

QC Complementary Sources of VC Funding

In addition to various governmental programs and initiatives to support and finance R&D

- Creation of 3 labour sponsored funds: Fonds de solidarité (approximately \$7.2B), FondAction (approximately \$580M) and CRCD (approximately \$900M)
- Fonds de solidarité and FondAction were legally structured to:
 - Put to contribution moneys that would most likely not be invested in VC and PE (\$631M raised on average for the last 5 years)
 - Allow patient and flexible VC and PE investments (\$675M invested on average for the last 5 years)
 - Allow a steady and complementary source of capital that can adapt to the economic situation (32 % of VC investments in 2009)
 - Allow a very diversified portfolio thereby facilitating the creation of a steady return
- Caisse de dépôt has invested \$231M and Fonds de solidarité \$329M, between 2004 and 2008, to support and attract 20some VC funds thereby setting the foundation to a strong and profitable VC industry
- The government, Fonds de solidarité, CRDC and FondAction created, in 2005, FIER Partenaires, a \$180M venture, to support, amongst others, the creation of 10 VC funds

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- Angels and other private institutions such as Cascades and Alcan, together with the government, created, since 2005, more than 31 FIER Regions
- Caisse de dépôt, Fonds de solidarité and the government created, in 2008, Teralys, a \$700M fund, to pursue, together with Quebec and other Canadian LPs, the creation of a strong and profitable VC industry
- Caisse de dépôt and Teralys supported the creation, in 2009, of Tandem (\$300M)
- The government, together with Fonds de solidarité, FIER Partenaires and private partners will soon launch three \$42M funds proposing a novel approach to seed financing

Having the following results :

- 43 % of Canadian VC investments were made in Québec
- 29 % of VC investments made in Québec were by foreign funds
- 5 very active VC groups of investors who work together :
 - Angels
 - 31 FIER Regions and 3 seed funds
 - 20 something VC funds
 - Institutional investors
 - Fonds de solidarité, FondAction and CRCD