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Establishment of a new $375 million venture capital fund and recapitalization of the Anges Québec Capital fund

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The Budget Plan unveiled by the Quebec Government as part of the Budget Speech of last June 4 includes many initiatives to increase venture capital financing. The 2014 2015 Budget presented by the Minister of Finance, Carlos Leitão, provides for several measures to make $560 million available to finance businesses and venture capital funds, including the establishment of a $375 million fund to invest in venture capital funds.

The capitalization of this new fund, which will have an overall target size of $375 million, will be financed by the Quebec Government, which will invest $62.5 million, the Fonds de solidarité FTQ and the Caisse de dépôt et placement du Québec, which will each invest $50 million, and by the Federal Government through its Venture Capital Action Plan and private sector partners who will assume the difference.

This new venture capital fund, which will be headquartered in Quebec, will be a fund of funds which will focus on investment opportunities in a number of sectors, but with an emphasis on the life sciences sector. The Minister of Finance of Quebec and the Minister of Finance of Canada will shortly unveil all details concerning this new fund.

The new Quebec budget also provides for financial support to angel investors for the purpose of recapitalizing the Anges Québec Capital fund while increasing support for the private equity industry in cooperation with Investissement Québec. Quebec undertakes to maintain its financial support by contributing $25 million to Anges Québec Capital, to which will be added $25 million and $15 million to be invested respectively by the Caisse de dépôt et placement du Québec and the Fonds de solidarité FTQ.

By adding to the above amounts an amount of $20 million already invested by the Quebec Government as part of the 2011 2012 Budget and the amounts to be invested by other potential partners, the Anges Québec Capital fund should be able to reach the capitalization objective of $100 million.

These additional amounts devoted to venture capital funds will greatly contribute to increasing the number of Quebec start-ups, which will benefit from a further diversified venture capital financing offer.

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