



smusa

Tom Welch

TD Bank

**David and
Dinah Grace**

**EAST
VALLEY**

**RitchFam
Holdings**

innovacorp
EARLY STAGE VENTURE CAPITAL

**Killam
PROPERTIES INC**

Danny McCarthy



Atlantic Canada Opportunities Agency
Agence de promotion économique du Canada atlantique

2018 *Annual Report*

CONTENT

1

Letter to
Stakeholders

4



Our Investments

8



Money Matters

2

2018 Major
Milestones

5



Venture Grade Team

8



Governance
Committee

3

Venture Grade
Highlights

6



About Venture Grade

9



Supportes and
Strategic Partners

Letter to Stakeholders



Dear Stakeholders,

It has been a big year for the Saint Mary's Venture Grade: Student Venture Capital Fund and we are excited to share all our successes, news and plans going forward here with you, our stakeholders. 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. This year we have continued with the spirit of that mission in a successful manner outlined throughout this report.

A huge accomplishment includes our 2nd place finish at the Venture Capital Investment Competition (VCIC) in Boston- beating Yale, Babson, MIT and Dartmouth! This win speaks accolades to the comprehensive VC experience through Venture Grade. SMU was also awarded the Canadian host of VCIC, which brought 6 MBA teams to compete in March. Preparations are well underway as we gear up to host VCIC in March 2019, which will be doubling in size as we host a MBA and undergraduate competition.

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, Vice President of Investment at Innovacorp along with four MBA students studying entrepreneurship and venture capital. In the three years since its launch, Venture Grade has grown steadily with continued support from you, our stakeholders.

The fund has grown in 2018 with \$27,000 raised by student participants. Also, there are now 22 student members in Venture Grade from many different backgrounds, experiences and disciplines. Working hard with our mentors, the student members have met 25+ companies, conducted due diligence on 8 companies and added our first two investments. We attended various networking events in the community, including: demo days and events at Volta, Innovacorp and the Chamber of Commerce.

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 and beyond.

Sincerely,

The Venture Grade Team

#1
Venture Grade: The only program of its kind in Canada

Student Raised. Student Run. The only comprehensive VC program in Canada with in class and applied learning. Venture Grade associates are responsible for raising funds, networking and due diligences on investments.

#2
Made our First Investments

- Conducted in depth due diligence on 8 companies.
- 2 x \$15,000 investments in Trip Ninja and Cribcut.
- Increased efficiencies for approval process.

#3
Increased Student Engagement

- 22 Venture Grade associates with diverse backgrounds and disciplines (MBA, MTEI, B.Comm and B.A.).
- Developed a recruitment and outreach program- including posters and in class promotion. This has resulted in interest from students at Memorial and Dalhousie University.

#4
Raised Awareness and profile of Venture Grade

- Attended various networking events in the community.
- Developed and executed a marketing and social media strategy.
- Promoted and hosted various speakers through Speaker Series initiative.
- Solidified partnership with Venture for Canada.

#5
Earned World Recognition

- Placed 2nd at Venture Capital Investment Competition (VCIC) in Boston. Beating MIT, Yale, Babson and Dartmouth.
- Chosen as the Canadian host for International VC competition (VCIC). Hosting teams from across Canada from undergraduate and graduate programs.

Milestones



**\$ 27,000
raised in
2018**

**25
8**

**Companies
met**

**Due
diligences**



**2nd Place
at VCIC
Boston
2018**

2

Investments



This past September, Saint Mary's Venture Grade made its first ever investment by contributing \$15,000 to start-up travel planning technology company Trip Ninja.

Trip Ninja provides unique cutting-edge technology they developed to help travellers find the best price possible for multi destination trips. This technology can be used by major online travel agencies such as Expedia and Priceline. With the help of this investment, Trip Ninja will be able to use these funds to scale-up their company and provide their services for more customers with the goal to eventually exit by being purchased for a large sum. With this exit, Venture Grade's investment and the returns made will be paid back in scale to the fund, where they will be reinvested back in the entrepreneurial ecosystem of our region.

Trip Ninja founder Andres Collart appreciated working with Venture Grade stating "It's been great working with an organization who is committed to helping start-ups and entrepreneurs have success."



Investments



Venture Grade's made its second investment for \$15,000 in Cribcut in December.

Cribcut, based in Halifax, is bringing the ultimate convenience to haircuts by expert stylists. Cribcut was co-founded by serial entrepreneur David Howe and has built and deployed a complete software solution for mobile hairstylists - from booking, to travel optimization, to payments and ratings. Cribcut is planning to use the funds raised from Venture Grade to fund their interim growth plans before a pre-seed investment round scheduled for early 2019. This is a unique business opportunity for Venture Grade - which is allowing it for fund diversification and also creating opportunities for future fund growth.

"We're happy to welcome Venture Grade as one of our investors. We're confident that this investment will help us continue growth and product development and set us up for further funding over the coming months. We look forward to a mutually beneficial partnership with Venture Grade and welcome them with open arms to our growing team."

-David Howe, CEO, Cribcut

The Team

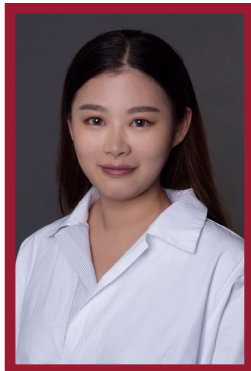
Venture Grade Team

In 2018, the Venture Grade team had over 22 members from diverse backgrounds and skillsets. Associates are from different programs, including: MBA, M Tech. in Entrepreneurship & Innovation, B. Comm, B. Arts and Computer Science. The cultural diversity is also a strength with team members from: China, India, Brazil, Saudi Arabia and Canada.

Venture Grade Associates gain invaluable hands on experience, including: understanding the nuances of raising funds, managing funds, conducting due diligence on startups and performing many other key functions in a business environment.

"Venture Grade is truly a life changing course; when I joined I was a shy 3rd year student with no experience in the industry, now I am confident with a specialized expertise in venture capital, experience raising a VC fund, and a network of CEO's, venture capitalists, and entrepreneurial support systems that I can draw on to help me succeed!"

Emma Scott
B. Comm Student



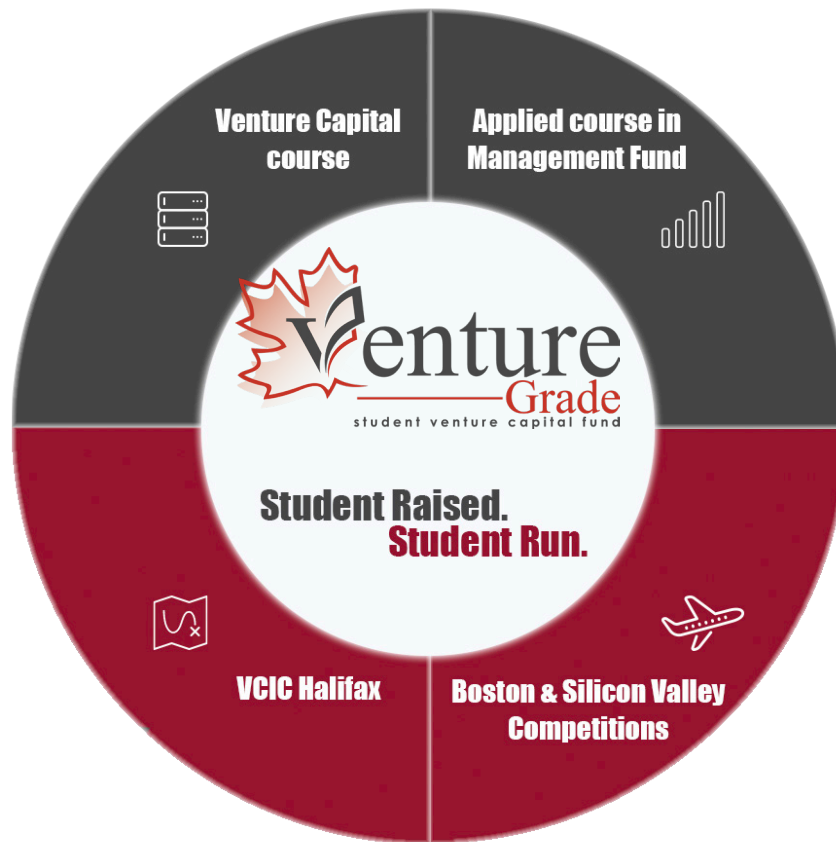
"When I knocked at the door of Venture Grade, I didn't expect such a practical and meaningful journey. I've gotten to know the world of VC and expand my network with organizations that will help me run my business more efficiently."

Arrow Fang
MBA Student

"Venture Grade has given me the opportunity to learn closely about startups with unique business models. Venture Grade also helped me in gaining knowledge about the investment industry. I am confident that this experience will help me establish myself as an aspiring investment professional."

Govinda Talluri
MTEI Student





*The most
comprehensive
university
venture capital
program in
Canada*

Fund Development: Responsible for creating leads and raising funds for Venture Grade, members of this committee met with past donors, nurtured leads and successfully secured \$27,000.

Marketing & Business Development: The committee successfully implemented a social media and advertising strategy. Venture Grade is excited to launch the revamped Venture Grade website in 2019. They aggressively promoted VG at events in the business community, ultimately raising awareness of the fund and program.

Investment: It has been an exciting year with VG's first investments! The committee has connected with over 25 companies and conducted hundreds of hours of due diligences and crafted investment memos before landing on our two investments.

External Relations: The committee has worked to solidify VG's position within the entrepreneurial ecosystem in Atlantic Canada and relating key messages to our stakeholders.

VCIC: As the selected Canadian host, we had a very successful competition in 2018 that attracted 6 teams and 8 VC judges. We are excited to be awarded the undergraduate competition in 2019. With VCIC doubling in size, the committee is working hard for preparations to host an MBA and undergraduate competition in March 2019.

Money Matters

Student Raised

Venture Grade Associates are required to get out in the community, network and find potential funding sources. The ultimate goal is to raise an investment fund of \$250,000. Progress continues to be made, and we are thankful to our many generous donors.

The fund enables Venture Grade be a player in the entrepreneurial eco-system and leave a lasting impact on all Atlantic Canada by investing in companies in our community. The fund is an evergreen fund. Returns will be returned to the fund with the hope the fund continues to grow, ensuring a sustainable learning opportunity for future students.



\$ 27,000 raised in 2018

Governance

The Venture Grade Student Venture Capital Fund was established in 2016 under Saint Mary's University, benefitting from 215 years of stable governance. Venture Grade is endowed with an official charter under the University's Board of Governors, endorsing the role and work of Venture Grade.

A robust oversight framework has been developed for all Venture Grade investments. This includes an Investment Committee with faculty and industry leaders. Currently the Investment Committee includes: Dr. Ellen Farrell, Andrew Ray (Innovacorp) and Patrick Fitzgerald (Cox and Palmer).



Ellen Farrell
Sobey Scholl of Business



Patrick Fitzgerald
Cox and Palmer



Andrew Ray
Innovacorp



2018 Annual Report

Supporters and Strategic Partners

Harjeet S. Bhabra, PhD, Dean of Sobey School of Business, Saint Mary's University

"Venture Grade offers a great learning experience for our students. The due diligence required when investing in startups is more complex given the opacity and limited information available on the ventures. Students typically managing investment funds that invest in the stock-market have access to far more data and research on those potential investments, which is not the case for early stage companies. Venture Grade, not only challenges students to work with limited information when making investment choices, but also offers them the opportunity to learn how capital is raised. Understanding both the financing and investment sides of the decision at the same time while being a part of Venture Grade is truly an exceptional learning experience."

Andrew Ray, Vice President, Investment, Innovacorp

"Innovacorp works to help students in Venture Grade hit on all aspects of Venture Capital. We need more people in the start-up eco-system who know how to grow valuable start-ups. Venture Grade helps students understand what makes a great company at practice. We want students to see behind the closed doors of new entrepreneurs to learn and hopefully enter the sector working for entrepreneurs, as entrepreneurs or as venture capitalists"

Ellen Farrell, PhD, Professor, Entrepreneurship & Venture Capital Venture Grade's Co-Founder and Fearless Leader

"A comprehensive program such as Venture Grade - with theory and practical courses, a \$200,000 student-raised and -led fund, ownership of the Canadian division of the international Venture Capital Investment Competition, competitive events in Boston and Silicon Valley, and deep, deep roots in the entrepreneurial ecosystem - positions SMU as a leading entrepreneurship university in the nation."

A combination of Bachelor of Commerce students working alongside MTEI, MSCDA and MBA students; E-ship programs in Arts, Science and Commerce; an Entrepreneurship Centre that acts like a laboratory for start-ups; and speakers from the community meeting our students weekly tells a very successful story. Our total of 17 different courses in E-ship is a real testimonial to learning E-ship from the inside out"



HOULIHAN LOKEY



Atlantic Canada Opportunities Agency Agence de promotion économique du Canada atlantique



