

# Public Venture Capital

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# Public Venture Markets Worldwide

- Role of a public venture market
  - ground floor opportunity for investors
  - access to a nation's wealth for issuers
  - visibility for nation's most promising companies
  - stepping stone to a senior market
- Over 30 public venture markets created since 1990
  - aligned to their senior market
  - many modelled after Nasdaq
  - image problems due to lax listing requirements
  - allegations of criminal activity
  - attempting to grow foreign listings



# Canada's Public Venture Market

- Unique in the world
  - history
  - position and size
  - number of listings
  - size of issuer
  - high regulatory standards

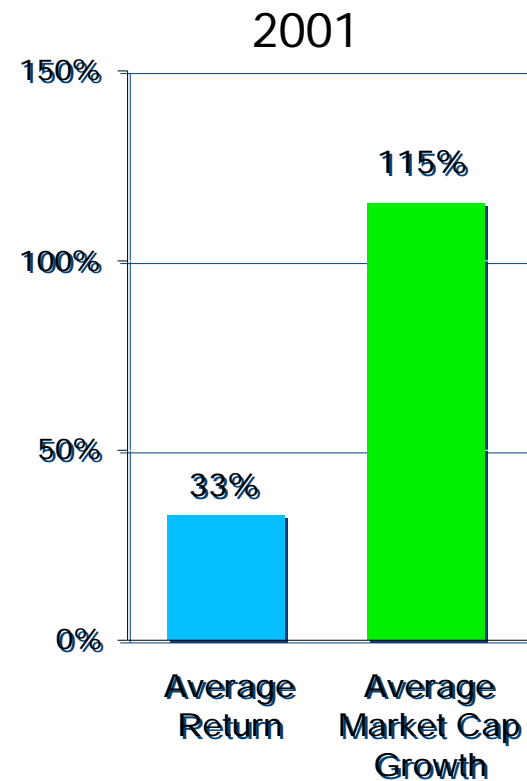
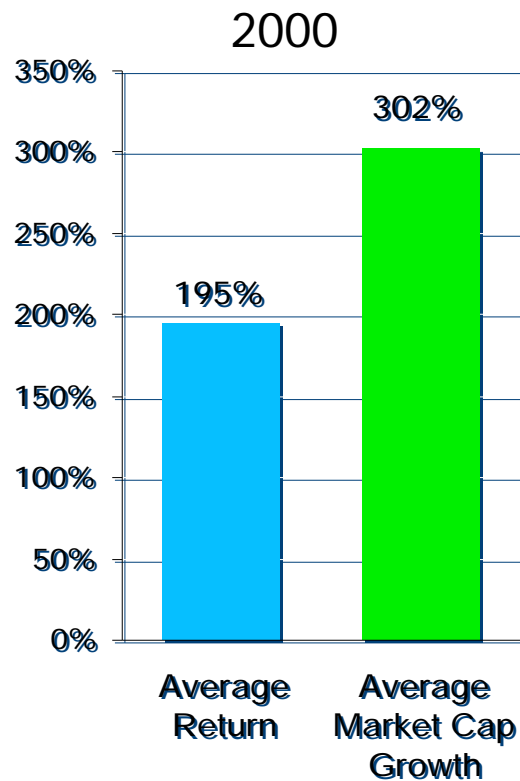


# Canada's Regulatory Strengths

- Defines reputation and credibility of Canada's public venture market
- Pro-active Regulation
  - getting listed
  - maintaining a listing
- Reactive Regulation
  - market regulation
  - market surveillance
- Addresses regulatory risk, not commercial risk

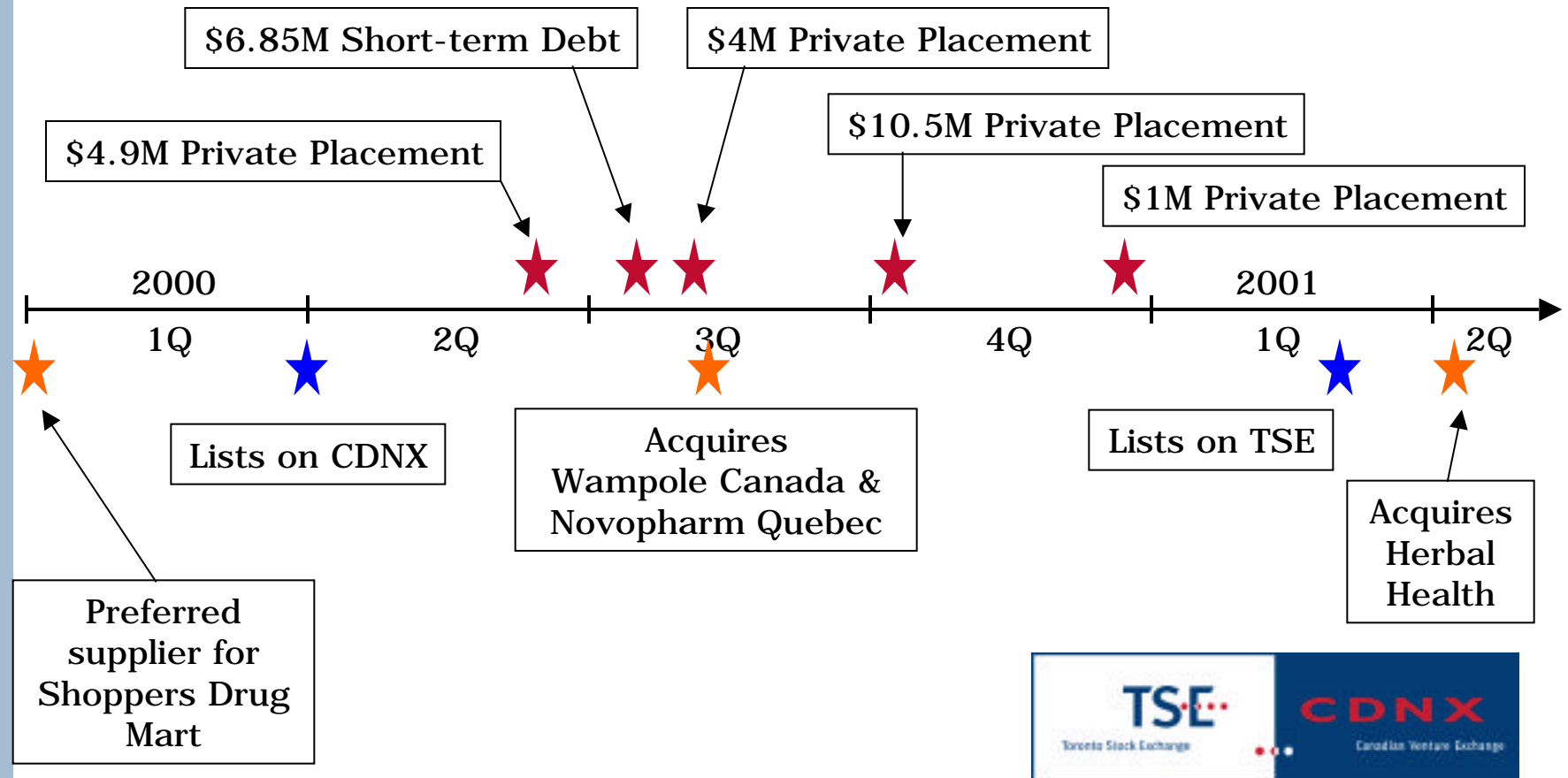


# Performance of Canada's Public Venture Market



# Case Study: PanGeo Pharma Ltd.

**Performance: Annual Return - 40%, Annual Market Cap Growth - 129%**



# Public Venture Investing Challenges

- Cost-adjusted returns
  - infrastructure to manage investments
  - due diligence, lack of research
- Lack of specialists
- Few funds with a proven track record
- Co-investment challenges
- Liquidity



# Future of Public Venture Markets

## Potential for:

- Market consolidation
- Alliances
- Stronger ties between senior and junior market
  - raise profile of emerging growth companies
  - more comprehensive market research
  - new small-cap products



**Thank You**

