

METIS ECONOMIC DEVELOPMENT FUND

ANNUAL REPORT

2014

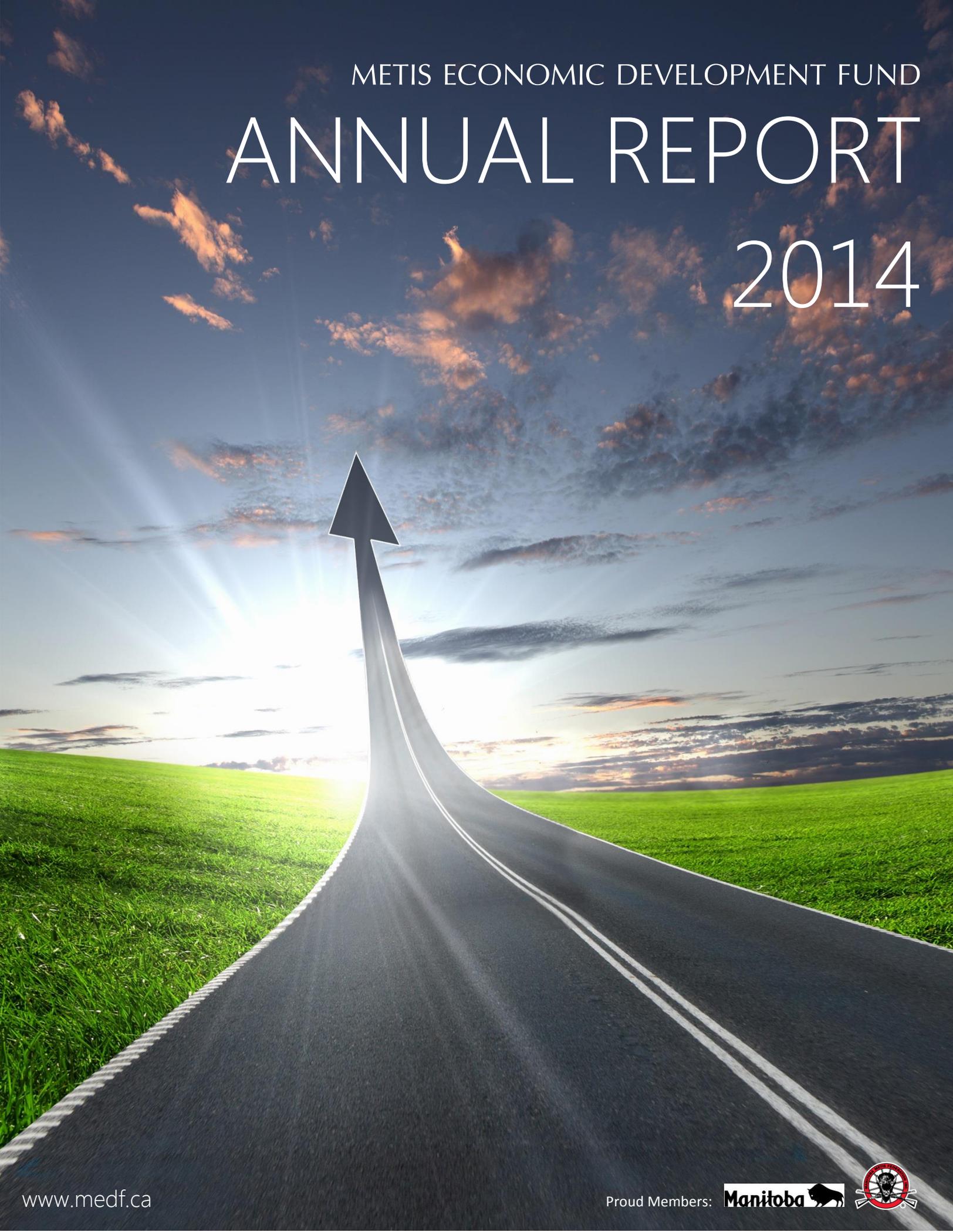


TABLE OF CONTENTS

03

Message from the Board
Chairperson & CEO

04

Message from Minister Leah LaPlante
Message from Minister Eric Robinson

06

MEDF Portfolio – *Equity &
Financed*

10

2013 Highlights

15

2014 MEDF
Financials

24

On the Horizon

CONTENTS

A MESSAGE.

FROM THE BOARD CHAIRPERSON & CEO

MEDF delivered an exceptional year of performance surpassing annual objectives that supported Manitoba Metis business development, expansion, and acquisitions.

Manitoba's economic factors were stable & consistent in 2013 while our diversified economies continued a trend of positive growth. These leading economic results were further amplified as businesses conquered challenging environmental conditions throughout 2013. *The Manitoba Finance Economic and Fiscal Analysis Branch* released highlights comparing Manitoba's economy to Canada's:

- Manitoba's real economic growth increased 2.4% in 2013, well above the Canadian rate of 1.7%.
- Despite fragile global economic conditions, Manitoba enjoyed the second highest average annual growth among provinces over the last five years while Canada was the strongest among G7 nations.
- Manitoba's foreign merchandise exports increased 10.7% in 2013, highest among provinces.
- Strong population growth generated over 7,400 new housing units in 2013, the highest since 1987.
- Capital investment increased 26% over the last five years, almost double the national increase of 14%.
- Consistent annual increase in machinery and equipment investment has lifted Manitoba's labour productivity gains to the third highest among provinces over the last five years.

Relying on the historic positive trends of our economic landscape and the strength of the Manitoba Metis people, the Metis Economic Development Fund is positioned to be that catalyst fostering a strong and health Metis business environment. Management has accomplished key milestones set in our business plan earlier than expected. We anticipate that from our early successes and continued focus, we will deliver on yet another exceptional year supporting Manitoba Metis businesses. In addition, we will continue to build a sustainable Fund where our partnered Metis businesses will have the access to capital and reach new levels of business success.

Thank you to the Manitoba Metis Federation, Province of Manitoba Aboriginal & Northern Affairs, and MEDF Board Members for all their hard work and dedication as we strive to achieve our common mission.

On behalf of MEDF Inc., it is our pleasure to present the Fiscal 2013-14 Annual Report & Audited Financial Statements.

Bob Penwarden

Metis Economic Development Fund
Chairperson



John Coutris

Metis Economic Development Fund
Chief Executive Officer



A MESSAGE.

FROM MME MINISTER LEAH LAPLANTE

On behalf of the Manitoba Metis Federation, we are proud of the Board and staff of the Metis Economic Development Fund for a year of solid growth. The fund is becoming well known in the Province due to the marketing plan set by the Board and implemented by the CEO and staff. We look forward to all the actual business activity that will be made possible through this fund. MEDF has definitely become an integral part of the economic development opportunities available for Metis people.

Leah LaPlante, Minister

Manitoba Metis Federation



A MESSAGE.

FROM PROVINCE OF MANITOBA MINISTER ERIC ROBINSON

The Manitoba government is pleased to congratulate the management and staff of the Metis Economic Development Fund as you release your 2013-14 annual report.

Metis economic development is an important contributor to our province's economic outlook. Your good work in encouraging Metis entrepreneurship, creating jobs, promoting community development and cultural pride along the way is much appreciated. I wish you continued success.

Eric Robinson, Minister

Manitoba Aboriginal and Northern Affairs



ABOUT US.

METIS ECONOMIC DEVELOPMENT FUND INC.

The Metis Economic Development Fund (MEDF) promotes the economic development, skills, and financial opportunities of the Manitoba Metis people by providing equity (common shares/preferred shares) or a hybrid of equity & debt (convertible debt/subordinated debt) to support Metis entrepreneurs.

Over 55 documented Metis individuals and businesses engaged MEDF management seeking equity financing since inception. A directory of over 400 Manitoba Metis businesses is our primary source through which investment opportunities are being generated. As the Manitoba economy continues to grow and prosper, initial volumes indicate a healthy and vibrant Metis economic landscape yielding a variety supply of potential deal flow.

VISION

Our overall vision is to foster strong, healthy and self-reliant Metis families, local communities and businesses by stimulating and supporting the start-up and growth of Metis businesses. In addition, we aim to create partnerships with both the private and public sectors further enhancing business opportunities for our Manitoba Metis.

OBJECTIVES

- ✓ To provide equity for Metis entrepreneurs and businesses
- ✓ Promote and encourage trade and commerce for Metis entrepreneurs
- ✓ Facilitate and promote the Metis business community
- ✓ Maintain liaison between the Metis business community and with Government agencies and representatives at municipal, provincial and federal levels
- ✓ Support and encourage Metis community economic development initiatives
- ✓ Encourage the management skills for new and existing Metis business owners and entrepreneurs

PURPOSE

Make equity investment partnerships available with the objective of promoting the economic development, skills and financial opportunities of the Metis people of Manitoba by providing capital funding to Metis-owned businesses.

CONSOLIDATED MEDF INVESTMENT PORTFOLIO - *since inception*

Total local investment as a result of MEDF activities:



Since September 2012, management has reviewed over 80 individual business proposals while financing 10 business ventures. Currently, MEDF investment leverage ratio is 1:3 which exceeds our target of 1:1. This means that for every \$1 invested by MEDF, \$3 is leveraged through the entrepreneur, private investors, partnerships, and/or financial institutions.

Projects Reviewed	# of MEDF Equity/Financed Transactions	MEDF Invested Dollars	Investment Leverage Dollars (\$\$)	Investment Leverage Percent (%)	Jobs created and/or maintained
81	11	\$2.21 million	\$6.7 million	302%	94

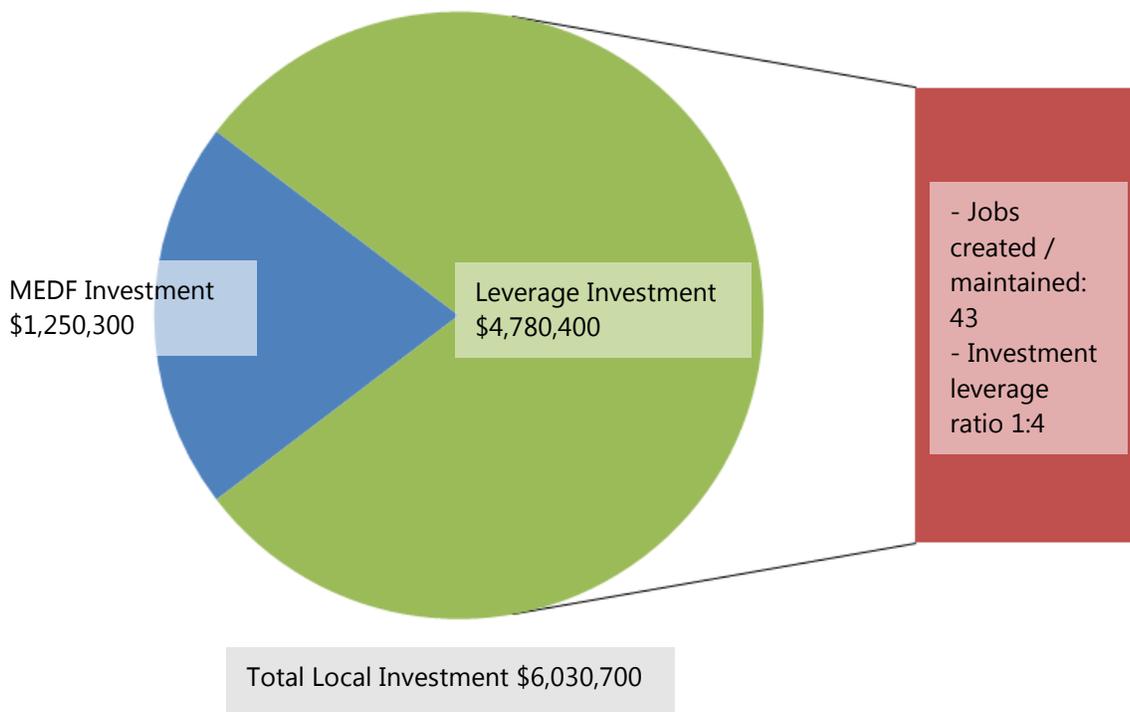


INVESTMENT EQUITY PARTNERSHIPS

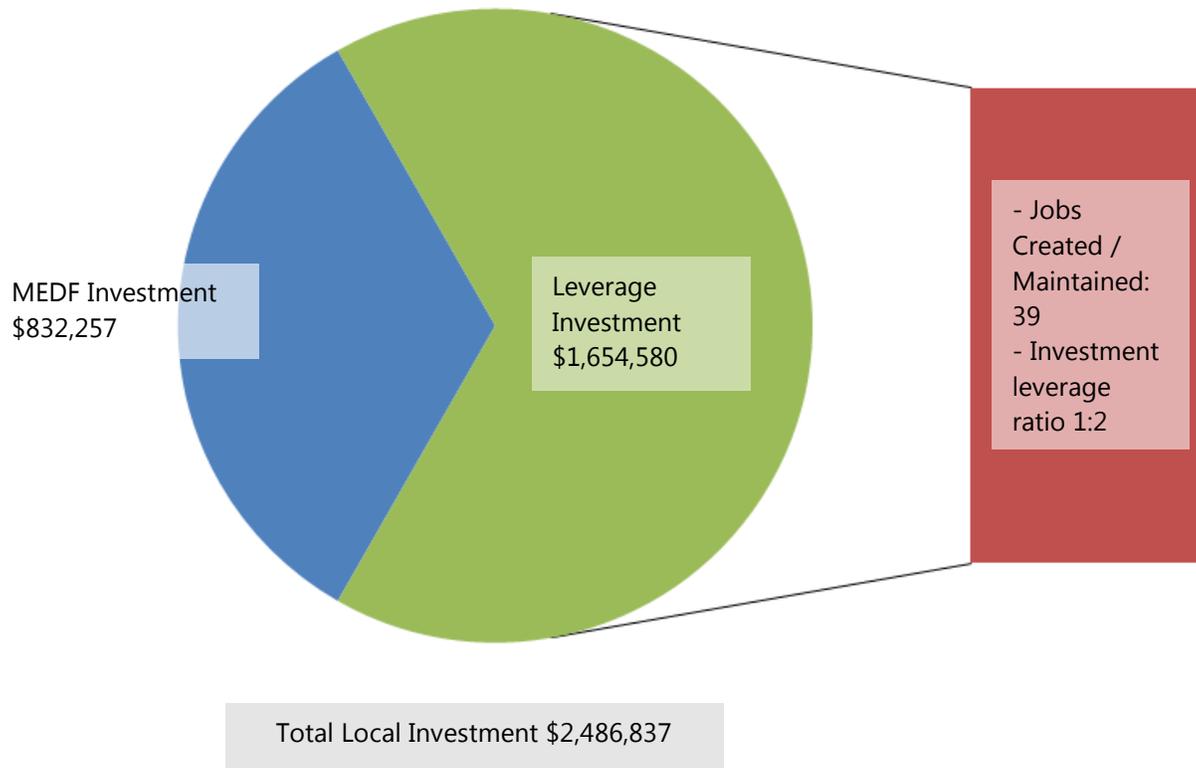
The Fund is available to all Metis owned and controlled enterprises in Manitoba. This includes new and/or existing Metis community and privately owned businesses. Manitoba Metis economic development projects that meet our criteria and principles are eligible for investment. Some basic principles include; leveraging investment from other sources, markets with high growth potential, business viability & sustainable competitive advantage, an experienced balanced management team, upholding uncompromising standards of excellence, and a clearly defined exit strategy.

The Fund has developed investment policies and guidelines to govern the activity of the Fund utilized to mitigate the potential investment risks. We are managed with a highly focused and conservative approach to developing its investment initiative by investing in growth, expansion or mature stage companies active in Manitoba. We maximize its impact on the Metis by partnering our investments with a variety of groups and/or financial institutions such as; Louis Riel Capital Corporation, Credit Unions, Conventional Lenders, Private Capital and Government Programs. Whenever possible, the Fund partners with these other organizations when making an investment. By leveraging individual investments, the Fund is able to compound funding to Métis businesses while maintaining an industry diversified approach to the overall pool of investments.

EQUITY PORTFOLIO (Fiscal 2013-14)



FINANCED PORTFOLIO (Fiscal 2013-14)



MEDF PORTFOLIO

MEDF continued the task of growing its portfolio during the 2013 / 2014 fiscal year & as highlighted below, the feedback has been increasingly positive. The momentum the MEDF team has been experiencing has been cause for a very exciting and busy time as well as creating awareness for other entrepreneurs to express their interest in MEDF programs. This has allowed us to have been introduced to many exciting opportunities in the coming year.





"Security Glass Ltd is excited to have partnered with Metis Economic Development Fund in order to move forward with our expansion in the glazing industry. Without the support of MEDF we may have not been able to finalize all the costs we needed to purchase the equipment required to manufacture and grow. We are proudly Manitoba and Metis owned. We at Security Glass are looking forward to our relationship with the MEDF"



SECURITY GLASS PRODUCTS

"When the opportunity arose to purchase The BraBar & Panterie, which I had been involved with for many years, I knew obtaining financing would be my biggest challenge. The MEDF worked with me and was able to provide the funding I needed to make my dream a reality. Beyond providing financing, the MEDF has been a great support to me as a new entrepreneur. They have a lot of valuable knowledge regarding programs and initiatives to help Metis entrepreneurs."



The Bra Bar & PANTERIE



MEDF Board Member Arnold Asham & the Asham Stompers performing at MEDF / LRCC Conference



Left: Guest registration at MEDF/LRCC Conference



Left: MMF Minister Leah LaPlante & MNC event coordinator Lynette Davis at MEDF / LRCC Conference

2013 HIGHLIGHTS: METIS ECONOMIC DEVELOPMENT FUND INC.

MEDF remains committed to transparency and to keeping stakeholders and the community informed of its activities and accomplishments. Over the past year, MEDF has engaged over 55 Metis entrepreneurs while directly investing into 8 businesses throughout the fiscal year. At the same time, MEDF staff indirectly assisted almost 20 Metis entrepreneurs find the necessary financial support utilizing our vast network. MEDF management provide value added financial advice and services encouraging Metis entrepreneurial economic development.

Over half of the Metis entrepreneurs who worked with MEDF last fiscal year received direct or indirect financial support that satisfied their business needs. The remaining perspective entrepreneurs and businesses received much needed financial advice and support to assist in mapping out their individual journey.

Vision Quest

In its 17th year was held at The Winnipeg Convention Centre, May 14-16, where we will host over 1,000 Conference participants as well as over 80 exhibits. MEDF shared a booth with LRCC as we partnered to promote the services offered by our organizations to the Metis community.



(Picture from left to right: John Coutris, Erica McDonald, Gary Peric, Mike Waddell)

Innovate Manitoba

Venture Challenge was a huge success as MEDF management joined over 120 participants to view 7 companies compete for 3 large cash prizes. Of special interest, two of the seven companies competing at the event were known to MEDF and encompassed both Metis ownership and leadership (Advolve Media and Eyeware Evolution). MEDF management have met individually with these organizations over the past several months nurturing the opportunity by providing options to access other Metis programs to support the business.

MEDF & LRCC Metis Trade Show & Conference – November 5th & 6th, 2013

“Building Employment, Training & Business Partnerships”

The Metis Economic Development Fund (MEDF) & the Louis Riel Capital Corporation had the exciting opportunity to organize and host a Metis business driven conference and tradeshow. The conference, which took place November 5th and 6th, was a successful event which gave opportunity to highlight the Fund and its objectives used to support Manitoba Metis entrepreneurs. The conference was well supported and allowed for many great networking opportunities.



With over 250 registrations attending the event entitled *“Building Employment, Training and Business Partnerships”*, the event hosted over 50 booths, 8 workshops, 2 distinguished speakers and 2 keynote addresses, the conference was a huge success with many individuals and organizations requesting details about the next events being planned. A networking reception, encouraging government and industry networking was held on the first evening. The reception was well attended with entertainment provided by the Asham Stompers.



MEDF CEO John Coutris - Interview at MEDF / LRCC Conference



MMF President David Chartrand speaking at MEDF / LRCC Conference



LRCC CEO Paul Paradis, David Chartrand & MNC President Clem Chartier at MEDF / LRCC Conference



Erica McDonald, Mike Waddell & Gary Peric, MEDF & LRCC staff at the MEDF / LRCC Conference reception



MEDF / LRCC Conference



MEDF / LRCC Conference Registration

MEDF Investment & Finance Results – April 1, 2013 thru March 30, 2013

It has been a very exciting time over the past year at MEDF. During the last fiscal period, MEDF has completed its second large investment into a Metis business & has developed a joint financing portfolio which now includes loans for eight (8) Metis businesses. As a result, MEDF has now invested a total of \$2,082,557 and has leveraged \$6,434,980 to Metis entrepreneurs, as well as helped to create and maintain 82 jobs.

"The MEDF has been a great support to me as a new entrepreneur. They have a lot of valuable knowledge regarding programs and initiatives to help Metis entrepreneurs"
-Crystal Cunard, Owner, BraBar & Panterie

MEDF Corporate Video & Social Media Success

In the later part of the second quarter, management made slight changes to the website to incorporate our corporate video which was developed in joint with LRCC. The video brochure was a result of countless discussion with entrepreneurs seeking further clarification to the Metis financial offering that LRCC and MEDF provide. As a result of the release of our video, coupled with the use of social media, our website experienced rapid exposure by individuals interested in viewing the video. MEDF continues to present the video at every opportunity including all tradeshows and MMF regional meetings.

University of Manitoba Stu Clark Investment Competition

The GM participated as a judge in the Stu Clark Investment Competition for MBA students in March. In a “Dragon’s Den” type competition, sixteen (16) finalists from Canada, the U.S., Thailand and Bangladesh competed for cash prizes and investors’ attention held over a two-day period. MEDF gained significant profile from this competition which resulted in at least one potential partnership opportunity.



MEDF AGA Sponsorship at MMF 43rd Annual General Assembly



Actor Adam Beach stops by the MEDF & LRCC offices



Small Business Week Kick Off - 2013

YES! Young Entrepreneurs Symposium

Hosted in March, 45 existing & aspiring Metis entrepreneurs throughout Manitoba attended a two day workshop in Winnipeg that focused on providing individual and business support. During an evening reception, 4 Metis entrepreneurs competed in a “Dragons Den” style competition being judged by four leaders of the Metis community with one of them being MEDF’s chair, Bob Penwarden. The conference was deemed a success by the organizers and participants who received much value-added business information. Plans are to host another session sometime in the spring of 2015.



MEDF Golf team from left to right – Todd Habicht, MEDF CEO John Coutris, & board members Richard Kachur & Wayne Rivers at the Winnipeg Chamber 2013 Golf Tournament



Venture Challenge 2013



MEDF Golf team from left to right – MEDF Office Manager Erica McDonald, CEO John Coutris, Mitch Muller & Mike Fenner

Social Media & Marketing

MEDF reached
100 Twitter
Followers!



2014
6,480 website
page views



MEDF Metis
Business Directory:
390 Metis
Businesses to date!

ON THE HORIZON.

MARKETING STRATEGY FOR 2015

The in-direct marketing strategy will seek out government, mainstream businesses, and economic development organizations to assist identify potential deal flow in the referral process to MEDF.

GOVERNMENT ENTITIES: It is important that the MEDF develop and leverage relationships with Provincial, Municipal and Aboriginal governments in order to educate them on the potential opportunities that exist both with the Fund itself and through the use of services provided by Metis businesses. Management will continue building these relationships through attending economic development like events.

METIS BUSINESSES AND ECONOMIC DEVELOPMENT ORGANIZATIONS: Attending events and networking with organizations such as Louis Riel Capital Corporation, Canada Manitoba Business Service Center, Entrepreneurship, Training and Trade, Women's Enterprise Centre, Aboriginal Business Service Network, and Business Development Bank of Canada will be key to promote the services of MEDF. It is imperative to develop relationships with these groups as there is the potential to leverage the capital in the Fund by partnering with these institutions. Our memberships with the Chamber of Commerce (Aboriginal, Winnipeg, and Manitoba) is useful when reaching out to the customer profiles. We have found these organizations useful in raising our organizations profile while connecting us with Manitoba Metis. In addition, the Fund aims to obtain membership through NACCA (National Aboriginal Capital Corporations Association) so MEDF can connect with other Aboriginal Financial Institutions on a federal level.

MAINSTREAM BUSINESSES: Developing relationships with key decision makers at larger industry players throughout Manitoba & Canada will be integral to the Funds success. These companies are the purchasers of support services for their industries, and as such play a significant role in whether Metis businesses are awarded work within their sectors. In addition, MEDF will leverage the relationships of the Fund's Board of Directors to facilitate meetings with key influential people throughout Manitoba focusing on reaching our target market.

STRATEGIC MARKETING ACTIVITIES WILL INCLUDE:

- *Industry workshops;* Metis business leaders meet with industry representatives to learn about current and future projects and what opportunities exist for Metis businesses.
- *Business conferences;* Formal eminence-building events where the Fund can build public awareness of their mandate and initiatives.
- *Needs assessment;* Interviews with industry representatives to identify sought-after products and services that would assist their operations.

Another key promotion strategy will be attending trade shows and forums throughout Manitoba and Canada if necessary. The events which have initially been identified as key to the success of the Fund are as follows:

- Manitoba Aboriginal Day;
- Manitoba Metis Federation Annual General Assembly;
- Industry and trade associations;
- Winnipeg Chamber of Commerce;
- Aboriginal Chamber of Commerce;
- Manitoba Chamber of Commerce;
- Festival Du Voyageur



BOARD OF DIRECTORS



Robert Penwarden
CHAIRPERSON SINCE 2011



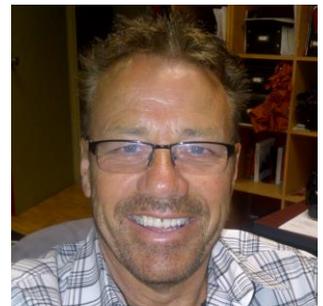
Richard Kachur
CO-CHAIRPERSON SINCE 2011



Mike Bettens
BOARD MEMBER SINCE 2011



Wayne Rivers
BOARD MEMBER SINCE 2011



Arnold Asham
SECRETARY TREASURER SINCE 2011

MEDE MANAGEMENT



John Coutris
CHIEF EXECUTIVE OFFICER



Carly Souque
BUSINESS DEVELOPMENT MANAGER



Erica McDonald
OFFICE MANAGER

*metis economic
development fund*

medf

The logo for the Metis Economic Development Fund (medf) features the lowercase letters 'medf' in a bold, dark blue font. A red, stylized graphic element, resembling a ribbon or a stylized 'M', loops around the letters. The background of the entire page is a photograph of a paved road curving through a green field under a blue sky with scattered white clouds.

340 – 150 Henry Avenue | Winnipeg, MB R3B 0J7 | P: 204.589.0772 / F: 204.589.0791 | info@medf.ca | www.medf.ca