

519 Growth Fund II Mandate

To create a venture capital fund providing capital and mentorship for early stage, innovative companies. The fund offers investors portfolio diversification and high return potential.

519 Growth Fund II Criteria

- *Focus* – Investments in Agriculture and Food Innovations and Technology Enabled companies which cross multiple industries.

Target Sector Ranges

Agri-Food Innovations

75%

of portfolio investment



Technology Enabled

25%

of portfolio investment



75%

of investments to be made in Canadian companies

Agriculture and Food Innovations

- Companies producing goods or services that are novel, offer enhanced efficiency, increased productivity and sustainability for users
- To reduce inputs and/or input costs, and add value to commodity products, etc.
- Novel business models and technologies with disruptive potential and strong Intellectual Property positions.
- B2B and B2C scope

Technology Enabled

- Companies developing and commercializing Technology Enabled solutions
- Technologies which span multiple vertices
- B2B and B2C scope

Lifecycle

- Pre-Seed stage companies for investment with 10% - 15% of portfolio investment
- Seed stage companies for investment with 85% - 90% of portfolio investment

Company Management

- Founder who is coachable and able to learn from the General Partner. Has early formation of a management team with skills aligned with company goals and strategy.
- Management team with some industry experience either through background, years of experience, or education
- Investments in companies with Female or BIPOC leadership with goal of 15% - 20% of portfolio companies

Ownership

- Typically to own a minority interest
- Utilize convertible notes or direct equity investment
- No minimum investment in a single investee
- The maximum amount invested in a single investee will be no more than 15% of Committed Capital
- Longer term investments – exits in 5 to 7 years with Founder support.

Expertise

- Investments in companies only within domain knowledge of the General Partner (RHA Ventures Principals)
- Associates and consultants of the General Partner may be engaged to provide special insights where required.
- The General Partner possess the investment and operational expertise to mitigate losses in the event certain investments fail to meet expectations.

No Investments in the Following Categories

- Direct investment in land or farm properties
- Agreements providing for options, swaps or other derivative agreements
- Other investment companies, partnerships, or funds
- Unethical Investments such as goods and services not legal in Canada, those inconsistent with generally accepted community standards of conduct and propriety, or those with any risk of links to criminality or terrorism
- Businesses at risk of non-compliance with health, safety, labour, industrial and environmental standards and regulations

Investment Returns

- Achieve investment returns commensurate with risk undertaken