Venture Capital

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I N D U S T R Y   P R O F I L E

1990–1991

VENTURE CAPITAL

FOREWORD

In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to growth and prosperity. Promoting improved performance by Canadian firms in the global marketplace is a central element of the mandates of Industry, Science and Technology Canada and International Trade Canada. This Industry Profile is one of a series of papers in which Industry, Science and Technology Canada assesses, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological, human resource and other critical factors. Industry, Science and Technology Canada and International Trade Canada assess the most recent changes in access to markets, including the implications of the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the profiles.

Ensuring that Canada remains prosperous over the next decade and into the next century is a challenge that affects us all. These profiles are intended to be informative and to serve as a basis for discussion of industrial prospects, strategic directions and the need for new approaches. This 1990–1991 series represents an updating and revision of the series published in 1988–1989. The Government will continue to update the series on a regular basis.

Michael Wilson

Michael H. Wilson
Minister of Industry, Science and Technology
and Minister for International Trade

Introduction

Canadians are served by a well-developed financial system in which a variety of institutions provide a diverse selection of financial services. Increasingly, institutions have been expanding the range of services that they provide to business and the public.

This industry profile on *Venture Capital* concentrates on formal venture capital firms established for the explicit purpose of making venture capital investments on a professional basis. It does not deal with the considerable amounts of venture capital funding that derive from private sources (individuals or groups) who finance businesses on a part-time basis using their own resources. Nor does it examine venture capital firms set up under provincial or territorial legislation to invest in smaller businesses; since such firms often make only one investment, they are not viewed as part of the professional venture capital industry.

Financial institutions now offer many competitive services, and the traditional boundaries among them are becoming blurred. Three elements differentiate venture capital from other sources of financing: the investment involves equity or equity-like participation; the investment is long-term; and investors are actively involved in the companies they finance. Industry profiles describing other financial services are available on

- *Banking*
- *Life and Health Insurance*
- *Property and Casualty Insurance*

Structure and Performance

Structure

Venture capital firms provide long-term financing by supporting businesses through a broad range of transactions. These transactions range from seed investment for the development of new products to the acquisition of established firms. The venture capitalist generally assumes greater risks than other agents in the financial system, and venture capital firms fill critical roles in the economy by taking equity positions in companies where there are often insufficient assets to use as collateral for loans. For new or rapidly growing firms with relatively few assets, venture capital may be the only source of financing available. Venture capital firms make a commitment for a longer time frame than some other financial institutions and are usually prepared to provide subsequent financing to companies already in their portfolios.

Frequently, in contrast to other sources of financing, venture capital firms offer strategic management support for the companies in which they invest. These efforts to ensure the realization of the company's potential growth are often referred to as the value-added brought to the transaction by the venture capitalist and may include advising the firm through representation on the board of directors or assisting the personnel of the firm in order to strengthen the management team. If the portfolio company prospers, the venture capitalist can "exit" positively from the investment in a number of ways: generally the equity stake is sold as part of a public offering of shares, purchased by another firm or repurchased by the portfolio firm.

The Canadian professional venture capital industry is compact in terms of the number of firms, amount of capital managed and employment. There are 69 professional venture capital firms in Canada, with $3.3 billion of capital under management at the end of 1990.[1] When viewed in an international context, Canadian venture capital firms are notably smaller than their foreign counterparts. The average capital base of Canadian firms is equal to approximately two-thirds of the average for American firms and one-third that of British firms. Canadian venture capital firms average four professionals each, although some companies have a staff of 20. Total industry employment is estimated at fewer than 500 people, with the number of professionals at about 300.

Four subgroups comprise the Canadian professional venture capital industry: independent firms, venture affiliates or subsidiaries of Canadian corporations, Crown-related venture groups and "hybrids" having a mixture of government and private sector support.

Some 38 independent venture capital firms account for about $1.5 billion (45 percent) of the industry's capital under management. These firms, whose main aim is capital appreciation, solicit money from pension funds, other pools of investment capital and individuals for placement in venture investment vehicles called venture funds. The funds often have a fixed lifetime of seven to ten years. Some venture capital firms manage more than one fund at a time as investment opportunities arise and are seized.

Twenty-one venture capital industry members are subsidiaries or affiliates of Canadian corporations and financial institutions. They account for about $900 million (27 percent) of the industry's capital. These firms are funded, at least initially, by parent organizations, which include such well-known Canadian businesses as the Royal Bank of Canada, the Toronto-Dominion Bank, BCE and Noranda Inc. A major reason for the existence of the bank affiliates is the regulation under the *Bank Act* that banks engaging in venture capital activities must do so through subsidiary operations. The primary interest of venture affiliates is capital appreciation, but other goals may include investment in new technology relevant to the main business of the parent or the future business that the potential investee may provide for the parent.

Seven significant venture groups with direct ties to government control over $260 million (8 percent) of the venture capital industry's funds. They are generally Crown corporations and include Innovation Ontario, the Venture Capital Division of the Federal Business Development Bank, and la Société Québécoise d'initiatives agro-alimentaires. Although capital growth is an important consideration for these organizations, they are often mandated to work towards industrial development in their particular provinces or to target particular industrial sectors or stages of business development. → Crown Corp.

The three hybrid venture firms have some form of government support along with private investment and are managed independently. Included in the subgroup are two labour-sponsored venture capital firms, Le Fonds de solidarité des travailleurs du Québec and Working Ventures Canadian Fund. Established with the assistance of federal and provincial budgetary measures that provide income tax incentives to those investing in them, these firms are designed largely to appeal to individual small investors. Le Fonds de solidarité, which was launched by the Quebec Federation of Labour in 1984, is one of

[1] *CVC: Canadian Venture Capital*, May 1991, pages 12 and 13. "Capital under management" is the total of capital invested and available to be invested. The formal definition of "capital under management" is the total amount of capital, at cost, committed to the venture capital community, excluding funds that have been liquidated.

the largest pools of venture capital in Canada. Working Ventures Canadian Fund, established by the Canadian Federation of Labour as a national organization, commenced operations during 1990. The third member of this subgroup is Vencap Equities Alberta, which started operations with a \$200-million long-term debenture provided by the Alberta government. This subgroup accounts for over \$660 million (20 percent) of the industry's capital under management.

The members of the venture capital industry can also be differentiated on the basis of their investment focus. In 1990, some 40 percent of the industry's capital was managed by firms that concentrate on investment in mature firms or buyout situations. Firms managing 12 percent of the industry's capital paid specific attention to financing for the early stages of business development (seed or start-up deals). The remaining 48 percent of the capital under management was not focused on one particular area.

More than half of the venture capital firms are found in Ontario and Quebec. Their location is largely dictated by the concentration of Canadian industry in those two provinces and by the location in Toronto and Montreal of the key financial institutions that fund the venture capital industry. However, there are venture groups in all regions, with investments in every region.

The Canadian venture capital industry is represented by the Association of Canadian Venture Capital Companies (ACVCC). Its objectives are to promote the use of venture capital in Canada as an investment/financing tool; to represent the interests of venture capital investors to government agencies, other professional bodies and to the marketplace at large; and to facilitate interaction, dialogue and communication among venture capital professionals.[2] The ACVCC, which was formed in 1974, has 60 full members: over one-half located in Ontario, almost one-quarter in Quebec, and the rest spread across the country, with concentrations in Alberta and British Columbia. Full members of the ACVCC must

- have funds of at least \$1 million placed, or available to be placed, in equity investments in business enterprises on a venture capital basis;
- have at least one full-time professional committed to equity investments on a venture capital basis;
- not invest more than 20 percent of their available funds in any one business enterprise at the time of initial investment;
- demonstrate a willingness to reduce their equity participation in such investments as the investments grow and mature; and
- submit annually, on a confidential basis, summary investment information required by the association's auditors.

Venture capitalism has made a significant contribution to business development in Canada. A study commissioned by the ACVCC[3] suggested that companies financed by Association members between 1980 and 1986 provided as many as 66 000 jobs and that these firms paid \$1.3 billion in wages and salaries during 1986 alone. Total 1986 expenditures for research and development (R&D) by the venture-backed companies exceeded \$300 million, according to the study, while their corporate, personal and local taxes amounted to more than \$700 million. Venture-backed firms are also highly export-oriented, with an average of 49 percent of 1986 total revenue coming from export sales.

Performance

The first true venture capital firm to operate in Canada was the European-backed Charterhouse Canada, which opened its doors in 1952. The Canadian industry grew slowly until the 1980s, when it entered a new, dynamic stage of development as a surge in venture activity in the United States attracted the attention of Canadian investors. In 1984, some 42 percent of Canadian venture disbursements were invested outside the country, mostly in the United States. The credibility of venture investing was boosted by this U.S. experience as well as by some Canadian successes and by the exposure resulting from the federal government's creation, later in the decade, of a number of tax incentives to stimulate the flow of institutional funds into small and medium-sized businesses.

The Canadian industry's capital under management grew from close to \$350 million, managed by 18 groups, in 1980 to \$3.3 billion in 1990 (Table 1). The high point of this period was reached in 1988, with annual growth in capitalization of \$650 million, but the pace slowed in 1989 and 1990.

Like capitalization, annual venture capital investments and the number of investee companies increased rapidly during the 1980s. Even discounting the effects of inflation, real growth in venture investments averaged 7.9 percent per year from 1980 to 1990, compared with average real growth of 2.9 percent annually for the economy (measured in gross domestic product) as a whole.

Venture capitalism in Canada has matured significantly. Its response to the increasing need for the financing of new companies with high growth potential, which developed as a result of burgeoning entrepreneurship during the 1980s, resulted in the Canadianization of venture capital investment.

[2]Venture Economics Canada Limited, *Venture Capital in Canada: A Guide and Sources* (Toronto: Association of Canadian Venture Capital Companies, 1991), page 1.
[3]*Economic Benefits of Venture Capital Investments in Canada* (Toronto: Association of Canadian Venture Capital Companies, September 1988).

Table 1 — Selected Venture Capital Statistics

	1980	1987	1988	1989	1990
Annual investments ($ millions)	97	346	354	343	277
Number of investees	155	265	271	300	263
Total capital under management on December 31 ($ billions)	0.3	2.4	3.1	3.3	3.3

Source: *CVC: Canadian Venture Capital*, February 1990, page 11; May 1990, page 12; and May 1991, page 21.

Table 2 — Regional Distribution of Annual Venture Investment[a] ($ millions)

	1988	1989	1990
Ontario	135 (38)	137 (40)	78 (28)
Quebec	127 (36)	114 (33)	91 (33)
Western Canada	65 (18)	70 (21)	75 (27)
Atlantic Canada	– –	– –	5 (2)
Foreign	27 (8)	22 (6)	28 (10)
Total	354 (100)	343 (100)	277 (100)

[a]Percentage of total in parentheses.

Source: *CVC: Canadian Venture Capital*, various issues; and ISTC estimates.

In 1990, about 90 percent of Canada's venture disbursements were invested domestically, compared with only 58 percent in 1984.

Canadian professional venture capitalists in recent years have invested in a diverse collection of companies. During 1990, high-technology firms in industries such as communications, computers and biotechnology received 26 percent of the funding. Producers of consumer goods received 27 percent of the $277 million invested. Manufacturers of industrial products captured 18 percent. The balance was spread across many other industries.

The geographic investment pattern of the venture capital industry varies over time and is influenced by the size of the transactions and by regional conditions (Table 2). In 1988 and 1989, venture capital investment in Ontario was steady, while that in Quebec, as well as foreign financings, fell. Investment in Western Canada grew, while activity was slow in Atlantic Canada. During 1990, investment in Quebec and Ontario fell significantly but grew in Western Canada, the Atlantic region and outside the country. Total investment dropped by some $66 million from 1989 to 1990 and, with all the shifts, Quebec led the other regions with 33 percent of the funds invested during 1990.

The past number of years has seen a significant change in the sources of funds for the professional venture capital industry. As a result of federal initiatives to stimulate institutional investment activity and the higher profile that venture investing thus received, pension funds tremendously increased their funding of independent venture firms, and they became the dominant financiers of these firms. In only two years, 1985 and 1986, the share of the new capital committed to independent venture firms by pension funds rose from 37 percent to 67 percent of the total.[4] Corporations, insurance companies and individuals still invested in venture capital firms, but their overall significance was lessened.

This shift in the sources of funds for venture firms brought about a refocusing of types of investments. Venture investing was new to pension fund managers during the mid-1980s. To allay their concerns about risk, venture portfolios were often structured to focus more on established firms and away from investments in newer, high-risk company start-ups. This move was reflected in the surge of buyouts of established firms. Such deals involve relatively lower risk and are often larger and more profitable than the average venture placement.

However, this trend may be changing. During 1990, transactions involving acquisitions accounted for 34 percent of the venture capital invested, compared with 44 percent in 1989. Some 26 percent of venture capital funding was used in 1990 (up from 17 percent in 1989) for early-stage financings, such as seed investments or start-ups, on which the Crown-related firms have come to concentrate. Despite the dollar shifts, the number of early-stage investments as a share of the total has been strong over time. In 1990, 263 companies received injections of venture capital funding, a slight decrease from the 300 companies helped in 1989. Some 112 early-stage financings comprised 41 percent of all venture capital financings made in 1990, compared with the 143 financings that made up 44 percent of the total in 1989.

[4]Mary Macdonald, *Venture Capital in Canada: An Overview* (Ottawa: Investment Canada, 1987), page 18.

As a result of the high risks associated with venture investing, the professional venture industry's profitability hinges on major successes to offset the inevitable losses. Among venture capitalists, a two-five-three or two-six-two rule is frequently mentioned. This rule expresses the general truth that for every ten venture investments, two will lose money when the venture capitalist exits from the investment; five or six will provide returns similar to the returns that would be generated by a no-risk investment, such as a treasury bill; and two or three will be successes, showing at least 30 to 40 percent compounded annual returns. The two or three successes usually provide the returns that the venture capital company considers commensurate with the risks it incurs for all ten investments. ACVCC data from 1975 to 1985 show an average rate of return of 23 percent on venture investments. Meanwhile, the annual compound rate of return for the best-performing U.S. equity mutual fund over the ten-year period ending 30 April 1991 was nearly 14 percent. Venture capitalists consider their higher return necessary for the greater risk they assume.

Independent venture capital funds usually have a fixed lifetime. Those that have matured recently or are maturing in the early 1990s have so far performed below investor expectations in general, as a result of abnormally high investment losses and high transaction costs in the mid-1980s.[5] The lower returns have resulted in a notable slowdown in the flow of money from major institutional investors to new Canadian venture capital funds, as evidenced by the absence of growth in the industry's capital during 1990. However, the general impact of this slowdown over the medium term may not be great. The flow of resources to venture capital funds tends to be cyclical; it could take the industry a number of years to invest the almost $800 million of venture capital that it now has available to be placed.[6] A troubling aspect of the situation is that a large proportion of the industry's funds available for investment are concentrated in firms that focus on Quebec and Alberta, thus creating liquidity concerns in other parts of the country.

As with other cyclical processes, the present situation may itself contain the factors necessary for a reversal. Since there is less money entering the venture capital market, competition among venture capital firms for deals has decreased. Thus, the transactions and their rates of return should improve from the venture capitalists' viewpoint. This scenario should produce acceptable profits for the venture capital industry, which could then encourage institutional investors to return to this form of investment.

Strengths and Weaknesses

Structural Factors

The professional venture capital industry generally is able to attract the funds it requires. Furthermore, its particular attraction to high-risk, high-potential companies leaves it with little competition from other domestic financing sources. However, there are some structural weaknesses to overcome. The industry does not have a positive image with some potential clients and their advisers. The industry does not have high visibility; as a consequence, some qualified clients who need capital investment fail to approach venture capital firms. The firms themselves need additional experienced venture capitalists. Finally, the general absence of links to venture opportunities beyond North America may be limiting the Canadian industry's international competitiveness.

Major investors in venture capital funds have numerous opportunities for investment, and the venture industry's success over time in attracting resources reflects the good returns it can provide. The ready availability of investment funds is a key element of strength for the venture capital industry, for it allows the industry to take advantage of opportunities as they arise.

Venture capital financing is not available to or appropriate for all firms but, for that niche of high-risk firms with high growth potential, venture capital has little competition from other funding sources. This position is rooted in the venture capital industry's unique qualities, as noted in the Introduction, that distinguish it from other financial institutions. Equity financing minimizes the costs to the investee companies by eliminating regular loan payments and thus enabling the companies' executives to concentrate on the progress of their firms. Venture capital's commitment beyond the short term appeals to growth firms, since they frequently require follow-on financing and can thus avoid such concerns as the firm grows. The availability of funding in the future is an advantage over informal sources of financing, such as family and friends, who usually have relatively limited resources. Finally, the active participation of the venture capitalist in the strategic management of the company provides a source of valuable advice and expertise, which often must be purchased when other funding routes are used.

On the other hand, the lack of understanding and appreciation of venture investing in some business and professional circles is a weakness that may impinge on the demand for venture capital. The term "vulture capital" is sometimes used

[5] A.G. Fells, *Venture Capital: A Five-Year Update* (Toronto: SB Capital Corporation Ltd., 1988), page 8.

[6] A.G. Fells, page 15; and Mary Macdonald, "The Canadian Venture Scene," A report to the 1991 Annual Conference of the Association of Canadian Venture Capital Companies, Calgary, 2 – 4 April 1991.

in describing the industry, and venture capitalists at times are accused of trying to take over the companies in which they invest. This view may demonstrate too little appreciation for the risks taken by venture capitalists, whose funds are often unsecured and not liquid. Companies seeking funds may not comprehend the advantages offered by venture capitalism, the most important of which may be the investor's business knowledge and experience.

A second weakness of this industry is its relative inefficiency in capital markets compared with other participants. There is no prominent and widespread network of venture offices to provide easy and visible access to those seeking funds. Venture firms by and large do not advertise and often rely on private networks of contacts to find clients. This situation may be costly for venture capitalists in a number of ways. Potential investors may not see interesting proposals because businesses cannot find them. Conversely, the venture capitalists may have to review many proposals that do not interest them, because those seeking funds lack specific information about the interests of particular venture firms and circulate their business plans to a large number of firms. About 10 percent of all proposals are ultimately funded by firms in the venture capital industry, but individual venture capitalists usually proceed with only 2 to 3 percent of the proposals they receive. The need to make venture capital more accessible has spurred the establishment of a number of broker services attempting to match investors and borrowers. The Canadian Opportunities Investment Network (COIN), operated by the provincial Chambers of Commerce, and the Investment Exchange in Alberta are two such organizations.

The venture capital industry is constrained by a need for more people with the required experience. Since 1980, capital under management increased tenfold, but the number of professionals in the industry has not grown accordingly; in fact, the number of professionals employed in the industry fell by 11 percent from 1989 to 1990. The ACVCC is addressing the situation through its continuing Professional Development Program. Since the business is very much one of judging other people's ability to develop a company over the long term, the skills must be learned on the job to a large degree, even by those recruited from other financial service sectors. It can take a number of years to gain the necessary experience to be fully proficient in the venture capital industry.

The Canadian venture capital industry traditionally has strong ties with its U.S. counterpart but acknowledges that it generally lacks other international contacts. Venture capitalism is increasingly becoming a global process. International connections can mean more and larger investment opportunities, larger capital resources and the access to greater industrial expertise. The advantages of international co-operation can be seen from the recent operations of Advent International, a worldwide network of 18 venture companies working in 20 countries with more than $1.8 billion in capital. One investment that was identified by the group's partner in Singapore involved French-made technology for breaking down kidney stones. Several of the partners took equity stakes in the company after it was evaluated by the German partner. The product was introduced by the Japanese partner into the Japanese market and sponsored by the American management team through the U.S. Federal Drug Administration approval process.[7]

The Canadian industry is not yet a significant player in the global venture process, perhaps because it has only recently reached maturity. Additionally, Canadian venture capital firms in general believe strongly in the value-added that they bring to the investee firm, and the difficulty in providing this strategic direction at significant distances is a deterrent to offshore venturing. Such considerations point out the benefits of alliances like Advent International, where a number of firms contribute to the project. In 1991, a venture capital firm commenced operations in Canada in association with Advent International. Developments such as this should assist the globalization of the Canadian venture capital industry.

In addition, the Canadian industry may be able to increase its international involvement by co-investing with offshore venture firms in Canadian-based transactions. Thus, while operating in the area they know well, Canadian firms can develop additional international contacts and become further linked to the global venture network. There have been some successes in this area with a number of rounds of financing provided by international consortia of venture capital firms in some cases. The ACVCC has been promoting the internationalization process through its annual conferences and the development of ties with international sister organizations.

Trade-Related Factors

Given the difficulties of adding value to a firm at a distance, there is little international competition in venture capital services. Nevertheless, the Canadian professional venture industry's relationship with its U.S. counterparts has allowed it to invest without restriction in the United States for a long time. This situation will continue under the Canada-U.S. Free Trade Agreement (FTA) implemented on 1 January 1989. However, capital flow and foreign ownership restrictions in some other countries may inhibit the Canadian venture industry from operating there. Within Canada, the relatively smaller size of Canadian firms has not been a disadvantage for the

[7]"A Case of Too Much Money," *Financial Times*, 30 November 1988, page 6.

domestic firms, since foreign competition in the Canadian venture capital market is negligible. Foreign venture companies do participate in transactions in Canada, usually in syndicates established by Canadian venture firms.

Other Factors

A vital element in a venture capital transaction is the exit, which is the process of realizing the gain from the investment in a company. The initial public offering (i.e., the first public sale of shares in the company) is the preferred and traditionally the most profitable exit method but, with increased regulation, the established stock exchanges are becoming more restrictive with new, junior stock issues. The Vancouver Stock Exchange is recognized as the foremost venture capital exchange in North America, but it is primarily a resource exchange. Furthermore, the absence of an effective over-the-counter stock market (i.e., the market for stocks that are not traded through the stock exchanges) has also restricted public offerings in Canada. However, the Quebec Stock Savings Plan, which provides a tax shelter for purchasers of newly issued shares of Quebec firms, did increase new-issue activity on the Montreal Exchange prior to the decline of stock prices in October 1987. Four other provinces have established stock savings plans: Alberta, Saskatchewan, Nova Scotia and Newfoundland.

Evolving Environment

A number of major world trends and the resultant changes in Canadian society will affect the venture capital industry in the years to come. Certain domestic changes will also leave their mark. Continued globalization, technological advancement and further increases in the number of small businesses will all bolster the Canadian venture capital industry, but in different ways. As the industry becomes more linked to the international venture process, it will have more investment opportunities, greater financial capacity and increased expertise available through the syndication of deals. Meanwhile, the development of new technology and the growth of entrepreneurship will create those high-risk, high-reward deals that venture capitalists seek.

More and more, venture capital is being accepted as an appropriate way to do business. The result should be a more efficient market as the venture firms become known. This process should produce a further improvement in the image of the venture capital industry.

The development and evolution of the labour-sponsored funds — Le Fonds de solidarité des travailleurs du Québec and Working Ventures Canadian Fund — will have an impact on the industry because of their size and visibility and because of the attractiveness to small investors of the tax advantages of investing in these funds. This in turn should facilitate a greater public understanding of the role of the venture capital industry in the economy.

The impact of the FTA will be positive for the venture capital industry to the extent that general economic growth improves the demand for and returns to venture funding.

Competitiveness Assessment

The professional venture capital industry has little competition in its operational niche from other Canadian financing sources. The industry offers a value-added component that other financial institutions do not. The image of venture capitalism is improving and the industry's capital base has reached a historically high level. There is a continuing stream of venture opportunities, and the funding for early-stage deals is helping to perpetuate the flow as the start-ups of today become the expansion deals of tomorrow. The venture industry is addressing the key issues facing it, including its image, the inefficiency of its market, the need for experienced personnel and the general lack of international contacts.

For further information concerning the subject matter contained in this profile or in the sectoral study (see page 9), contact

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CANADIAN ANNUAL VENTURE INVESTMENT BY INVESTOR TYPE[a]

	1989	1990
Independent Sector		
Amount invested ($ millions)	N/A	96
Number of investments	N/A	122
Average investment ($ thousands)	N/A	787
Corporate Affiliate Sector		
Amount invested ($ millions)	N/A	85
Number of investments	N/A	67
Average investment ($ thousands)	N/A	1 269
Crown-Related Sector		
Amount invested ($ millions)	N/A	30
Number of investments	N/A	72
Average investment ($ thousands)	N/A	417
Hybrid Sector		
Amount invested ($ millions)	N/A	66
Number of investments	N/A	38
Average investment ($ thousands)	N/A	1 737
Total		
Amount invested ($ millions)	343	277
Number of investments	359	299
Average investment ($ thousands)	955	926

[a] See *CVC: Canadian Venture Capital*, May 1991.

N/A: Not available due to a change in the way industry activity is reported

MAJOR FIRMS

Name	Country of ownership	Location of head office
Altamira Capital Corporation	Canada	Dorval, Quebec
Canadian Corporate Funding Limited	Canada	Toronto, Ontario
Federal Business Development Bank	Canada	Montreal, Quebec
Le Fonds de solidarité des travailleurs du Québec Inc.	Canada	Montreal, Quebec
Noranda Enterprise Limited	Canada	Ottawa, Ontario
Royal Bank Capital Corporation	Canada	Toronto, Ontario
Société d'investissement Desjardins	Canada	Montreal, Quebec
TD Capital Group Limited	Canada	Toronto, Ontario
Vencap Equities Alberta Ltd.	Canada	Calgary/Edmonton, Alberta
Ventures West Management	Canada	Vancouver, British Columbia

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SECTORAL STUDIES AND INITIATIVES

The following document is available from the ACVCC.

Venture Capital in Canada: A Guide and Sources
This 1991 publication of the Association of Canadian Venture Capital Companies (ACVCC) provides information on the Canadian venture capital market and how to raise venture capital, and lists sources of venture capital in Canada.

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