CMPA

Canadian Media Producers Association

EQUITY INVESTMENT GUIDE

PREPARED BY

fg8

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WHAT IS EQUITY INVESTMENT ?

Equity investment is a process that results in an **injection of new capital in your company in exchange for participation or a share in your company's ownership.** Often, when people refer to equity investment, they are speaking to the sale or trade of shares in a public company on the stock market. However, the new capital that results from equity investment can come from a variety of sources that typically range from "silent investors" who buy shares in the company purely as an investment opportunity to "active / strategic investors" who wish to become partners in the company and participate in its management activities.

Fundamentally, equity investment is intended to **expand a company's capabilities to produce or finance new activities**, in order to support its growth.

DO I NEED IT ? DO I WANT IT ?

Equity investment is different from project investment (which is how television and film productions are usually financed in Canada). In general, **equity should not be used to finance projects**; unless of course a project has a very high level strategic goal and a scope whose outcome will greatly enhance the size and standing of the company.

Equity is ideally used to add to the company by investing in new staff, equipment or activities that will : (a) create or lead to **new revenue streams** ; or (b) enhance productivity in a way that will result in **financial gains or cost saving measures** at some time in the future. Simply put, equity investors part with their money when they see a **potential to recoup their capital investment and make a profit;** therefore, the investors will expect their investments to result in business growth.

Whether you need the money to expand your activities or to finance ongoing activities can be a very important gauge of what type of investment is appropriate and if it is indeed appropriate. Depending on what your needs are, equity investment might not be the right answer. Depending on what your objectives are, some types of equity investment might be wrong for you.

There is also the matter of timing. A rule of thumb for startup companies is to borrow when the company is small and **avoid dilution to the percentage of ownership the founders retain as long as possible.** When your company has reached a certain size and is ready to grow exponentially, perhaps that is the moment when investors should be tapped in order to raise capital through equity financing.

When deciding if equity investment should be pursued, it is fundamental to understand one's own goals and objectives, the **importance of embracing a growth strategy**, and your plan to grow your company's revenues. In this guide we provide :

A — information to help producers understand different types of investment and what they entail ;

B — strategic insights to help producers make informed decisions around company growth and valuation ; and,

C — mini case studies of common equity investment scenarios for media production companies.

These should help provide context and hopefully provide insights on how to proceed as you go forth in your efforts to raise capital.

WHAT IS DEBT ?

Debt is money that one party borrows from another. There are many types of debt that can be used for different types of financial operations : bridge loans to finance cash flows and cover payment delays, mortgage or auto loans to acquire assets, banks loans to acquire equipment, credit card debt, credit margins, all the way to more complex financial instruments such as bonds or obligations that let public companies borrow money on stock markets.

DO I NEED IT ? DO I WANT IT ?

One thing that is interesting to note, is that markets tend to dislike companies that carry little or no debt. This is counterintuitive, as people tend to think that carrying no debt is better as you're not making payments and paying interest. However, if the new activities you finance using debt bring in more money than your principal and interest payments, you're still making money.

Furthermore, investors in public markets like to see companies maintaining a debt to asset ratio (the total quantity of debt divided by the total value of the company's assets) of 30-60%. The reason for this is that investors will assume that a company that does not take advantage of its debt capacity is letting opportunities pass by.

Basically, if your company carries no debt, investors may deduce that you are not seizing all available opportunities and not growing as rapidly as you could if you acquired debt and invested in new activities.

DEBT VS EQUITY

In order to grow, entrepreneurs need to finance new activities and this can be done with either debt or equity (or very large profit margins if you're lucky). Although it varies and often depends on the context, entrepreneurs will sometimes prefer acquiring debt rather than raising capital through equity financing. The reasons being that :

- selling off a piece of your firm implies **dilution**, which is what happens when your percentage of ownership of the company lowers ;
- interest on debt is tax deductible, so there is a **tax shield advantage** to holding debt ;
- debt repayments are **fixed and predictable** ; and/or
- the lender does not get voting rights in your company, so there is **no loss of control**.

However there are also disadvantages :

- unlike equity, **debt must be repaid** ;
- interest and principal capital repayments **raise the break-even point** of a firm ;
- debt instruments often come with **strings** attached, preventing the company's management from raising other financing options ;
- the company will generally have to pledge assets of the company as **collateral**, and the owner might be asked to personally guarantee repayment of the loan.

In the end, the method with which you finance your company and the amounts you raise have to be aligned with your **growth strategy** and how much revenue you plan to make in the future.

WHAT IS A GROWTH STRATEGY ?

A growth strategy is a chosen path to grow your business, whether by entering into new business lines or expanding the activities you're already engaged in. Once you've decided you want a growth strategy, you need to identify what type of strategy you plan to exploit in order to evaluate the associated costs and the risks involved. Below we give a few indicators on how to think about and engage with growth strategies.

MERGERS, ACQUISITIONS & JOINT VENTURES

One way of growing a firm is to take advantage of the **synergies** and **new opportunities** provided by uniting two or more companies together.

This can take the form of :

- a merger (combining one firm's activities and assets with those of another company)
- an acquisition (buying the operations and assets of another firm and exploiting them independently from your own activities or integrating them into your own operations)
- or a joint venture (entering into a new commercial partnership with another firm).

The end goal is to take advantage of the capabilities of another entity by joining them with your own.

EXPANSION STRATEGIES & RISKS

PRODUCTS & MARKETS

There are strategies that involve creating growth opportunities by working on the products and services you provide and the markets in which you provide them. Called the **product/market fit**, it is a way of visualizing where you want to take your business.

Below we provide a tool to help you think about how to develop a growth strategy. The expansion grid[1] divides growth strategies along a *product* and *market* axis, with one end of the spectrum representing *existing possibilities* and the other end representing *new opportunities*.

The objective is to **identify the quadrants that hold the best and most realistic opportunities for your company's growth**. The four quadrants of the matrix are described below.

FIG. 1: ANSOFF'S EXPANSION GRID

MARKETS	PRODUCTS & SERVICES: EXISTING	PRODUCTS & SERVICES: NEW
NEW	**MARKET DEVELOPMENT** • Sell produced shows to a new geographic market. • Sell existing services in a new market. • Sell existing IP to be developed by a 3rd party in a new market. • Partner-up with a company in a new market to develop your existing IP. • Acquire a company offering similar services in a new market.	**DIVERSIFICATION** • Develop a new show or new IP to be sold in a new market. • Acquire a company that offers different services in a new market.
EXISTING	**MARKET PENETRATION** • Reboot existing IP in the current market. • Acquire or merge with a company that makes a similar type of content or offers similar types of services in your market.	**PRODUCT DEVELOPMENT** • Develop a new show or new IP in your current market. • Acquire or merge with a company that offers different services or different types of products.

[1] The expansion grid was developed by Igor Ansoff and is also called the Ansoff Matrix

RISK MANAGEMENT

When selecting a growth strategy, you should take into account the risks involved with each option. For instance, selling a successful show in a new but similar market or developing a new show based on proven IP in a known market are inherently less risky strategies than developing untested content in an unknown market.

If your chosen strategy is to develop new IP in a new market, perhaps a way to **mitigate the risks** involved is to find a partner who knows that market. Taking **advantage of a strategic investor's market knowledge** gives your company a **competitive advantage**.

Whichever growth strategy you choose, the objective is to **balance opportunities with the risks** involved. Once the risks are identified and mitigated, you can evaluate the potential revenues and profits and begin looking at financing options.

Those options may include bringing in new investors and accepting equity financing.

FIG. 2 : EXPANSION STRATEGIES & RELATED RISKS

MARKET PENETRATION Sell existing products or services in existing markets.	The risk related to this strategy is to cannibalise your own market share if you're expanding faster than the rate at which the market is growing. Then again as Steve Jobs famously said: "If you don't cannibalise yourself, someone else will."
MARKET DEVELOPMENT Enter new markets with existing products or services.	This strategy is not as risky as product development since you know which products or services have had success in a previous market, but still risky as you're entering an unknown market with many unknown variables.
PRODUCT DEVELOPMENT Launch new products or services in an existing market.	New and unknown variables make this strategy riskier than a market penetration strategy, however, it is less risky than a diversification strategy through which you produce completely new content for a new customer segments in a new market.
DIVERSIFICATION Launch new products or services in a new market.	This is perhaps the riskiest strategy since there are a lot of unknown variables, but it can also be the most rewarding one as the potential of opening a new market brings a lot of new buyers and audiences for your content.

WHO ARE THE INVESTORS?

LOVE MONEY

Love money is capital provided by family or friends so an entrepreneur can start a business. The basic principle is that it is not money raised from investors, but rather money raised from close acquaintances who wish to support the business project of a friend or family member.

Love money usually takes the form of a loan without a fixed repayment date, but can also be exchanged for early equity in the firm. It is also generally seed money, meaning capital used to start a company, but not exclusively so.

INVESTOR'S PRINCIPAL MOTIVATION[2] :

- Supporting a friend or family member's project
- Get paid back in full at some point

PROS

- Money is owed to friends and family, therefore terms and conditions may be more favourable
- Money is raised with little conditions
- No financial reporting needs to be provided
- Independence is maintained and dilution is minimal; meaning a reduction in the investors' ownership percentage of the company

CONS

- Money is owed to friends and family, therefore the risk tolerance of the investors is an important consideration
- It is difficult to raise substantially large amounts

[2] For more information of investment options, please see the Investment Table in the Appendix.

CASE STUDY : MI FAMIGLIA PRODUCTIONS

OWNERSHIP TRANSFER OF A FAMILY BUSINESS

Love money is often used by new entrepreneurs who raise funds from friends and family to start a new business. However, when provided in the form of a large low-interest or zero-interest loan, it can also be used in the case of a takeover.

Janet founded **Mi Famiglia Productions*** in the 1980s when she was in her thirties, growing the television production house into a profitable firm with a permanent staff of a dozen employees and an annual revenue well into the seven figures. Nine years ago her **daughte**r, **Jen**, joined the firm as an associate producer, eventually working her way to producing her own shows and recently taking some executive production duties over from her mom.

As Janet nears her retirement age, Jen reveal her ambition of **taking over the firm and growing it into a major player** in the industry. Janet agrees to stay for another five years to mentor the future president of the company and to fund her daughter's acquisition of 80% of Mi Famiglia by giving her a **long-term, zero interest loan**.

Jen will begin repaying the amount owed to her mother when Janet retires and leaves the company in **five years**. Janet, who will still own 20% of the company, will also receive **annual dividends** when the firm does well.

* All company names and identifying details have been changed within the case study scenarios.

ANGEL INVESTOR

An angel investor is a high net worth individual who typically invests their own money into a business venture. The motivation of angel investors is to support entrepreneurs and help young companies through the early stages of their development. They often provide more favourable terms than other investors as they aim to support the entrepreneur starting the business rather than the viability of the business per se.

Given the high fail rate of the early-stage technology startups which angel investors typically support, they require a fairly high rate of return - from 20-30% annually. That said some angel investors are only interested in recouping their money, not in achieving overall profits.

Thus angel investors tend to support high growth projects that have an exit strategy where they will recoup their investment. An exit can be an initial public offering (IPO), a merger and acquisition (M&A) by another firm or an investment by venture capitalists (VC).

ANGEL INVESTOR'S PRINCIPAL MOTIVATION :

- Support the startup ecosystem
- Support and work with entrepreneurs
- Breaking even globally
- High returns on successful projects

PROS

- Possible to raise funds without losing control of the firm
- Tend to be involved to offer support and advice, but are in no way interested in micro-managing the businesses in which they invest

CONS

- Require high rates of return due to the high fail rate in the projects they support
- Are short term investors whose final objective is to exit, which requires either a reimbursement strategy or a successive round of financing

CASE STUDY : HOT ROD PICTURES

FROM STRATEGIC HIRE TO CORPORATE EXIT

Hot Rod Pictures was founded in 2008 by two partners who envisioned the creation of a **powerhouse in television production.** From the beginning the partners set a **five year growth strategy** that ended with a **complete exit for the founders**, leaving the firm in the hands of a larger entity that could fund its operations and exploit the IP created there. They rapidly secured a $750,000 equity investment from an **angel investment fund**, the founders used the capital to hire a managing director. The new strategic hire helped maximize their capacity to produce in-house IP.

Hot Rod **was targeted for acquisition by a large multinational player seeking to source unique English-language content** from around the world in order to **build a portfolio and develop cross-fertilization opportunities.**

After initially selling 60% of the firm to the multinational, and reimbursing the angel investor in full, three years later Hot Rod Pictures was made a wholly owned subsidiary. Hot Rod remains a **distinct entity still run by two of its original founders.**

CROWDFUNDING

As a process by which entrepreneurs use the Internet and social media to generate seed capital from multiple private investors or philanthropists to fund a particular project, Crowdfunding is not a typical equity fun-ding mechanism. However, the practice is growing in popularity as it **makes it possible for entrepreneurs to raise funds without ceding control of their company**. In Canada, the practice is regulated by the Canadian Securities Administrators (CSA) and their provincial equivalents, with regulations varying from province to province.

In most provinces it is possible to raise a maximum of $250,000 without having to provide financial statements, with individual investors providing a maximum of $1,500. Beyond $250K, financial statements must be produced and a maximum of $1.5 million can be raised with individual investors providing no more than: (a) $2,500 for investors in all Canadian provinces except Ontario; (b) $25,000 for qualified investors in all Canadian provinces but Ontario; (c) $10,000 for Ontario investors; and (d) $50,000 for qualified investors in Ontario.

A **qualified investor** is a person or moral person (incorporated entity) recognized by provincial regulators as an accredited investor if they answer certain criteria.

CROWDFUNDER'S PRINCIPAL MOTIVATION :

- Invest in a company at an early stage in the hope of benefiting from its growth

PROS

- Raise amounts up to $250,000 without providing complex financial reporting
- Raise up to $1.5 million with financial reporting
- Raise capital without entering the stock market
- Raise substantial amounts of capital without the risk of diluting control of the company to VCs

CONS

- No guarantee of success (people might not invest)
- Demands solid marketing skills and capabilities to ensure people know about the crowdfunding campaign
- Financial reporting requirements if the amount raised is larger than $250,000

STRATEGIC INVESTOR

A strategic investor can take many forms and appear at many different moments in the lifecycle of a firm.

It can take the form of a **new partner or associate** who is interested in buying into an existing business, to become a shareholder with a certain percentage of the firm and who **will actively participate in running it.** The strategic partner will ideally bring not only capital but also add value to the firm. This could be in the form of technical or business skills related to the industry which the company operates in, a repertoire of industry or business contacts, or business leads.

A strategic investor could be a firm of a similar size that is interested in **merging or associating closely** with the first company in order to **take advantage of existing synergies and create new business opportunities** from the combined activities of the two firms.

A strategic investor can also be a larger firm that is interested in **acquiring all or part of the smaller company** in order to grow its portfolio of activities and expertise.

A strategic investor could be a person who wishes to **take over the business** from someone who is nearing retirement and is seeking a way to pass the company over to someone else. This is often the case with **young family members, children of founders or younger employees** in the company who seek to become partners.

Whatever the case, the funding mechanisms for these types of investments or takeovers vary immensely. It can take the form of a “loan” from the founder who gets repaid every year by the new owners. It can be debt financing in the form of a bank loan. It can be a cash buyout where another firm acquires 100% of your company. It can also take the form of a share swap, where a bigger firm will provide shares from its company worth the same value as the financial agreement for the deal.

SI’S PRINCIPAL MOTIVATION :

- Acquire an active participation in an existing business

PROS

- Different types of investments for different types of opportunities
- More of a partnership agreement than just a cash deal
- Add to the value of the company by bringing in new talent
- Add to the value of the company by creating new capabilities

CONS

- Loss of independence for a single founder or the original associates
- Culture clashes between different companies in the case of mergers or acquisitions
- Potentially misaligned vision between new partners

CASE STUDY : TINY SCREEN PRODUCTIONS

INVESTMENT, INTEGRATION AND SYNERGIES

Tiny Screen Productions Inc. produces fiction series for major television broadcasters. Realizing that TSP spends millions of dollars each year outsourcing post-production work on its programs, their CEO decides to seek a strategic investor who will buy 50% of TSP for $5 million. This investment will provide capital to help the company grow by **integrating smaller post houses, streamlining operations**, and bringing the new strategic partner onboard as CFO, resulting in a company with a **higher value and higher profit margins.**

VENTURE CAPITALIST

A venture capitalist (VC) is a **professional investor who provides capital to startups or invests in small companies that wish to expand.**[3]

VCs typically manage funds they have raised from several sources (government investment mechanisms, pension funds, investment banks, family offices, high net worth individuals, etc.).

Funds raised by VCs have a limited duration, generally around five years, during which all the raised capital should be invested. VCs invest in high risk/high return opportunities and tend to invest in industries they understand so they can be involved in the management of the firms in which they invest. They aim to acquire large percentages of the companies they invest in – but also bring larger amounts of capital than an angel investor can afford to invest. It is also typical for them to **require a controlling stake on the board** of the firms in which they invest.

When assessing investment opportunities, VCs look for a **proof of concept** – (meaning a proven business model), **high returns** and **explosive growth**. Typically their goal is to earn 10 times the amount they invested in order to compensate for the high fail rate for startups. For this reason **VCs look for companies with a strong management team, a large potential market and a business strategy that aims to grow expansively.**
It should be noted that **raising venture capital can be risky** for an entrepreneur.

If the firm fails to deliver the promised growth, VCs will generally take a more active role in the company they invested in and **founders can be removed from their management positions** in order to bring in professional managers with a track record of successes.

Furthermore, if the investor decides to liquidate the firm to recoup their investment, any **IP developed by the firm could be sold off and lost** by the people who developed it.

VC'S PRINCIPAL MOTIVATION :

- Exponential growth

PROS

- Support from a network of people with high level business skills and a large network of contacts
- Possible to raise very large amounts of capital in subsequent funding rounds (Series B, C)

CONS

- Generally involves the loss of a majority of the board of directors even if a majority of shares aren't sold
- High growth is not only expected, it is required
- Potential loss of control over leadership of company if the return on investment (ROI) and growth targets are not reached
- Potential loss of IP if VCs decide to liquidate the firm

[3] For more information on Canadian and international VCs, please refer to the map of Canadian investors and the investment fund listings in the Appendix.

CASE STUDY : JOHNNY BROS. FILMS

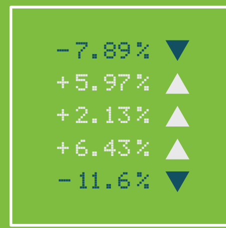
GROWTH BY ACQUISITION

Johnny Bros. Films produces documentaries. Recognizing the business potential of reality TV for experienced non-fiction producers, they choose to enter the field and decide the best way to do so is to **acquire a company that already has knowledge of, and contacts, in the reality TV genre.**

Lacking the capital to completely fund an acquisition, but not interested in diluting their shares in the family-operated enterprise, JBF finds an **angel investor** who is interested in media. Together they make a deal to buy **Blood, Sweat & Tears**, a reality TV production firm. Each party will get a 50% stake. JBF's owners will run and grow BST and reimburse the angel over a period of **five years** for the equivalent of **five times the amount** initially invested.

After a couple of years they have grown both their original and new business by **creating and taking advantage of synergies.**

Having reimbursed the angel investor in less time than was originally planned, JFB approach venture capital firm **Bet The Farm LLC.** Based on their successful acquisition of BST, they raise $15M in venture capital in order to acquire several small fiction firms for which they will **apply the same successful recipe** they used for BST.



INITIAL PUBLIC OFFERING

When a firm grows to an extent that it is capable of entering the stock markets to raise capital, it will have an Initial Public Offering (IPO), **when shares are issued for the first time**.

An IPO is a complex process, involving a fair amount of external support from lawyers, accountants, auditors, etc. A company that has "gone public" issues different types of shares, with different properties and voting rights. A public company also has **reporting obligations** that manifest themselves in the publishing of quarterly financial statements as well as a more expansive annual report.

An IPO can be an interesting way to raise capital for a firm that has reached a certain size or for a large private firm that decides to raise a large amount of capital to fund its growth. Typically **the price of the shares vary according to how the market perceives the future performance of the firm.** Once a company is publicly traded it becomes possible for that firm to issue bonds and borrow money directly from the public markets; which, incidentally, is how Netflix borrowed over $6 billion in the past few years.

SHAREHOLDER'S PRINCIPAL MOTIVATION :

- Passive investment

PROS

- Amounts raised can be quite large depending on valuation of the firm
- Possible to borrow money from bond markets

CONS

- Financial reporting requirements are strict
- Annual audits
- Valuation of company fluctuates with the moods of the markets
- Company is judged by quarterly earnings reports

WHAT IS A VALUATION ?

The valuation of a company is the process of **determining the current worth of the company**. It's often based on opening your books to a new investor and discussing how much your financial performance is worth. By going through this process, you'll determine the value of your company's assets and how much your business-generating capacity and your corporate brand are worth to investors.

For private firms, meaning companies that aren't traded on the stock market, this process can be a little tricky.

Below we present a couple of methods to help you evaluate the value of your firm.

COMPARABLE COMPANY ANALYSIS

This method involves looking at the value of a similar firm on the public market. In order to evaluate a comparable company, remember you need to look at more than financial performance and output. How much of a catalog does that company have? How does it compare to your catalog? How many productions are in the pipeline? Are there massive hits from decades ago that still generate passive revenues?

The idea is to find a firm that has similar assets and production capacities to your own. That said it can sometimes be difficult to find companies of comparable size or nature traded on a stock exchange. In that case other methods can be used.

RATIOS

A ratio is a mathematical relationship between two financial figures in your company's balance sheet or other financial measurement tools. Financial analysts can test the relationship on the annual revenue, the annual profits or the EBITDA (Earnings before interest, taxes, depreciation and amortization) of a firm, against each other or other financial indicators.

For instance, one of the most important financial ratios – one of a series of what we call "profitability ratios" – is net profits over the total revenue. This is called the **net profit margin** and is a measure of your company's capacity to generate profit.

There are ratios to evaluate everything related to the financials of your company, such as *liquidity ratios* to evaluate its capacity to make payments or *solvency ratios* to evaluate its capacity to reimburse debt.

Ratios are a great way to evaluate financial performance, but they **only take into consideration financial performance**, which is an important part of a firm's valuation but is far from a complete picture.

WHAT IS A VALUATION?

REVENUE AND PROFIT

A value can also be placed on a company's capacity to generate revenue and profit. How many employees work for your company? What special sets of skills do they have? How much revenue can be generated from having these people exercise their skills? Projecting future cash flows from these activities is an important component in determining the valuation of a company.

ASSETS

Another method is to evaluate a company's existing assets. This is easy if you're a mining company that owns tangible assets such as deposits with an estimated X tons of gold or other valuable minerals. But what do media production companies have as far as tangible assets? Some desks and chairs, a few computers... The typical hard assets found in a production office aren't worth a lot and are certainly not what gives value to the firm. On the other hand these types of companies may have a lot of intangible assets, for instance a catalog of past productions or IP and rights to already produced content.

That said intangible assets are a lot more difficult to evaluate. The challenge is to determine how much these properties are worth by projecting the revenue that can be derived from them into the future.

Another intangible asset is goodwill, essentially the value of your company's name and reputation. How well-known is your company's brand? Is it associated with quality productions and hits? How much is the brand worth?

VALUATION

Whatever the outcome of your internal valuation is, the final price is determined by the size of the incoming investor's financial commitment and the share of the company they are getting in return. Thus, if an investor buys 10% of your company for one hundred thousand dollars, you're the owner of 90% of a company valued at one million dollars.

TANGIBLE ASSETS:

Assets that have physical properties, such as land, inventory, the building and equipment your company may own, cash you have in the bank and so forth. Tangible assets are fairly straight forward to valuate as you compare them to their market value or resale value, for instance all the cars GM has produced and ready to be sold.

INTANGIBLE ASSETS:

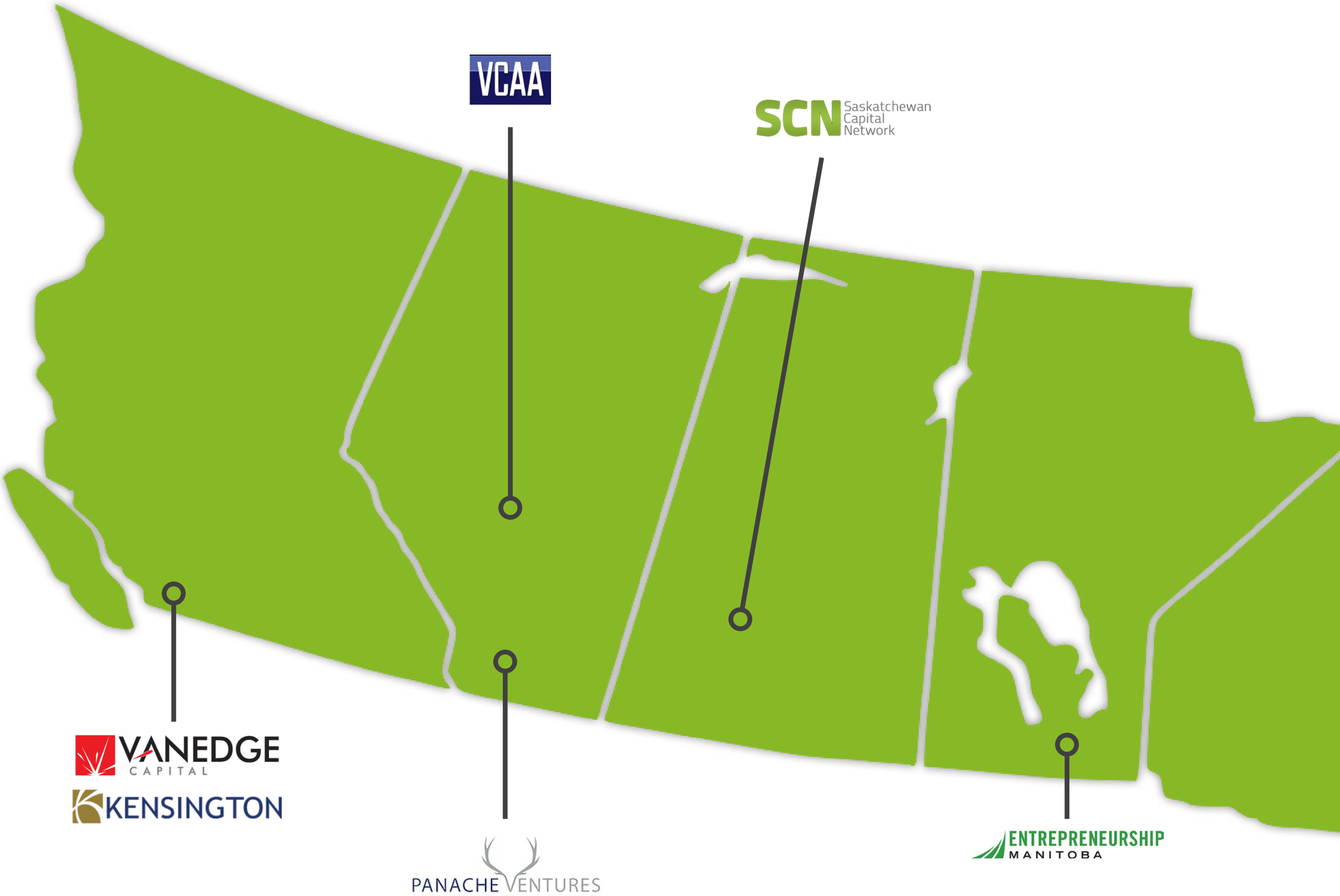
Assets that have no physical properties, such as intellectual property, trademarks, copyrights, business methodologies or brand recognition. While they are a lot harder to evaluate, they can also be a lot more valuable than tangible assets, for example the recipe for Coca-Cola.

APPENDIX

I. INVESTMENT TABLE

INVESTOR	TIMING	TYPE OF INVESTMENT	INVESTOR'S MOTIVATION	INVESTOR'S ENDGAME
LOVE MONEY	SEED	DEBT / EQUITY	SUPPORT FAMILY OR FRIEND	VARIABLE
BANK LOAN	VARIABLE	DEBT	RECOVER PRINCIPAL WITH INTEREST	EXIT
ANGEL	EARLY STAGE	DEBT / EQUITY	SUPPORT ENTREPRENEURSHIP / HIGH RETURNS	EARLY EXIT
CROWDFUNDING	VARIABLE	EQUITY / REWARDS	SUPPORT PROJECT OR FIRM	FINANCIAL PARTICIPATION / REWARDS
VENTURE CAPITAL	EARLY STAGE / GROWTH	EQUITY	ACHIEVE HIGH RETURNS	LATE-STAGE EXIT
STRATEGIC CAPITAL	GROWTH / MATURE	EQUITY	PARTICIPATE IN A BUSINESS VENTURE	ACTIVE OR SILENT PARTNER
INITIAL PUBLIC OFFERING	MATURE	EQUITY	DIVIDENDS & GROWTH	HOLD OR TRADE

II. CANADIAN EQUITY INVESTMENT FUNDS



INTERNATIONAL FUNDS

MAKERS FUND

IMAX VR

SHAMROCK SPORTS & ENTERTAINMENT

MAGNA ENTERTAINMENT

bdc

Anges Québec Capital
PELORUS VENTURE CAPITAL LIMITED
ICP
OCEAN CAPITAL
FIRST ANGEL NETWORK
THIRD EYE CAPITAL
GAN Georgian Angel Network investing in innovation
AngelONE
DIFFERENCE CAPITAL
BERINGER CAPITAL
NIAGARA ANGEL NETWORK
CLARIDGE
XPND CAPITAL
NOVACAP
CAPITAL ANGEL NETWORK
PANACHE VENTURES
LUNE ROUGE

III. FUNDS LISTINGS :
CANADIAN FUNDS

ANGES QUÉBEC CAPITAL
www.angesquebeccapital.com
Based in Montreal (QC)
Private investment fund
Startup—Innovation

ANGEL ONE
http://angelonenetwork.ca/
Based in Burlington (ON)
Catchment area: Mississauga, Oakville, Burlington, Hamilton
Early stage venture capital
Cleantech, ICT, health care, communication and media and others

BC TECH FUND / KENSINGTON
http://www.kcpl.ca/bc-tech-fund/
Based in Vancouver (BC), Calgary (AB) and Toronto (ON)
Institutional
Emerging technologies—Information and communication, digital media, clean tech, life science, health care

BERINGER CAPITAL
http://www.beringercapital.com/
Based in Toronto (ON)
Private equity firm
Media and entertainment

CAPITAL ANGELS NETWORK
http://www.capitalangels.ca/
Based in Kanata (ON)
Catchment area: Ottawa, Gatineau
Early stage
B2B/Enterprise SaaS, Internet of things, artificial intelligence, cybersecurity, health & wellness technology

CLARIDGE INC.
http://www.claridgeinc.com/
Based in Montreal (QC)
Private equity firm
Food, real estate, technology, entertainment, renewable energy

FIRST ANGEL NETWORK

http://firstangelnetwork.ca/
Based in Halifax (NS)
Catchment area: Atlantic Canada—Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick
Early stage venture capital

GEORGIAN ANGEL NETWORK

http://www.georgianangelnet.ca/
Based in Midhurst (ON)
Catchment area: Orangeville, Collingwood, South Georgian Bay, Barrie, Muskoka
Early stage venture capital
Information and communication technologies, light/advanced manufacturing, sustainable development technologies, medical technologies, products and services

ISLAND CAPITAL PARTNERS

http://peislandcapitalpartners.com/
Based in Charlottetown (PE)
Catchment area: Prince Edward Island
Early stage venture capital
Innovative technologies

LUNE ROUGE

http://www.lunerouge.com/
Based in Montreal (QC)
Private investor and accelerator
Entertainment, innovation and technology

NIAGARA ANGEL NETWORK

http://www.niagaraangelnetwork.com/
Based in Port Clorbone (ON)
Catchment area: St. Catharines, Welland, Niagara region
Early stage venture capital

NOVACAP
http://www.novacap.ca/
Based in Montreal (QC) and Toronto (ON)
Private equity firm
Technology, media, telecommunications and others

OCEAN CAPITAL
http://www.oceancapitalinvestments.ca/
Based in Saint John (NB)
Private investor
Broadcasting, real estate, industrial distribution, energy product, service and maintenance

PANACHE VENTURES
https://www.panache.vc/
Based in Montreal (QC) and Calgary (AB)
Private investment fund
Startup—Business Services, cleantech, information technology and telecommunications, media/culture

PELORUS VENTURE
http://www.pelorusventure.com/
Based in St. John's (NL) and Halifax (NS)
Private venture capital fund
Seed stage companies—Innovative technologies
SASKATCHEWAN CAPITAL NETWORK
http://saskcapitalnetwork.com/
Based in Saskatchewan (SK)
Investment-Ready entrepreneurs

SCALE UP VENTURES
http://suv.vc/
Based in Ontario (ON)
Early stage venture capital
Innovation and emerging technologies

THIRD EYE CAPITAL

http://www.thirdeyecapital.com/
Based in Toronto (ON)
Revolving and term loans
Energy, alternative energy, mining, technology, software, healthcare, retail/e-commerce, construction, services

VANEDGE CAPITAL

http://www.vanedgecapital.com/
Based in Vancouver (BC)
Early stage venture capital
Information technology and telecommunications—Cloud computing, artificial intelligence, cyber security, SaaS and digital media

VENTURE CAPITAL ASSOCIATION OF ALBERTA

http://www.vcaa.ca/
Based in Calgary (AB)
Diversified (venture capital, private equity)
Information and communications technology, cleantech, agriculture, biology and life sciences

XPND CAPITAL

http://www.xpnd.com/
Based in Montreal (QC)
Catchment area: Province of Quebec
Private equity firm
Innovative industries and technologies, media and entertainment, health, lifestyle and wellness, consumer products

IV. FUNDS LISTINGS: INTERNATIONAL FUNDS

IMAX ORIGINAL FILM FUND
https://www.imax.com/
Based in New York (USA), Toronto (Canada) and Los Angeles (USA)
Private investment fund
Innovative large-format educational documentaries

IMAX VR FUND
https://www.imax.com/
Based in New York (USA), Toronto (Canada) and Los Angeles (USA)
Private investment fund
Virtual reality, video games, media and entertainment

MAGNA INVESTMENT
https://magnainvests.com/
Based in New York
Diversified holding and investment company
(Magna Equities, Magna Ventures, Magna Entertainment)

MAKERS FUND
https://makersfund.com/
Based in San Francisco (USA), London (UK), Tokyo (Japan), Beijing (China)
Venture capital and leveraged buyout
Interactive entertainment

SHAMROCK ENTERTAINMENT | STRATEGIC INTELLECTUAL PROPERTY ENTERTAINMENT FUND
http://www.shamrockcap.com/
Based in Los Angeles (USA) and Shanghai (China)
Private equity firm
Entertainment—Intellectual property rights

V. DISCLAIMER / ACKNOWLEDGMENT

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Canadian Media Producers Association

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