Canada](#)
- [TD Bank Financial Group](#)
- [Government of Ontario](#)

QUOTES

"This partnership will act as a catalyst in the venture capital community. Together, we are investing in Ontario's future — helping Ontario's innovative thinkers take their ideas to the next level, and ensuring that innovative companies can access the capital they need to seize global market opportunities while creating jobs right here in Ontario," said Minister of Research and Innovation John Wilkinson.

"Innovation and a strong climate for business are key pillars of our five-point economic plan. The Ontario Venture Capital Fund will play a critical role in supporting both," said Minister of Finance Dwight Duncan.

"As patient venture capital investors, we're confident the Ontario Venture Capital Fund can not only produce attractive returns but can also have a significant impact on creating a virtuous cycle that will drive incremental investment in world-class Ontario-based technology and innovation over the long term," said Rob MacLellan, Chief Investment Officer, TD Bank.

QUICK FACTS

- Ontario's contribution to the fund is \$90 million.
- Between 80 per cent and 100 per cent of the capital will be invested in Ontario-based and Ontario-focused funds. Up to 20 per cent of the capital will be available for direct [co-investments](#), alongside fund managers, in Ontario-based companies.
- Ontario has the lowest after tax research costs of any of our neighbouring jurisdictions, making it a great place to start a technology company.
- Ontario's innovative companies are attracting venture capital; in fact 59 per cent of foreign venture capital invested in Canada is invested in Ontario.
- Ontario is committed to innovation: it's a part of the McGuinty government's five-point economic plan and is the focus of Ontario's \$3 billion Innovation Agenda.

LEARN MORE

- Ontario [Announces Letter of Intent](#) For Fund
- [Ontario's Innovation Agenda](#)
- [Canada's Venture Capital and Private Equity Association](#)