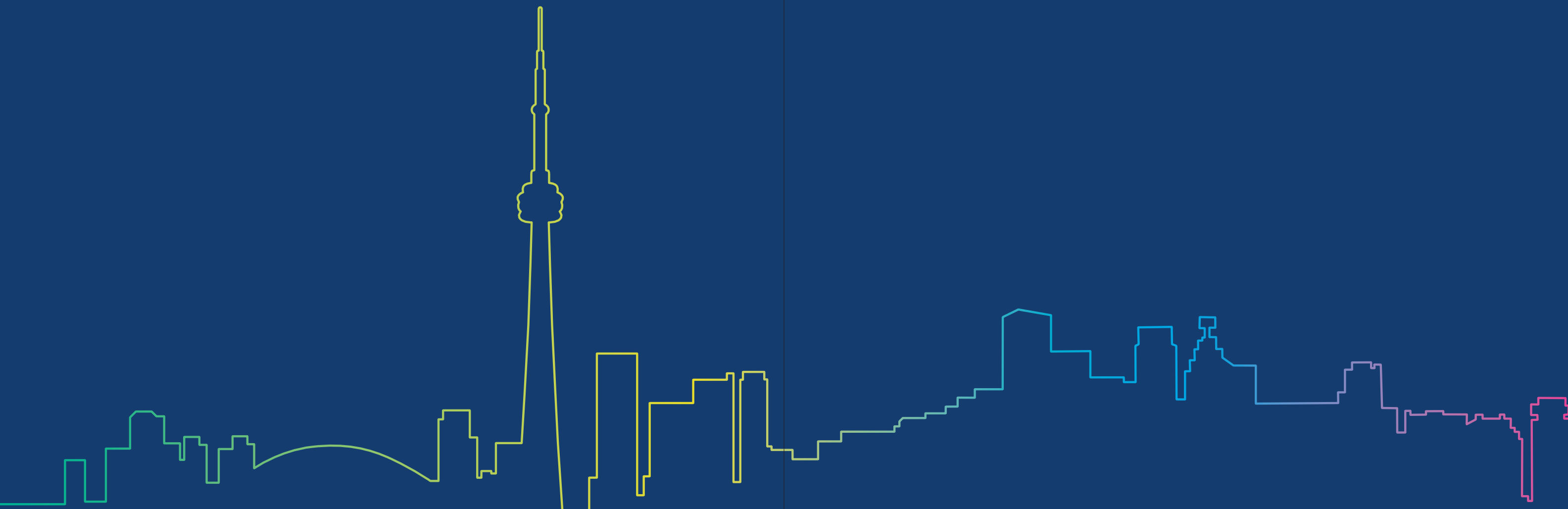


THE ROAD TO SUCCESS

Invest Toronto 2013 Annual Report





“Frankly, we were a bit overwhelmed, being a U.S. firm trying to open a Toronto office. Invest Toronto was incredible in bringing all the right people to us.

From legal and financial services to real estate and employee recruitment support, Invest Toronto coordinated everything. It was like a business start-up concierge service. I tell anyone that will listen how lucky Toronto is to have a service and great people like this. We’re proud to say our office is open, we’re fully incorporated, and we’re well on our way to growing in Toronto.”

DAN GLIATTA, MANAGING DIRECTOR, THE CARGO AGENCY INC.

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MESSAGE FROM THE PRESIDENT



Toronto is one of the foremost cities in the world in which people seek to work and live. The international business community sees potential in Toronto, and is seizing opportunities to be part of this growing, vibrant metropolis in the heart of North America.

Invest Toronto works hard to provide a comprehensive concierge service to businesses looking to expand into Toronto, Canada's economic heartland. 2013 was an exciting year for Invest Toronto, as we welcomed new investments into the City of Toronto and celebrated the city's many achievements. In 2013, Toronto was recognized by *The Financial Times*, receiving eight fDi American Cities of the Future 2013/14 awards at an awards ceremony in Philadelphia in October. Invest Toronto was also acknowledged as the Canadian Economic Development Organization that most effectively markets our metropolitan region by the Development Counsellors International (DCI) in December. DCI agrees that one of the best methods to engage international investors is through business-to-business (B2B) meetings. Invest Toronto promotes Toronto to international businesses primarily through in-market B2B meetings during our investment missions to strategic markets. This year, Invest Toronto conducted three missions to China, and one mission each to India and Europe to promote awareness of Toronto as an ideal investment destination for both small businesses and large corporations.

But what makes Toronto such a magnet for corporate powerhouses and entrepreneurial ventures? Why do businesses choose to expand into the North American market through Toronto? And what makes them choose Toronto over New York, San Francisco, Boston, or Chicago? These are the questions global business leaders grapple with as they make a decision to invest in a new market. They ask themselves, where is the best place to expand my business? How do I choose a location? What is the business culture like? What are the costs of doing business? And how do I find the right talent and resources to make my business a success?

This is where the Invest Toronto team comes in. The answers to all of these questions are found on our website, in our marketing materials, and in the customized information packages that we prepare for our clients. We answer these questions every day, and work one-on-one with each company that expresses an interest in expanding their business into Toronto. This process can take a couple of months, or a couple of years, as each of our clients is unique and has specific needs. This process is what we refer to as our Business Investment Lifecycle.

Throughout the process, we work closely with our shareholder, the City of Toronto, in addition to our partners in the provincial and federal governments, and other agencies such as the Greater Toronto Marketing Alliance, and the Toronto Financial Services Alliance, to provide customized client services in order to make the experience of establishing a business in Toronto an easy and positive one.

In 2013, Invest Toronto worked to perfect our Business Investment Lifecycle and continued to build on our relationships with our clients and partners. We recognize the importance of the Business Investment Lifecycle and the value Invest Toronto offers to our clients at each stage of the process. As we reflect on 2013 and work to build new relationships in 2014, we will continue to refine this process in order to provide the best customer service to our international clients. It is a process that our team is committed to, as we assist with making very difficult decisions, and work hard to make the daunting task of establishing a business in a foreign country a little easier. We take care of the "how." Our great city itself takes care of the "why."

Why should you expand your business to Toronto? The answer is simple. Toronto is the number one city in the world in which people would like to live and work (The Reputation Institute, 2013). It has had the soundest banking system in the world for six consecutive years (World Economic Forum, 2008 - 2013) and the second most business friendly environment in the Americas (fDi American Cities of the Future, 2013/14).

Canada's workforce is the most highly educated in the world (Organization for Economic Co-operation and Development, 2013), and Toronto's skilled talent is the most diverse in the country (Statistics Canada, 2013). Toronto is a flourishing hub for start-ups, rivaling Silicon Valley for its talent in the technology realm. The City of Toronto values its entrepreneurs by providing a supportive tax and regulatory environment, and fostering start-up communities through incubators and accelerators such as the Toronto Business Development Centre, the Digital Media Zone at Ryerson University, and the MaRS Discovery District. The Canadian government also launched the Start-Up Visa in April 2013 to make

it easier for foreign innovators to set up their companies in Canada. In addition, the federal government of Canada, along with the Ontario government, have announced the launch of the Northleaf Venture Catalyst Fund, a new "fund of funds" with a target of \$300 million that will invest in early and mid-stage technology companies. We know Toronto is the best place for business today, and in the future. We know how to help businesses succeed in Toronto. We have our finger on the pulse of this thriving, vibrant city, and we can connect businesses to the opportunity it holds. As the largest city in Canada and the fourth largest in North America, Toronto truly is a city of the future, and that future is in our hands. *Invest to succeed. Invest Toronto.*

Renato Discenza
President and CEO

INVEST TORONTO'S BUSINESS INVESTMENT LIFECYCLE

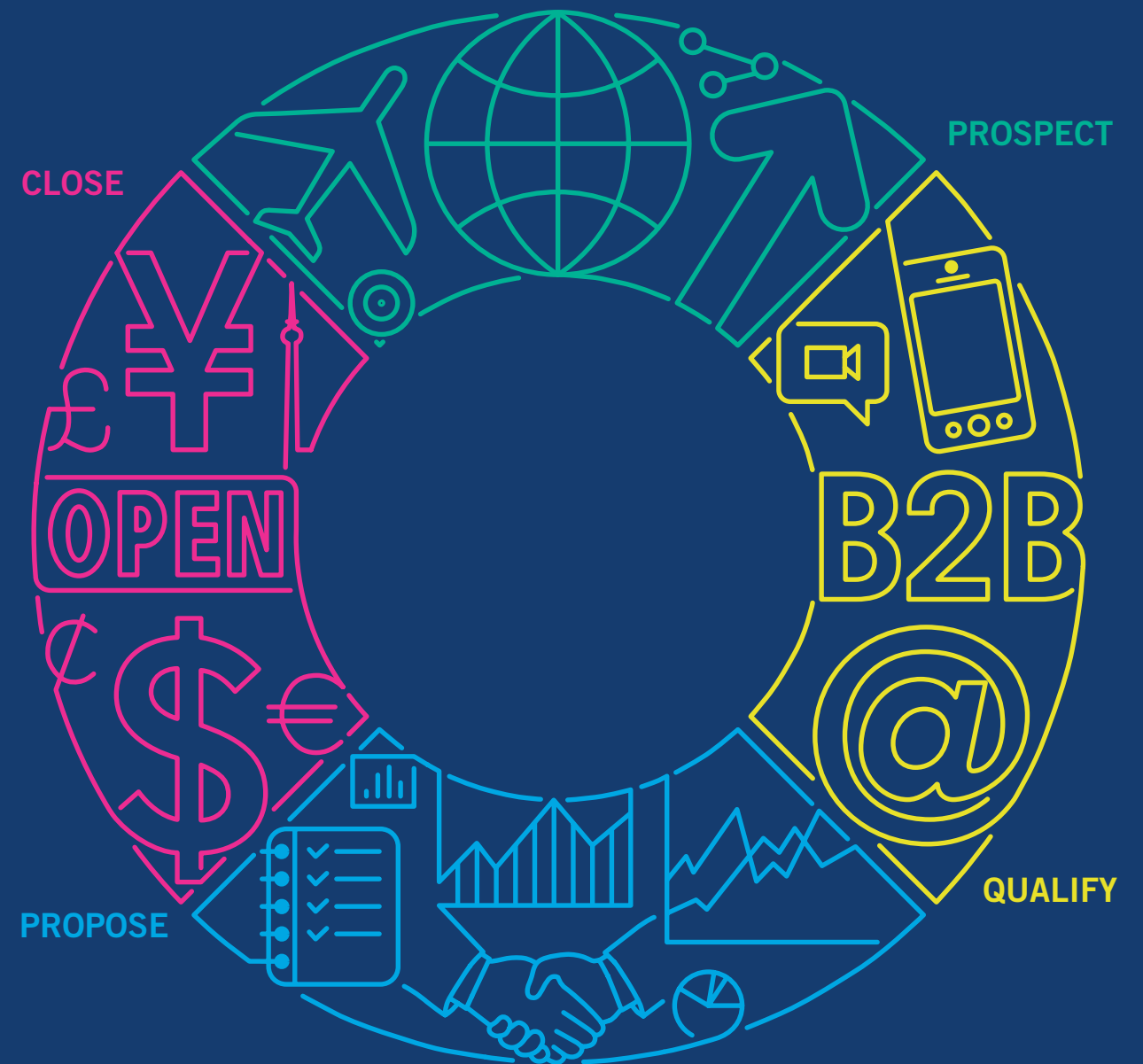
The road to success for Invest Toronto is driven by our Business Investment Lifecycle. We work directly with foreign businesses that have an interest in expanding into the North American market and encourage them to consider Toronto as their access point. In order to assist companies from the moment they make a decision to expand, to the moment that they open doors to their new headquarters, subsidiary, manufacturing centre, or office in Toronto, we follow a Business Investment Lifecycle that can last from several months to several years. The duration of the Business Investment Lifecycle varies according to each client, the nature of their business, and the business culture from their home country. For instance, a company from the United States or Europe that is looking to expand into Canada might move through the process rather quickly, having a similar business culture and economy to ours. Some companies from cities in New Zealand or Australia find quite a few similarities between their market and Toronto's,

and can make a decision to invest in Toronto and move forward with the process within a year. However, companies from countries such as China or India may take several years to make their ultimate decision to invest in Toronto. These clients may wish to meet with officials from Invest Toronto, the City of Toronto, the Province of Ontario, or the Government of Canada several times in order to build a business relationship based on trust and respect before pursuing a Toronto location. With companies such as these, the Business Investment Lifecycle can take up to several years as the Investment Services team meets with them in-market, invites them to visit Toronto to learn more about the city's value proposition first-hand, and works through each stage of the Business Investment Lifecycle in greater detail as the company becomes familiar with the Toronto business environment.

An additional factor facing a foreign investor's decision to expand their business to Toronto involves the

general economic conditions of both their home and international markets. When the global economy is unstable, foreign companies are less likely to venture into a new market. According to the United Nations, in 2013, global Foreign Direct Investment (FDI) flows to developed countries remained at a historically low share of global total FDI flows (39 per cent) for the second consecutive year. They increased by 12 per cent to US\$576 billion, but only to 44 per cent of their peak value in 2007. FDI to the European Union (EU) increased, while flows to the United States continued their decline. Despite this global trend, FDI inflows to Canada increased by 49 per cent in 2013 across a broad range of industries, and this can be attributed to Canada's economic strength and stability during the recession.

Fortunately, Toronto was better able to weather the impacts of the economic downturn and recession than most cities around the world, and this is a fact that our Investment



Services team highlights to our international clients. In large part, this was due to the strength of the Canadian financial services sector, headquartered in Toronto, and the diversity of the city's economy. As a result, Toronto was successful in attracting FDI into the city in 2013 despite the downturn in FDI in most other developed countries.

Securing a new foreign investment is an involved process that begins with the identification of prospective clients through research and concentrated lead generation activities. Whether the Business Investment Lifecycle takes months or years to complete, our Investment Services team is there every step of the way providing

quality and timely service to our clients that is specific to their needs. We work to effectively tell Toronto's business story and help shape a client's investment decision.

There are four stages to the Business Investment Lifecycle: **Prospect**, **Qualify**, **Propose**, and **Close**.



BUSINESS
INVESTMENT LIFECYCLE
STAGE 1

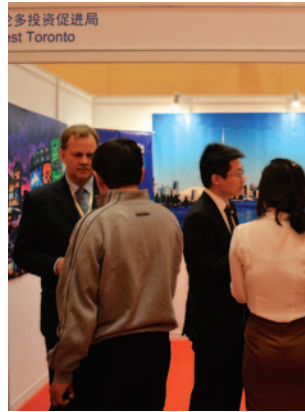
PROSPECT

Invest Toronto pursues and engages global businesses that have expressed an interest in expanding their operations into North America.

During the Prospect Stage of the Business Investment Lifecycle, Invest Toronto actively markets Toronto to global businesses, focusing on companies that have expressed a broad interest in expanding their operations into Toronto or North America. In addition, Invest Toronto targets businesses that may not have expressed an explicit interest in North America, but which should consider Toronto as an investment destination given the close alignment between a company's global business interests and Toronto's distinct value propositions. Invest Toronto learns about companies

that enter the Prospect Stage through a combination of our own research, our partners at the City of Toronto, the Province of Ontario and Government of Canada (including in-market posts), lead generators, past client referrals, our network of private sector partners, contacts via the Invest Toronto website, and in-market networking events.

Clients that have entered the Prospect Stage are provided with information about Toronto's business value proposition, sector-specific profiles, and a detailed understanding of the services and targeted value that Invest Toronto can provide.



Invest Toronto participates in a conference in China



Invest Toronto with representatives from the China Construction Bank



Invest Toronto visits a manufacturer in China



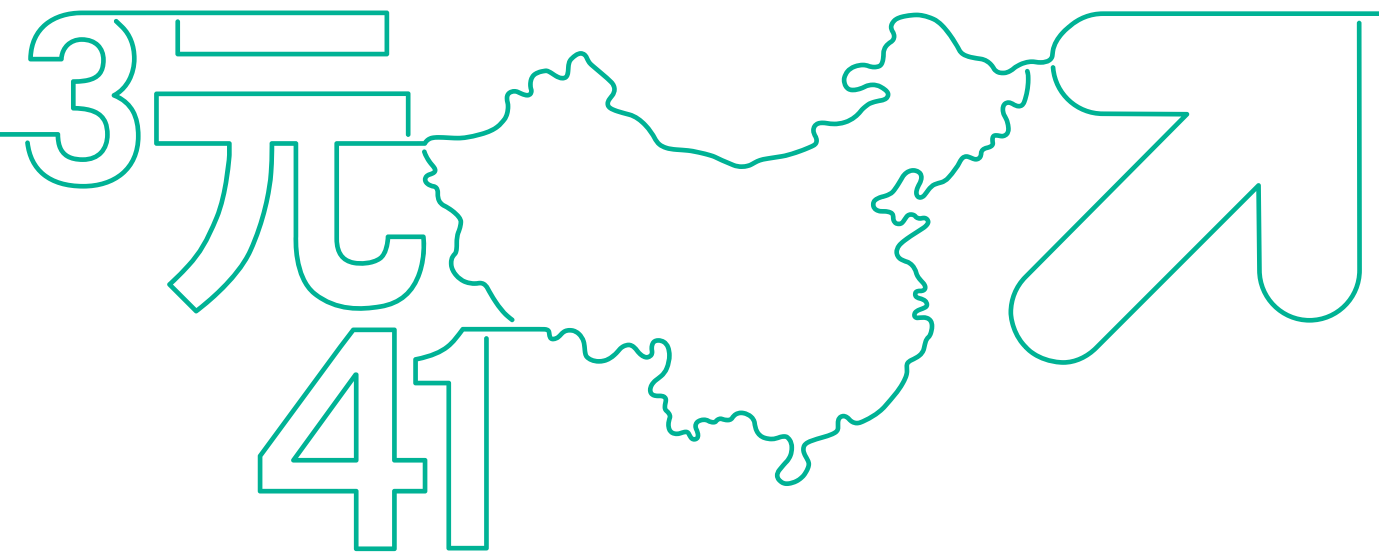
Invest Toronto with our in-market representative in China, Tractus Asia

In-market Missions

In 2013, Invest Toronto conducted six overseas missions to key markets to generate new investment prospects. Through our in-market missions, we gain a more in-depth understanding of the opportunities and unique attributes of each target market. Our missions also allow us to build important relationships and to increase awareness of Toronto's global standing.

Invest Toronto's outbound missions to strategic markets are important at every stage of the Business Investment Lifecycle, but are particularly helpful during the Prospect Stage when Invest Toronto is seeking out new opportunities. Our in-market missions provide an opportunity to hold B2B meetings with foreign business leaders, government representatives, and interested investors in their home countries to identify companies that are interested in expanding into the North American market. We discuss Toronto's value proposition, learn more about a company's specific needs, and determine the type of information they would require to make an informed decision about an investment in Toronto.

In 2013, Invest Toronto conducted missions to China, India, and Europe. Our provincial and federal partners, the Province of Ontario and the Government of Canada, are critical to our efforts, as they have the presence and resources in market to be able to obtain a better understanding of the markets and business trends in countries across the globe. When the Invest Toronto team conducts B2B meetings overseas, we invite the provincial and federal trade commissioners to join us. Their knowledge of the local market is a valuable resource, which allows them to both identify new investment prospects, and conduct in-market follow up.



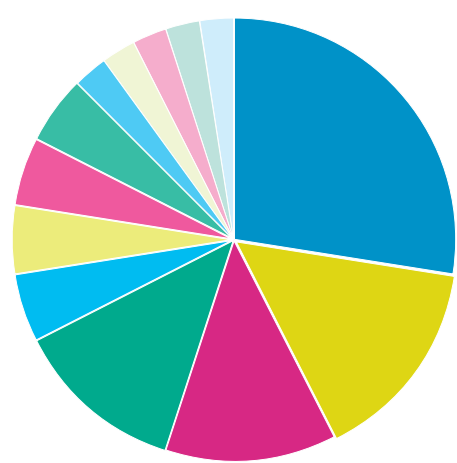
China

The importance of building and maintaining ties with Chinese business leaders is crucial to establishing partnerships with Chinese companies. That is why Invest Toronto has prioritized the Chinese market, and has made multiple return trips to different regions in China each year since our inaugural start in 2010. Relationship-building is a fundamental practice in Chinese business culture commonly known as "Guanxi," and Chinese business leaders value this effort to develop personal connections

between people doing business. With a population of 1.4 billion and a GDP of US\$8.23 trillion, China is expected to replace the United States as the world's biggest economy in just eight years, according to the Standard Chartered Bank (2013). In 2012, Foreign Direct Investment (FDI) outflow from China reached US\$62.4 billion, representing a 45 per cent increase over 2011. In order to capture these investment opportunities and ensure that Toronto remains at the forefront for

Chinese investors' consideration, Invest Toronto works hard to build on our key partnerships. Along with our in-market representative, Tractus Asia, Invest Toronto has been working diligently to cultivate these strategic relationships, build trust, and continue to support our Chinese clients by maintaining regular contact and a solid presence in the Chinese market. Invest Toronto has been to China a total of seven times, returning three times in 2013 alone.

MEETINGS IN CHINA BY SECTOR



- FINANCIAL SERVICES, 27.50%
- GREEN/CLEANTECH, 15%
- INFORMATION AND COMMUNICATIONS TECHNOLOGY, 12.5%
- MANUFACTURING, 12.5%
- BUSINESS/PROFESSIONAL SERVICES, 5%
- FASHION AND APPAREL, 5%
- FOOD AND BEVERAGE, 5%
- MINING, 5%
- AUTOMOTIVE, 2.5%
- HOSPITALITY, 2.5%
- LIFE SCIENCES, 2.5%
- REAL ESTATE, 2.5%
- TRANSPORTATION, 2.5%

As part of a Consider Canada City Alliance (CCCA) delegation, Invest Toronto travelled to China in April 2013 visiting the cities of Shenzhen and Beijing, as well as the Hong Kong Special Administrative Region. The CCCA is a coalition of 12 investment attraction/economic development agencies from Canada's largest cities that work together to promote Canada as an ideal destination for global trade and investment. Invest Toronto took advantage of our time in-market, scheduling an additional week of meetings with new prospects identified by our in-market representative and paying visits to existing clients to offer our continued support for their expansion initiatives. The Invest Toronto team also visited the cities of Beijing, Guangdong, Shenzhen, Guangzhou, Foshan, and Dongguan in June and October 2013. Invest Toronto had applied for and received funding from the Invest Canada – Community Initiatives (ICCI) funding program for our lead generation initiatives in China for 2013. This was Invest Toronto's

first partnership with the federal government through the ICCI program, and we are pleased to have had the opportunity to expand our outreach to new Chinese companies with the help of this initiative.

Toronto now has the largest Chinese population in all of Canada, according to Statistics Canada (2013). There are over 600,000 people of Chinese ethnic origin living in the Toronto area, and of those, nearly 440,000 speak a Chinese dialect. Mandarin is the second most spoken language in the Toronto region.



“A series of seminars to engage Indian Small and Medium Sized Enterprises (SMEs) interested in expanding operations into North America via Toronto, Ontario are scheduled to take place on May 6 & 7 in Ahmedabad and Pune, respectively. Organized jointly by the Ontario International Marketing Centre in India and Invest Toronto, the seminars will guide Indian SMEs to set up operations in Toronto, access facilities and incentives, and also establish networks that will enable them to capitalize on global business opportunities from Toronto.”

NEWS TRACK INDIA, APRIL 24, 2013



India

In order to ensure Invest Toronto maintains a regular presence in India, we conducted a return mission in May 2013, visiting the cities of Ahmedabad, Pune, and Mumbai, and holding B2B meetings with both new and existing clients. For this mission, Invest Toronto partnered with the Ontario International Marketing Centre (OIMC) in Mumbai to co-host investment seminars in Ahmedabad and Pune. An additional investment seminar was held in Mumbai, which was co-hosted by the Ontario government, the Bombay Stock Exchange, and Invest Toronto.

With a population of 1.2 billion and GDP of US\$4.735 trillion, India continues to be one of the fastest

growing economies in the world and an important economic partner for Canada. Inbound Foreign Direct Investment from India to Canada reached US\$4.4 billion in 2011, and this number is expected to grow as the two countries build deeper economic ties. Canada and India have longstanding bilateral relations, built upon shared traditions of democracy, pluralism, and strong interpersonal connections. In addition, Canada and India launched free trade talks in 2010, and are working toward a signed comprehensive agreement which could triple bilateral trade to US\$15 billion by 2015.





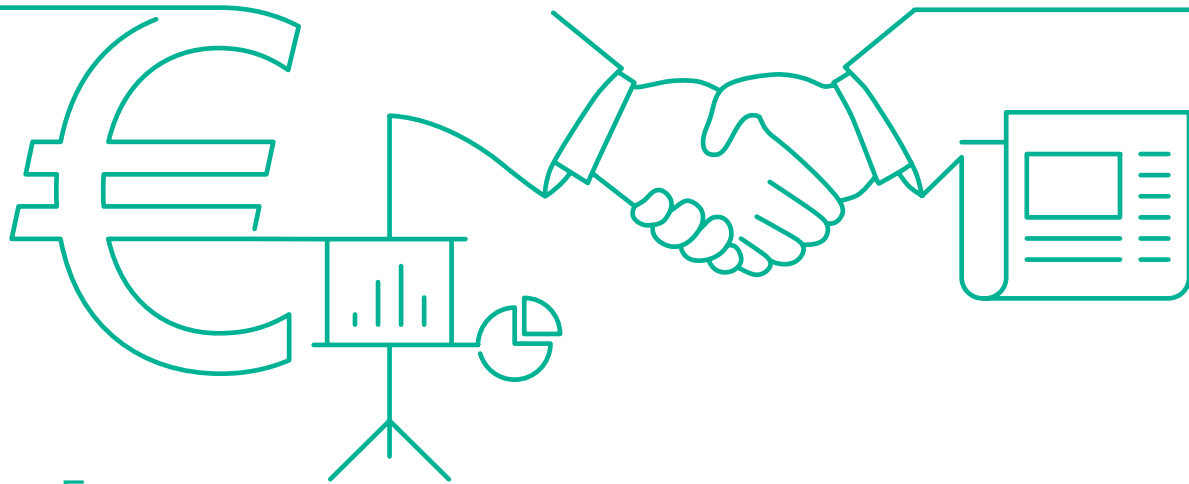
Invest Toronto staff at a B2B match-making session in Amsterdam



fDi American Cities of the Future

The fDi American Cities of the Future Awards 2013/14 were presented to Invest Toronto at the 2013 International Economic Development Council Annual Conference in Philadelphia, Pennsylvania on October 7, 2013.

fDi Magazine, a division of the Financial Times Ltd., is the largest Foreign Direct Investment (FDI) centre of excellence globally, specializing in all areas relating to FDI and investment promotion.



Europe

Recognizing the massive opportunity of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU) signed in October 2013 by the Government of Canada, Invest Toronto joined a delegation with the Consider Canada City Alliance (CCCA) on an EU investment mission to Madrid, Amsterdam, and Milan in November 2013. CETA is Canada's most ambitious trade initiative since NAFTA. Once the agreement comes into force, Canada will be one of the only countries with guaranteed preferential access to more than 800 million consumers in the world's two largest economies, the European Union (EU), and the United States and Mexico. CETA will eliminate

tariffs for Canadian goods entering the EU market, providing us preferential access not enjoyed by our competitors in other countries, which still face tariffs.

The EU mission focused on investment seminars and match-making sessions between European companies, significant private investors, and investment attraction/economic development executives from Canada's major cities. The Canadian investment seminars detailed major growth opportunities in infrastructure innovation and services, advanced manufacturing, and sustainable technology. In addition, Invest Toronto President and CEO Renato Discenza was a panelist

at the Global Business Leaders Series in Milan, discussing Canada's economy and business environment.



Invest Toronto Ranks as the Best Economic Development Organization in Canada

DCI @AboutDCI

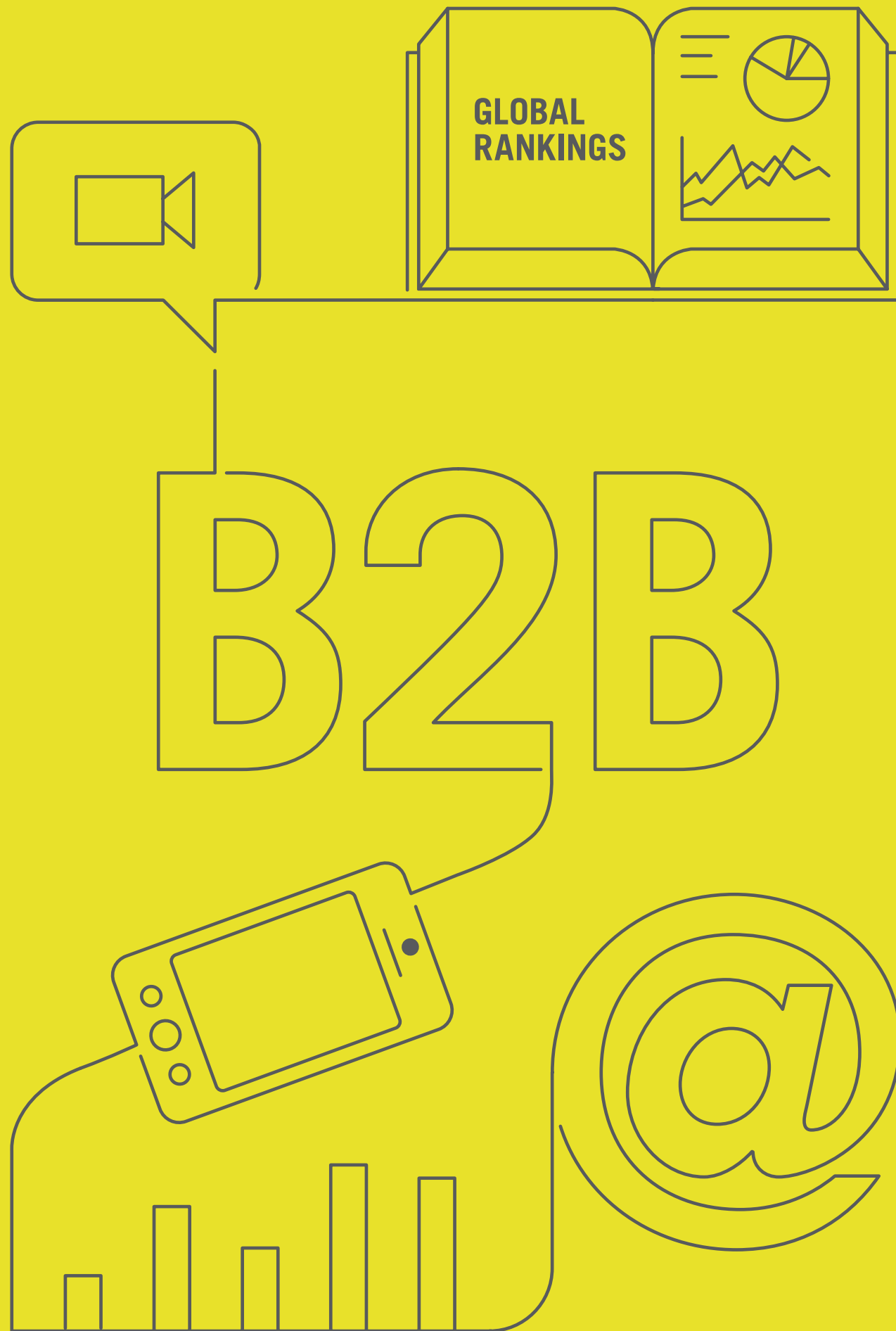
@Invest_Toronto is considered "best in class" for marketing their region to C-level executives + location advisors.
<http://ow.ly/rn1cF>

28 Nov 13

In their study entitled "Best Canadian EDOs" (December 2013), the Development Counsellors International (DCI) ranked Invest Toronto first among Economic Development Organizations in Canada that most effectively market their Metro Regions. The same survey prioritized one-on-one meetings as the top marketing tactic to elevate the profile of a city or region. Invest Toronto's primary method of connecting with clients and potential leads is through B2B meetings with executives that are looking to expand into the North American market through Toronto. These meetings are conducted either in-market during our outbound investment missions, or in Toronto as we welcome delegations from all over the world.

CANADIAN ECONOMIC DEVELOPMENT ORGANIZATIONS THAT MOST EFFECTIVELY MARKET THEIR METRO REGIONS





**BUSINESS
INVESTMENT LIFECYCLE**
STAGE 2

QUALIFY

The Investment Services team works to better understand the client's needs and goals to advance an investment in Toronto.

Companies that enter the Qualify Stage are those that have progressed through the Prospect Stage, or have been referred to Invest Toronto through one of our partners. These companies have expressed an interest in learning more specifics about Toronto, and are now actively engaged with our Investment Services team. During the Qualify Stage, the Investment Services Advisors work to better understand the company's needs and goals, investment parameters, propensity and ability to make an investment, timelines, and the client's investment decision-making process. The Qualify Stage is an opportunity for the Invest Toronto team and the client to align mutual expectations, and for our team to showcase the process and specific resources (tools, public and private sector

networks and analyses) that are available through us, which can enable the company to optimize its search for a global expansion opportunity.

The length of the Qualify Stage can vary significantly depending on a number of factors. For example, the client may not have an immediate investment plan in the current year, but as long as the Invest Toronto team knows that an expansion into Toronto is a possible eventual outcome, the company will remain in the Qualify Stage. During these extended periods, keeping the client engaged and interested is a key role for the Investment Services team. We believe that Toronto must remain top-of-mind in order for us to effectively contend in a globally competitive environment. As such,

our team encourages the client to visit Toronto to gain a better understanding of the business environment and local opportunities. In addition, the Invest Toronto team maintains close contact with the client throughout the Qualify Stage via regular phone calls, emails that contain news and articles of interest, reports, updated business indicators and analysis, face-to-face meetings where possible, webinars, seminars, video conferencing, and social media.

 **Invest in Ontario**
@InvestOntario

RT @InvestTO_News:
The EIU has named
[#Toronto](#) as one of the
top 5 most liveable
cities in the world!
<http://ow.ly/rilCz>

09:03 pm - 29 Nov 13



DEV IT

Success Story



Dev Information Technology Pvt. Ltd. (DEV IT) is an IT solution and services partner based in Ahmedabad, India. They provide integrated information technology solutions from their headquarters in Ahmedabad and branch offices in Goa, Maharashtra, Rajasthan, the United States, and most recently in the Greater Toronto Area (GTA). Invest Toronto first connected with DEV IT in May 2011 during an in-market mission to India. Invest Toronto met representatives of DEV IT at an information seminar held in Ahmedabad, which was hosted by Invest Toronto, Fasken Martineau Dumoulin LLP, PricewaterhouseCoopers LLP (PwC), and the Federation of Indian Chambers of Commerce and Industry, where they informed us that they were looking to better service their Canadian clients by opening an office in Toronto. Invest Toronto met with DEV IT again in June 2011 when they travelled to Toronto to attend the International Indian Film Academy (IIFA) Global Business Forum. Following these meetings, we continued to keep in touch with the DEV IT team.

To assist with DEV IT's decision-making process, Invest Toronto prepared a comprehensive information package including a list of co-location data centres in Toronto, utility rates in a number of Greater Toronto Area municipalities, a description of the process for intra-company employee transfers through a Canadian work permit, hiring incentives for small-medium enterprise IT companies, and office real estate rates. At DEV IT's request, Invest Toronto also provided an information package including a list of chemical companies in Ontario, and contact information for Greater Toronto Area municipal economic development officers.

After exploring business opportunities in Toronto, and as a result of the connections facilitated by Invest Toronto staff, DEV IT decided to open an office in Mississauga in December 2012. Invest Toronto introduced the company to the Economic Development Team in Mississauga.

Our team maintained contact with DEV IT, and in May 2013, met

with their co-founders in Ahmedabad during a return investment mission to India. During the meeting, DEV IT outlined their reasons for investing in the GTA:

1. The positive trade and investment relationship between India and Canada;
2. An opportunity to diversify from the U.S. market;
3. Canada's friendliness toward small-medium enterprises; and
4. Opportunities for IT improvement initiatives in the Canadian marketplace.

In addition, the investment services team is providing support to Mr. Jaimin Shah, Co-Founder & Managing Director of DEV IT, in his capacity as the Chairperson of the Indo Canadian Business Chamber (ICBC) – Gujarat Chapter. Mr. Shah was appointed as Chairperson of the ICBC – Gujarat Chapter in mid-2013, and reached out to Invest Toronto for assistance with organizing an Indian business delegation that will be visiting Canada in mid-2014. In preparation for their visit, Invest Toronto connected DEV IT with representatives of the Ontario government.



Jaimin Shah, Co-Founder and Managing Director, DEV IT

PHOTO: DEV IT

“The decision was obvious when we decided to expand our geographical territory. The Toronto region is one of the largest IT sectors in North America and has the strongest IT infrastructure in the country. Toronto provides market access to millions of consumers in Canada, the United States, and Mexico, thus paving the way for opportunities in the IT segment in the North American market space.”

JAIMIN SHAH, CO-FOUNDER & MANAGING DIRECTOR, DEV IT



**BUSINESS
INVESTMENT LIFECYCLE
STAGE 3**

PROPOSE

The Investment Services team provides customized research and analysis based on specific client needs to encourage an investment decision.

Once a company progresses into the Propose Stage, it has a specific, qualified investment opportunity, and Toronto is under consideration.

At this stage, the Investment Services team provides the company with customized services – including client-specific benchmarking reports, economic and demographic analyses, business planning support, and custom research, among other services – and introduces them to key private and public sector partners that can both provide expertise and help the client “hit the ground running.” The Invest Toronto team uses tools such as KPMG’s Competitive Alternatives, fDi Benchmark, and Innovation Atlas, along with the domain-

expertise of our public and private sector partners, especially the Sector Specialists at the City of Toronto, to provide a targeted, B2B level of service to our clients. We pride ourselves on providing service to our clients that meets a high standard of excellence. This not only eases the investment decision, but also reinforces the City of Toronto’s commitment to supporting new business investment.

This stage can take some time as companies gain a detailed understanding of the regulatory and operational environments, as well as the multiple levels of market opportunities. In addition, the client will typically evaluate multiple locations, which also takes time.

The Invest Toronto team takes this opportunity to maintain and grow the relationship with the client, based on hard work, exemplary customer service, respect, and trust. The more comfortable a company feels with the value-added service that we provide and the partnership they have built with the Invest Toronto team, the more likely they are to view Toronto as the ideal location for their next global business opportunity.



VEND

Success Story



Based in Auckland, New Zealand, Vend provides cloud-based, point-of-sale (POS) software to retailers that allows their clients to process sales, track inventory, and manage customers easily and efficiently. Using the world's first HTML5 retail POS system, retailers can access the software on any device or platform, including tablets, laptops, PCs, or even POS hardware they already own, both online and offline. Since they opened in Auckland in 2010, Vend has opened offices in Melbourne and San Francisco. To provide superior support to retailers, and to better service their client base in the Western Hemisphere, Vend opened their new global support office in downtown Toronto in 2013. From Toronto, Vend will provide support to retailers in the region that use the Vend service, and create a launch pad to grow their client base in North America, Europe, and beyond. The Toronto office will create more than 70 jobs over the next two years.

Vend first heard about Invest Toronto through a former Invest Toronto client, Foster Moore, and our close relationship with Foster Moore resulted in a positive referral of our services to Vend. The Vend team reached out to Invest Toronto in June 2013 for information related to hiring talent, salary costs, real estate, and finding professional service providers in Toronto. Invest Toronto provided Vend with a comprehensive information package, and worked closely with them throughout the process of selecting a location and establishing an office in Toronto.

By August 2013, Vend's Toronto office was up and running and the Invest Toronto team visited their new location that month to see the many improvements they made to the office space. Vend's Canadian team is already talking about expansion in the Toronto area, including a potential development centre. Invest Toronto continues to maintain regular contact

with the Vend team to offer support with any expansion initiatives, respond to any questions they may have, and to assist with accessing contacts within the Toronto start-up and wider business communities.

For Vend, choosing to locate an office in Toronto was an easy decision. The culture in Toronto is similar to Vend's Auckland and Melbourne offices in terms of a great location, and great people. Not only are the people in Toronto friendly, but they are talented and educated, which makes it easy to find the employees they need for the company to grow and prosper in Toronto.



Vaughan Rowsell, Vend Founder and CEO

PHOTO: VEND

“Invest Toronto are a great bunch of people. They gave us a wonderful personal welcome, advice, and support. We feel like Toronto is home already, and a lot of that is thanks to them. The connections and doors they opened for us in the tech and IT software community are invaluable. We love being part of such a vibrant and active community. There are exciting, positive, educated, and lovely people in Toronto to work with and employ. We love it here!”

VAUGHAN ROWSELL, VEND FOUNDER AND CEO



**BUSINESS
INVESTMENT LIFECYCLE
STAGE 4**

CLOSE

When an opportunity is closed, Invest Toronto assists clients in opening up their new business in Toronto.

An opportunity is considered to be closed when a business makes a final decision about their investment plans. This means that there are several types of Closes. The ideal situation for our team is when a company we have been working with over the course of the Business Investment Lifecycle decides to initiate an investment in Toronto or in the Greater Toronto Area (GTA). An investment in the City of Toronto is beneficial to the entire Greater Toronto Area, and vice versa, as this new investment creates valuable jobs and brings in new capital for the region. An investment in Toronto or the Greater Toronto Area would be considered a “Close – Won” or “Close – Won GTA.” At this point, the Investment Services

team can support the set-up process by facilitating introductions to the City of Toronto’s Business Retention & Expansion (BR&E) team, or the Economic Development group from the selected municipality, as well as introducing additional service providers such as lawyers, accountants, and real estate professionals to assist with the process of establishing the client’s business and operations in Toronto. In addition, Invest Toronto connects these companies with the other relevant municipal, provincial, and federal partners that can help facilitate their expansion process. Sometimes, clients decide to locate their business in another city or country, and this would be considered a “Close – Lost.”

Clients can determine that another jurisdiction is right for their business for any reason, and at any stage in the Business Investment Lifecycle. Other times, a client could determine that it is not the ideal time to expand their business, and does not pursue their plan to expand into a new market. These companies, as well as companies that did not qualify in earlier stages, are considered to be a “Close – Not Qualified.” As with “Close – Lost” opportunities, this can occur at any stage of the Business Investment Lifecycle.



INFRASOFTTECH

Success Story

InfrasoftTech

InfrasoftTech is a specialist software solutions provider for global financial enterprises based in Mumbai, India. InfrasoftTech provides wide productized offerings, framework based solutions, and specialized services in the domains of commercial banking, microfinance, wealth management, and capital markets. They serve over 300 customers in multiple markets, including India, the United States, the United Kingdom, Jersey, the United Arab Emirates, Bahrain, Singapore, Malaysia, and most recently, Toronto, Canada.

Invest Toronto was first introduced to InfrasoftTech in 2009 by the Ontario International Marketing Centre (OIMC) in London, England. At that time, our President and CEO, Renato Discenza, and Vice-President of Public Affairs, Nikki Holland, met with InfrasoftTech's CEO for Europe, who later became the President and CEO of InfrasoftTech. After that initial meeting, Invest Toronto continued to keep in touch with InfrasoftTech. Invest Toronto reconnected with InfrasoftTech in early 2010, and again in December 2010 during our first mission to India led by the Ontario

International Marketing Centre in Mumbai. At that time, InfrasoftTech informed Invest Toronto of their plans to set up a presence in Toronto to cater to the financial services industry.

After our initial meeting with InfrasoftTech in India, Invest Toronto kept in touch with their representatives in Mumbai on a regular basis. At their request, the Invest Toronto team connected InfrasoftTech with a Business Immigration specialist from the Ministry of Economic Development, Trade and Employment (MEDTE), in addition to a variety of service providers to assist with acquiring a company in Toronto. Invest Toronto followed up with the Mumbai team at InfrasoftTech during a return mission to India in 2012, when Invest Toronto hosted a dinner for existing Indian clients to reconnect and discuss their expansion plans. Over the course of 2012 and 2013, Invest Toronto continued to keep in touch with InfrasoftTech directly, as well as through our partners at the Province of Ontario.

By July 2013, InfrasoftTech began working on their updated business

plan for Canada. In October 2013, they narrowed the scope of their plan to focus solely on Ontario. When they met our Investment Services team in November 2013 in Toronto, they had fleshed out a plan to open a knowledge centre in Ontario, and selected a location in downtown Toronto for their operations. They offer a variety of services through their new subsidiary, InfrasoftTech Canada Limited.

InfrasoftTech outlines the main reasons for setting up their business in Toronto as follows:

1. The large presence of banking and financial services companies in and around Toronto;
2. IT modernization initiatives in pension funds;
3. Access to a multi-cultural workforce and to Toronto's reputable educational institutions to tap world class talent; and
4. Support from Invest Toronto and the Ontario government team in providing legal and professional assistance for setting up operations and obtaining permits for key personnel.



InfrasoftTech CEO and Executives meeting with Invest Toronto staff in Toronto

“We were approached by Invest Toronto nearly five years ago to help us set up our business in Canada. Invest Toronto worked with us over the first three years when we were contemplating our set up in Canada and provided us valuable assistance and advice on establishing our entity in Toronto. They organized meetings with consultants, the Toronto Financial Services Alliance, and other agencies that provided valuable information on the market in and around Toronto in the areas of our strengths. They also helped us obtain permits for key personnel, which helped us scale operations in Canada. What I really admire about Invest Toronto and the Ontario Government agencies is that they continue to provide us guidance whenever we require assistance, even two years after our initial entry into Canada, which demonstrates their commitment and spirit of partnership with businesses that they attract to invest in Ontario.”

RAJESH MIRJANKAR, CEO, INFRASOFTTECH

THE END OF A LONG ROAD

When businesses embark on their expansion journey, they start down a long road that begins with exploring opportunities, and ends with a successful expansion into a new market. Invest Toronto has travelled this road many times with companies that range from small to large sized entities from a plethora of different countries, cultures, and business sectors, each having unique expansion goals and timelines. No matter where the client comes from or what stage they are at in their expansion efforts, Invest Toronto is there to assist every step of the way. After we have journeyed down the long road to success, at the end lies the launch of a new business venture with opportunity for expansion, prosperity, and longevity in their Toronto location.

The Invest Toronto team facilitated 23 new investments in the Greater Toronto Area (GTA) in 2013. These investments in both Toronto and the Greater Toronto Area are critical to the continued development of the regional economy, as they create valuable jobs, and bring in new capital that further enhances and benefits the entire region. Invest Toronto was proud to be the lead, and/or to work cooperatively with other government and partner agencies on securing each of these new investments in

Toronto and the Toronto region. Investments in Toronto and the Greater Toronto Area in 2013 facilitated the creation of:

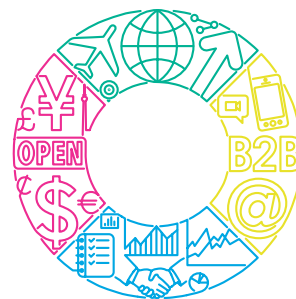
- 100 immediate jobs, with an additional 236 jobs projected by the end of 2014
- CAD\$10,050,000* contributed to GDP, projected to be CAD\$23,718,000 by the end of 2014
(This GDP number will have a multiplier effect on the Toronto region's economy and will continue to increase with new successful investments in future years)

Working with the Economic & Cultural Research Division at the City of Toronto, this is the first year that Invest Toronto has quantified the FDI investments we facilitated into Toronto. All figures, immediate and projected, are based on client estimates with two Greater Toronto Area clients' job numbers coming from our regional partners.

*Based on estimates provided by the City of Toronto (2013), \$3/square foot and \$100,500/employee (This number is an average of GDP in current dollars for all industries)

*These GDP numbers are based on immediate and short term hiring but do not include future projected growth and expansion, which will further enhance and benefit the region

The Invest Toronto Business Investment Lifecycle as of December 31, 2013



PROSPECT STAGE

64 CLIENTS

QUALIFY STAGE

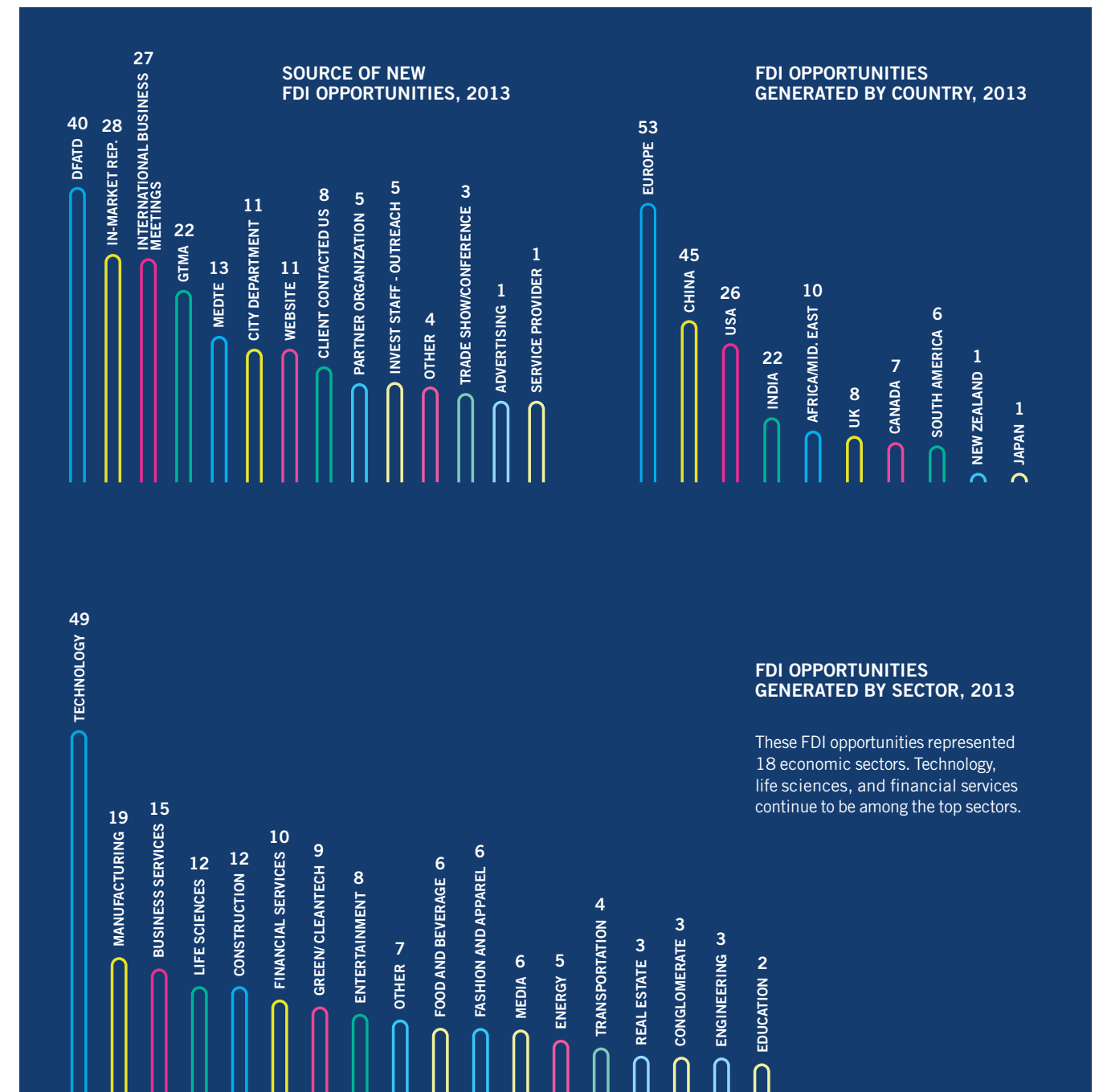
54 CLIENTS

PROPOSE STAGE

54 CLIENTS

CLOSE - WON

69 CLIENTS



These FDI opportunities represented 18 economic sectors. Technology, life sciences, and financial services continue to be among the top sectors.

FDI Opportunities

Of the 733 FDI opportunities since 2010, **179** were added in 2013.

With the help of our partners, the Invest Toronto team works to service all our clients. In 2013, the Invest Toronto team engaged with 179 new FDI opportunities, which represent new potential investments in Toronto and the Greater Toronto Area. These FDI opportunities came from 23 countries. The European Union was a lead source of FDI opportunities in 2013 as a result of the business mission to the European Union with the Consider Canada City Alliance,

where we identified 40 opportunities during that mission. After the European Union, the top three countries for FDI opportunities were China, India, and the United States. This is a reflection of Invest Toronto's return missions to those countries to build on relationships and foster solid ties with business leaders, as well as stronger relationships with the in-market offices of our provincial and federal government partners.



CHINA LONGYUAN POWER GROUP

Success Story



“We had a very positive experience working with Invest Toronto. As a new participant in the Toronto market, it was great to rely on them for advice and support, and their team was very professional, customer-focused, and effective. With Invest Toronto’s help, we were able to open our Canadian subsidiary office in downtown Toronto, and we are confident that our new wind project will be in service on schedule. Thanks so much.”

WU HAO, PRESIDENT, LONGYUAN RENEWABLES CANADA



Canada’s Ambassador to China and Invest Toronto Vice President of Public Affairs participating in the official signing ceremony

PHOTO: CHINA LONGYUAN POWER GROUP

China Longyuan Power Group (CLYPG) is the largest producer of wind power in Asia. CLYPG is mainly engaged in designing, developing, managing, and operating wind power plants, as well as selling the electricity generated by its plants to consumers in China. The company decided to expand its operations into the North American market, and was connected to Invest Toronto by our in-market representative, Tractus Asia, in February 2011 during a business investment mission to Beijing. CLYPG visited Toronto in March 2011, and met with Invest Toronto to continue the discussion about what the city has to offer, and the opportunities the region holds for renewable energy ventures. The Investment Services team organized a roundtable for CLYPG’s visit that included legal and commercial real estate partners who could help with the process of establishing an office in Toronto. In addition, the Invest Toronto team worked with our partners to develop materials for CLYPG that detailed potential business structures, tax implications, and employee standards.

CLYPG had developed plans for an ambitious 100,000 KW wind power project in Ontario, and worked to obtain the necessary approvals to move forward with their venture. Once the plans for their Ontario wind power project were underway, CLYPG decided to establish their North American headquarters in Toronto. Invest Toronto was in regular contact with CLYPG’s Toronto team, assisting with the site selection process and accompanying them to various business meetings. In May 2011, CLYPG officially established its Canadian subsidiary, Longyuan Renewables Canada, and opened an office in Toronto’s financial district. On July 13, 2011, CLYPG signed an Equity Acquisition Agreement on Canadian Wind Power Projects with Canada Melancthon Electric Power Company Ltd in Beijing, marking their first foray into the global wind

power market. This deal was also the first time a State-owned power generation enterprise invested in an overseas renewable energy project.

At the same time, CLYPG held an official signing ceremony in China for its new Canadian subsidiary, and as a gesture of its solid partnership with Invest Toronto, invited Invest Toronto’s Vice-President of Public Affairs to bring greetings at the event in Beijing alongside the Canadian Ambassador.

Over the course of 2012 and early 2013, Longyuan Renewables Canada worked with a local public relations firm, law firms, consulting firms, and China’s Embassy in Canada, as well as with the Ontario government to obtain all of the necessary approvals for their wind power project to move forward. This

process culminated in the awarding of a project construction permit to Longyuan Renewables Canada by the Ontario Power Authority on July 8, 2013, permitting construction to commence in August 2013. This historic project is expected to be complete in 2014, and will supply clean electric power to over 30,000 Ontario households. Longyuan Renewables Canada continues to look for additional opportunities from their North American headquarters in Toronto.

List of Close – Won FDI Opportunities for 2013

1. ALSTOM TRANSPORT

Transportation – France

Alstom Transport is a Paris-based supplier of rail products including locomotives, passenger stock, and turnkey rail systems. From their new office in Toronto, Alstom provides signaling systems and infrastructure maintenance to Toronto and Ontario-based clients.

2. APEX SYSTEMS

Information and Communications Technology – United States

Apex Systems provides a scalable continuum of services that includes IT staffing solutions to address critical gaps in current workforce, workforce management strategies, and deliverable-based solutions designed to drive better business performance. With over 47,000 technical professionals placed and 1,000 consulting services projects delivered since 2010, Apex Systems is a top IT services firm. Apex Systems has 60 offices in the United States, and has decided to make Toronto their first international office, incorporating their business in 2013. Invest Toronto partnered with the Department of Foreign Affairs, Trade and Development to assist Apex Systems with their Canadian expansion.

6 17

3. AVICAST (GTA)

Aerospace – China

Created by a joint venture between China's AVIC International Zhuhai and Canada-based Agaro Ltd., AVICAST is a new platform to bridge the aerospace industries of China and Canada. Based in the Greater Toronto Area, the joint venture comes amid growing demand for Chinese civil aircraft manufacturing capabilities and recognition of Canada's advanced world-class aerospace technology and expertise.

“Working with Invest Toronto has been an excellent experience. Their knowledge, insights, and connections in the market place have been so valuable as we expand to the Greater Toronto Area.”

BRENT KAITZ, MANAGING DIRECTOR – TORONTO, APEX SYSTEMS

4. THE CARGO AGENCY (GTA)

Business Services – United States

Based in the United States, The Cargo Agency provides marketing services for large brands that market and advertise to the millions of small businesses that exist today. They have set up a subsidiary company and office in the Greater Toronto Area to better serve and grow their Canadian client-base.

5. CIGNITI

Information and Communications Technology – United States

Cigniti is an independent software testing services company that was introduced to Invest Toronto by the Greater Toronto Marketing Alliance. From their newly incorporated Toronto office, they sell their software testing technology to clients in the financial services, healthcare, and ICT sectors.

“Thank you, Invest Toronto, for all the help. I couldn't have had a 'smooth sailing' opening of our operations in Toronto without you.”

SANJAY JUPUDI, PRESIDENT – AMERICAS, CIGNITI INC.

6. COACH IT (GTA)

Information and Communications Technology – Brazil

Coach IT provides IT consulting services to a broad range of industries and sectors. They currently have two offices in Brazil and one in Spain, and have now successfully expanded into the Canadian market through their new office in the Greater Toronto Area, in Mississauga. Invest Toronto was pleased to work with the Greater Toronto Marketing Alliance in servicing Coach IT.

7. DATTO

Information and Communications Technology – United States

This United States-based ICT company was referred to Invest Toronto by the trade commissioner in the Canadian Consulate in New York City. Datto is embarking on a global expansion plan, which includes a new mixed use office/warehouse in Toronto. Datto provides hardware-based on-site and off-site backup, disaster recovery, and business continuity services to its growing Canadian client-base.

“Having a dedicated office in Toronto has exceeded Datto's expectations. We've been fortunate enough to establish some great partner relationships, and as a result enjoy a growing demand for Datto's solutions. Establishing our dedicated cloud operations in 2012 and sales and operations office in 2013 have proven to be excellent decisions. We sincerely thank the Government of Canada and Invest Toronto for all their guidance and support in making our expansion possible.”

NAJAF RAZA, VP, INTERNATIONAL OPERATIONS DATTO



PHOTO: CISCO CANADA

Nitin Kawale, President of Cisco Canada in downtown Toronto, December 13, 2013



Invest Toronto would like to recognize and congratulate Cisco and the Province of Ontario for their commitment to the City of Toronto. On December 13, 2013, Cisco Canada committed to investing up to \$4 billion in Ontario over the next decade with the help of the provincial government to make the province one of its global R&D hubs for its next generation technologies. This IT investment is the largest in the history of Ontario's technology sector. Cisco chose Canada for this investment for its potential for venture capital funding, and they chose Toronto for the importance of a downtown presence in attracting talent. This investment will create 1,700 jobs in a new innovation centre, which will be part of a 108,000 square foot Cisco Canada head office on Queen's Quay in downtown Toronto.

"We're expanding our footprint in downtown Toronto. The space we're taking in Toronto is going to allow for those kinds of engineers who want to live and work in the city, and take the subway...that's the new workforce. They want to live in an urban lifestyle."

NITIN KAWALE, PRESIDENT OF CISCO CANADA, 2013

8. DEV IT (GTA)

Information and Communications Technology – India

DEV IT is a dedicated turnkey solutions provider in the field of Information Technology. Based in India, the company opened a Canadian location in the Greater Toronto Area, using its Mississauga office as a base to service its growing number of clients in the region.

"It has been an overall fantastic experience working with Invest Toronto. Due to their guidance and support, we decided to start up our overseas operations in Canada. The support we received was commendable. Invest Toronto continues to be a valued partner to DEV IT."

JAIMIN SHAH, CO-FOUNDER & MANAGING DIRECTOR, DEV IT

9. FORCARE

Life Sciences – Netherlands

Referred to Invest Toronto by the Greater Toronto Marketing Alliance and the Canadian Embassy in the Netherlands, Forcare provides software products and services for its clients in the healthcare sector, with a focus on interoperability between healthcare IT systems. The client's growing customer base in North America has led them to establish a presence in Toronto, their first branch office outside of Europe.

10. FUZHOU HENGJUE GARMENTS (MAPLE TRACE INC.)

Fashion and Apparel – China

Fuzhou Hengjue is a Chinese-based manufacturer of performance and winter apparel. Recognizing Toronto's vibrant fashion and apparel industry and broad consumer base, Fuzhou Hengjue entered the Toronto market under the name "Maple Trace Inc."

11. GATEWAY TECHNOLABS (GTA)

Information and Communications Technology – India

Introduced to Invest Toronto by the



PHOTO: TOURISM TORONTO

staff at the Ontario International Marketing Centre in Mumbai, Gateway Technolabs is a global technology services, product engineering and outsourcing company with approximately 1,400 people serving clients in more than 30 countries. With an office in Burlington, Ontario, Gateway Group is expanding their Ontario presence with a project manager located in the Greater Toronto Area.

12. GROUP FIRST

Real Estate Development and Investment – United Kingdom

Known as one of the United Kingdom's leading property development specialists, Group First sells real estate investment opportunities in England to Canadian investors from their new Toronto sales office with the help of partner Sloane Cap Corp., based in Toronto.

"Thanks for all your work in the collection of information on Exempt Market Investment legislation, which has been instrumental in Group First

Canada establishing a base in Toronto. We hope our relationship with Invest Toronto will continue to flourish in the coming months now that we have successfully partnered with Sloane Capital Corp., who are also based within the Toronto district."

CHRIS ALMOND, OPERATIONS DIRECTOR, LUCAS JAMES (KNOWN IN CANADA AS GROUP FIRST)

13. HOMEJOY

Information and Communications Technology – United States

Homejoy is a leading online platform to book home services – starting with home cleaning. Their unique online platform matches customers with a screened, background-checked and certified professional cleaner. Now available in over 30 cities across the United States and Canada, Homejoy chose Toronto as their first international market. Working side by side with the Information and Communications Technology Sector Specialist at the City of

Toronto, Invest Toronto assisted in the expansion of this San Francisco-based service company.

14. INFRASOFTTECH

Information and Communications Technology – India

InfrasoftTech is a global India-based company offering software products, solutions, and services to clients in the banking, financial services, insurance, and eGovernance sectors. InfrasoftTech opened an office in Toronto to serve the city's growing financial services sector.

15. JAHIA SOLUTIONS GROUP SA

Information and Communications Technology – Switzerland

From their new Toronto office, Jahia Solutions Group offers research and development, customer support, and sales support to their growing client base in North America. A Toronto location was the ideal choice, offering access to the city's growing information and communications technology sector.

16. MOOVIX

Entertainment – Canada

Moovix Media Inc. is a media and content production company made up of a group of passionate illustrators, animators, designers, directors, producers, and writers. They recently incorporated in Ontario, and are currently operating out of locations in Toronto and Oakville.

17. PROJECT-1

Business Services – Brazil

Project-1 aims to bridge the gap between start-ups and corporate firms looking to foster innovation. They offer investment, mentoring, advising, and networking services in Brazil and the South American market. From their new Toronto location, Project-1 is now busy building commercialization bridges between Ontario and Brazil. Project-1 invested in its first Ontario success story, Toronto's Readyportal from Debut Logic Inc., which is a "click-and-play" social collaboration and enterprise content management



PHOTO: WWW.MARYELIZABETHARMSTRONG.CA

system platform. Invest Toronto was introduced to Project-1 by the Information and Communications Technology trade commissioner in the Canadian Consulate in Sao Paolo and the Greater Toronto Marketing Alliance.

18. PSIDEO

Information and Communications Technology – Switzerland

PSideo is a global IT provider, ready to assist clients in the domains of infrastructure, software development, hosting, and managed services. Headquartered in Europe, PSideo opened their Asian office in 2009. Ready to access the North American market, and understanding the importance of being in the same time zone as their customers, they have chosen to set up an office in Toronto.

19. RIYA

Travel – India

With 30 years' experience in the travel industry and over 55 locations in India, ten in the United States, and two in Canada, Riya Travel is recognized as one of India's leading travel organizations. Anchored by their high customer service

standards, business ethics and a committed workforce, they have now opened an office in Toronto to service their growing client base in the Southern Ontario region. Invest Toronto was introduced to Riya by the Department of Foreign Affairs, Trade and Development (DFATD).

20. SMARTOONZ

Entertainment – Israel

Smartoonz® is an international content and media company that produces smart, entertaining products for kids. Smartoonz' successful shows are distributed worldwide in more than 50 countries. The company has recently launched an office in Toronto for New Digital Media and TV Productions.

21. THREE POINT TURN

Information and Communications Technology – Canada

Three Point Turn is a software development company that graduated from the Toronto Business Development Centre (the City's Business Incubator) in 2013. They were referred to Invest Toronto by the incubator to assist with the expansion of their business. Invest

Toronto provided information about federal hiring programs and facilitated key introductions, such as our colleagues at the Business Retention and Expansion Division at the City of Toronto, to help them explore avenues for new talent and future growth.

22. VEND

Information and Communications Technology – New Zealand

Referred by a former Invest Toronto client, Vend is a cloud-based point of sale provider that can be operated from any device or platform with a web-browser. The software technology company has opened a global support office in Toronto to better service its customers in North America and Europe.

23. XERCES TECHNOLOGIES

Information and Communications Technology – India

Xerces Technologies, a leading games and mobile apps publisher based in India, now offers game development, co-joint development and product development services from their Toronto office.

COLLABORATING FOR SUCCESS

Throughout the Business Investment Lifecycle, Invest Toronto works with our shareholder, the City of Toronto, and our full range of public and private sector partners to identify, engage, and bring business investment to Toronto.

As a dedicated concierge service, we offer ongoing, valuable support that is both timely and reliable. In addition, we remain in contact with clients after they have successfully landed in Toronto by connecting them with the Business Retention and Expansion Division at the City of Toronto, and simply by checking in regularly, offering our assistance with any of the client's business needs, and inviting them to attend business networking events. We also maintain a current events listing on the Invest Toronto website that clients can access for regular updates on upcoming business events in Toronto.

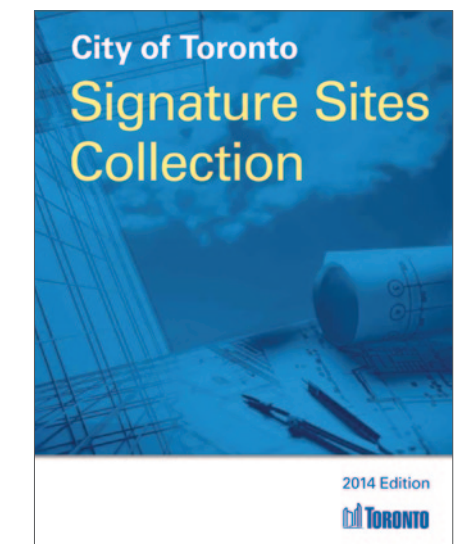
The City of Toronto

The Sector Specialists within the City of Toronto's Economic Development and Culture Division provide valuable sector expertise and insights. In addition, the City's Business Retention and Expansion team helps businesses navigate municipal programs and processes (such as zoning, planning, and permits), and provides consultation services.

Working with the City's Economic Development and Culture Division, Invest Toronto has co-hosted an annual Signature Sites event for the

last three years with the City of Toronto, Build Toronto, and the Toronto Port Lands Company. This event provides the business community with the opportunity to connect with the Mayor, City Councillors, senior officials at the City of Toronto, and the three corporations.

This year, Invest Toronto extended invitations to this annual event to over 700 clients, contacts, and service providers. At the 2013 Signature Sites event, the City launched the *2014 Signature Sites Collection*, which showcases



properties in Toronto that are available for lease, sale, investment, or redevelopment. The *Collection* also provides information about the City of Toronto's Imagination, Manufacturing, Innovation, and Technology (IMIT) property tax incentive, which was enhanced this year by City Council. The IMIT incentive can help reduce costs by providing financial support for commercial or industrial developments. Through the IMIT program, qualified applicants constructing a new building or renovating an existing building for employment uses in targeted sectors may be eligible for a grant equal to a portion of the property's municipal taxes. Sixty per cent – or 70 per cent in designated Employment Areas – of the resulting increase in municipal property tax created by the new development is granted back by the City to the property owner over the course of 10 years.

The Provincial Government

The Invest Toronto team works closely with the Investment and Industry Division at the provincial Ministry of Economic Development, Trade and Employment (MEDTE), who provide an invaluable service in our efforts to attract new investment to the City of Toronto. In addition, the Invest Toronto team works closely with Invest in Ontario, another arm of the Ministry, whose Ontario International Marketing Centres (OIMC's) in strategic locations across the globe provide essential information, insight, and contacts in key markets. The OIMC's also organize in-market seminars where Invest Toronto can participate and communicate Toronto's unique value proposition first-hand to global business leaders. In December 2013, the Invest Toronto team met with the Senior Economic Officers from the ten OIMC's located in eight countries worldwide. It was a great opportunity to connect,

build on relationships, and update the in-market teams on Invest Toronto's efforts and future plans for investment missions abroad.

The Federal Government

The Government of Canada, through the Department of Foreign Affairs, Trade and Development (DFATD), is a critical partner in our overseas investment missions. Invest in Canada, a division of DFATD, assists with identifying businesses in strategic markets and in various locations around the world, and connecting them with the Invest Toronto team to pursue their interest in expanding into the North American market via Toronto. Invest in Canada is business-focused, and conducts vast amounts of research in order to compile valuable information that they in turn share with their provincial and regional partners. The Federal Government is also working strategically with the Consider Canada Cities Alliance (CCCA), of which Toronto is a member. Leveraging our presence in market by working with the provincial and federal governments allows Invest Toronto to expand our reach in global markets. They are our most important international partners.

Agency Partners

Invest Toronto is a member of the Greater Toronto Marketing Alliance (GTMA), a public-private partnership that serves as the key point of contact for businesses exploring opportunities in the Greater Toronto Area (GTA).

The partnership brings together the 29 municipalities and regions in the Greater Toronto Area, the governments of Ontario and Canada, several not-for-profit organizations, and a cross section of private sector corporations. Invest Toronto works closely with the GTMA, holding monthly meetings together to share leads and discuss opportunities.



PHOTO: WWW.MARYELIZABETHARMSTRONG.CA

In addition, Invest Toronto accompanies the GTMA on their annual mission to Brazil to promote Toronto's vibrant technology sector and connect with Brazilian companies and industry associations in the lead up to the 2015 Pan Am Games.

Invest Toronto also works closely with the Toronto Financial Services Alliance (TFSA), a unique, public-private partnership dedicated to growing the Toronto region's financial services cluster and building it as a "top ten" global financial services centre. Invest Toronto works closely with the TFSA to share information, research, and data that best captures the details about the financial services sector that companies are looking for when making a decision to expand into a new market.

Finally, Invest Toronto and the City of Toronto have a shared membership in the Canada China Business Council, a valuable partner who provides guidance to Invest Toronto when travelling in-market, helping to identify opportunities and to assist with servicing clients from China.

Invest Toronto's Partners

OUR PUBLIC SECTOR/ NOT-FOR-PROFIT PARTNERS

City of Toronto
Build Toronto
Canada China Business Council (CCBC)
Canadian Venture Capital Association
China Council for the Promotion of International Trade (CCPIT)
CivicAction Forum
Consider Canada City Alliance (CCCA)
Department of Foreign Affairs, Trade and Development (DFATD)
Enterprise Toronto
Foreign Embassies and Consulates
Greater Toronto Airport Authority/Toronto Port Authority
Greater Toronto Marketing Alliance (GTMA)
Infrastructure Ontario (IO)
Invest in Canada
Invest in Ontario
MaRS Discovery District
MaRS Innovation
Metrolinx
Music Canada
National Angel Capital Organization (NACO)
OneEleven

Ontario Centres of Excellence
Ontario Media Development Corporation (OMDC)
Ontario Ministry of Agriculture and Food (OMAF)
Ontario Ministry of Citizenship and Immigration (MCI)
Ontario Ministry of Economic Development, Trade and Employment (MEDTE)
Ontario Ministry of Research and Innovation (MRI)
Pan/Parapan American Games Toronto 2015
Toronto and Region Conservation Authority (TRCA)
Toronto Business Development Centre
Toronto Community Foundation
Toronto Employment Social Services (TESS)
Toronto Financial Services Alliance (TFSA)
Toronto Port Lands Company (TPLC)
Toronto Region Board of Trade
Toronto Transit Commission (TTC)
Tourism Toronto
University Health Network (UHN)
Waterfront Toronto

OUR PRIVATE SECTOR PARTNERS

Accounting Firms
Banks/Financial Intermediaries
Chambers of Commerce
Consulting Firms
Human Resource Consultants
Incubators and Accelerators
Industry Associations
Law Firms
Marketing & Communications Firms
Property Developers
Real Estate Firms
Site Selectors
TMX Group
Venture Capitalists

EDUCATIONAL INSTITUTIONS

Centennial College
George Brown College
Humber College
Ontario College of Art and Design (OCAD) University
Ryerson University
Seneca College
Sheridan College
University of Toronto
York University



SMARTOONZ

Success Story



Smarttoonz® is an international content and media company that produces smart, entertaining products for kids, both for traditional and new media. Founded in Israel in 2006, Smarttoonz currently has a Research and Development studio in Tel Aviv. In September 2012, they were introduced to Invest Toronto by a former member of the trade team at the Israeli consulate in Toronto, and they expressed an interest in establishing an office in Toronto.

When Smarttoonz first connected with the Invest Toronto team, they informed us that they were seeking support to move the production of the second season of their popular children's animated series, *Monkey See, Monkey Do* to Toronto, as well as to develop new content and brands in the Toronto office. Over the next year, additional projects were discussed, such as the development of strategic digital media products, merchandizing of the flagship brand, as well as specialty projects that focus on solutions to core issues surrounding children's health and quality of life.

The Invest Toronto team connected Smarttoonz with a representative of the Ontario Media Development Corporation (OMDC), an agency of the Government of Ontario that provides innovative programs, services, and funding for the film and television, book and magazine publishing, and interactive digital media and music industries. The Ontario Media Development Corporation supplied information about the Ontario Interactive Digital Media Tax Credit (OIDMTC), a refundable tax credit based on eligible Ontario labour expenditures, and eligible marketing and distribution expenses claimed by a qualifying corporation with respect to interactive digital media products.

Invest Toronto also encouraged the company to attend X-Summit, a digital media conference produced by Interactive Ontario. X-Summit provides an ideal platform to connect with angel investors in Toronto. In addition, Invest Toronto connected Smarttoonz with lawyers to assist with project and financial development.

The Invest Toronto team also reached out to the National Angel Capital Organization (NACO) to determine which angel groups have an interest in animation.

In the fall of 2013, Invest Toronto introduced Smarttoonz to a representative from the Toronto Animation Arts Festival International (TAAFI). The meeting was arranged and held at the Invest Toronto offices, where the discussion focused on how TAAFI can assist Smarttoonz with their efforts to develop merchandising products, digital products, and additional animated brands from Toronto.

With the support of Invest Toronto and the various government and industry contacts that the team provided, Smarttoonz' CEO and Director of Content and Programming moved to Toronto as of September 2013. Animation work is currently underway in Ontario, with co-production conducted in partnership with TVO. Invest Toronto is in regular contact with Smarttoonz and offers



Yuval Levy, CEO, Smarttoonz Ltd.

PHOTO: SMARTOONZ

support for the continued growth and expansion of their business, including new and innovative products that are currently being developed. Most recently, Invest Toronto connected Smarttoonz with a Sector Specialist at the City of Toronto to discuss upcoming projects. This is an example of how Invest Toronto supports and engages clients who have already established a presence in Toronto to assist with their growth and expansion, and to help them to become a significant player in the Toronto market.

“Toronto is a great city for kids’ content developers and producers. It offers a lot of opportunities for creating and growing. The professional team at Invest Toronto helped us to identify these opportunities and seize them! They were there for any question concerning establishing a Toronto office and finding strategic partners for our new exciting projects.”

YUVAL LEVY, CEO, SMARTOONZ LTD.

What is the world saying about Toronto?

In 2013, Toronto continued to build on its reputation as a strategically-located global city with a strong and stable economy, and a cost competitive jurisdiction with a highly skilled and educated talent pool, which enjoys an outstanding quality of life. The Invest Toronto team highlights Toronto's successes to the world, but we also like to refer to world-renowned research and publications to tell the story for us. We take statistics and rankings from respected third-party organizations and leverage them to help move clients ahead in the Business Investment Lifecycle. Toronto is a competitive, cosmopolitan city that will provide a strong return on investment – and the global business community is taking note.

"Toronto ranks 3rd overall for American Cities of the Future 2013/14 and 2nd overall in North American Cities of the Future 2013/14"
FDI AMERICAN CITIES OF THE FUTURE, APRIL 8, 2013

"Soundest banking system in the world 6 years in a row"
WORLD ECONOMIC FORUM, SEPTEMBER 4, 2013

"Toronto 4th most liveable city in the world"
ECONOMIST INTELLIGENCE UNIT, AUGUST 28, 2013

"Toronto in Top 10 most competitive cities of the future"
MOODY'S, JUNE 25, 2013

"Toronto rated 3rd out of 138 cities as a great place to hire"
AON HEWITT'S 2013 PEOPLE RISK INDEX, MARCH 25, 2013

"Toronto is the fastest growing economy in Canada two years in a row"
CIBC, JANUARY 3, 2013

"Toronto named one of 2013's top five 'Best Places to Go'"
CONDÉ NAST TRAVELER MAGAZINE, APRIL 30, 2013

"Toronto named 'Youthful City of the Year,' edging out Berlin and New York"
YOUTHFULCITIES, NOVEMBER 25, 2013

"Toronto Pearson and Billy Bishop Airports ranked among world's best"
SKYTRAX WORLD AIRPORT AWARDS, APRIL 16, 2013

"Toronto named 2nd most reputable city in the world"
REPUTATION INSTITUTE, OCTOBER 17, 2013

INVEST TORONTO

2013 BOARD OF DIRECTORS

- Mayor Rob Ford
Chair
- Ann Buller
Vice-chair
- Allan Broadbent
Director
- Craig Brown
Director
- Councillor Shelley Carroll
Director
- Councillor Vincent Crisanti
Director
- Aleem Kanji
Director
- Corrado Paina
Director
- Hari Panday
Director
- Geoffrey Reeves
Director
- Councillor Michael Thompson
Director
- Mike Williams
Director

2013 MANAGEMENT & STAFF

- Renato Discenza
President & CEO
- Winston Young
Chief Financial Officer
(Shared Services with Toronto Port Lands Company)
- Terrie O'Leary
Executive Vice President, Operations
- Nikki Holland
Vice President, Public Affairs
- Zvi Lifshiz
Director, Investment Services
- Julia Sakas
Communications & Marketing Manager
- Niloo Boroun
Investment Services Coordinator
- Sarah Hussaini
Investment Services Advisor
- Giovanni Gonzalez
Investment Services & Global Markets Advisor
- Shane Lee
Investment Services & Global Markets Advisor
- Jonathan Chu
Investment Services & Global Markets Advisor
- Silvia Pellitteri
Executive Assistant to the President & CEO
- Melec Abdulaziz
Office Manager





INVEST TORONTO FINANCIAL STATEMENTS



Independant Auditor's Report

To the Members of the Board of Directors of Invest Toronto Inc.

We have audited the accompanying financial statements of Invest Toronto Inc., which comprise the statements of financial position as at December 31, 2013 and the statements of operations, changes in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian

generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Invest Toronto Inc. as at December 31, 2013 and the results of its operations, re-measurement gains and losses, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Ontario
May 22, 2014

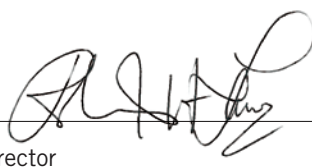
INVEST TORONTO INC. STATEMENT OF FINANCIAL POSITION


AS AT DECEMBER 31, 2013

	Note	December 31, 2013	December 31, 2012
		\$	\$
Financial assets			
Cash	9	240,613	222,562
Restricted investments	3	50,078	50,078
Amounts receivable		188,806	223,239
		479,497	495,879
Liabilities			
Accounts payable and accrued liabilities		339,005	295,079
Due to related parties	4b	174,514	143,958
Deferred contributions	4c	125,000	125,000
		638,519	564,037
Share capital			
Authorized and issued			
1 common share		1	1
		638,520	564,038
Net debt		(159,023)	(68,159)
Non-financial assets/(liabilities)			
Tangible capital assets	5	88,875	156,623
Deferred capital contributions	6	(88,875)	(156,623)
Prepaid expenses		159,023	68,159
		159,023	68,159
Accumulated surplus		-	-

The accompanying notes are an integral part of these financial statements.

Approved on Behalf of the Board


Director


Director

INVEST TORONTO INC.
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Budget (Note 12)	2013	2012
		\$	\$	\$
Revenues				
Operating grant from TPLC	4a	2,616,000	2,518,400	2,458,660
Amortization of deferred capital contributions	6	-	71,344	89,481
ICCI Contribution	7	-	49,892	-
Other income		-	4,229	8,975
Total revenue		2,616,000	2,643,865	2,557,116
Expenses				
Salaries and benefits	4b	1,688,100	1,665,302	1,590,204
Professional fees and project costs		137,750	123,109	109,742
Office expenses		211,000	209,080	226,321
Promotion and marketing		175,000	175,941	156,994
Office rent		279,000	263,892	269,115
Meetings, seminars and conventions		125,150	135,197	115,259
Amortization of tangible capital assets		-	71,344	89,481
Total expenses		2,616,000	2,643,865	2,557,116
Operating surplus/loss		-	-	-

INVEST TORONTO INC.
STATEMENT OF CHANGES IN NET DEBT
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget (Note 12)	2013	2012
		\$	\$
Operating surplus/loss	-	-	-
Decrease in Deferred capital contribution	-	(67,748)	(73,556)
Acquisition of tangible capital assets	(9,000)	(3,596)	(15,925)
Amortization of tangible capital assets	-	71,344	89,481
	(9,000)	-	-
Acquisition of prepaid expenses	-	(159,023)	(68,159)
Use of prepaid expenses	-	68,159	93,375
	-	(90,864)	25,216
(Increase) decrease in net debt	(9,000)	(90,864)	25,216
Net debt at beginning of year	(68,159)	(68,159)	(93,375)
Net debt at end of year	(77,159)	(159,023)	(68,159)

The accompanying notes are an integral part of these financial statements.

INVEST TORONTO INC.
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
	\$	\$
Operating transactions		
Operating surplus/loss	-	-
Amortization of tangible capital assets	71,344	89,481
Amortization of deferred capital contribution	(71,344)	(89,481)
Straight-line rent adjustment	(1,497)	(1,497)
	(1,497)	(1,497)
Change in non-cash working capital balances		
Accrual of interest on restricted investments	-	38
Amounts receivable	34,433	(26,956)
Prepaid expenses	(90,864)	25,216
Accounts payable and accrued liabilities	45,423	(34,703)
Due to related parties	30,556	(925,643)
	19,548	(962,048)
Cash provided by (applied to) operating transactions	18,051	(963,545)
Financing transactions		
Deferred capital contributions received for tangible capital assets	3,596	15,925
Cash provided by financing transactions	3,596	15,925
Capital transactions		
Acquisition of tangible capital assets	(3,596)	(15,925)
Cash applied to capital transactions	(3,596)	(15,925)
Increase (decrease) in cash during the year	18,051	(963,545)
Cash at beginning of year	222,562	1,186,107
Cash at end of year	240,613	222,562

The accompanying notes are an integral part of these financial statements.

INVEST TORONTO INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

1. Nature of operations

Invest Toronto Inc. (the Corporation) was incorporated on November 13, 2008 under the *Business Corporations Act* (Ontario) pursuant to S.148 of City of Toronto Act, 2006 and Ontario Regulation 609/06, City Services Corporations.

The City of Toronto owns the one issued common share of the Corporation. The mandate of the Corporation is to engage in promotional activities and services to encourage economic development to and in the City of Toronto and all ancillary and collateral matters relating thereto. The Corporation has been classified as an other governmental organization.

As a municipal corporation under Section 149(1) of the *Income Tax Act* (Canada), the Corporation is exempt from income taxes.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). The significant accounting policies are as summarized below.

Share capital

The Corporation's one issued common share is recognized as debt and presented separately in the statement of financial position.

Revenue recognition

Revenue is reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes measurable and collection is reasonably assured.

The Corporation receives transfers of funds from the Government of Canada, the City of Toronto and the Toronto Port Lands Company (TPLC), which have certain stipulations associated with the use of the funds. These transfers are recognized as revenue in the year in which these stipulations have been met, except to the extent that the transfers give rise to a liability.

A liability recognized in this manner is reduced and an equivalent amount of revenue is recognized as the liability is settled.

Transfers used for the purchase of tangible capital assets are deferred and amortized into revenues at a rate corresponding to the amortization rate of the related asset.

Financial instruments

The following table presents the classification of financial instruments:

Assets/Liabilities	Measurement
Cash	fair value
Restricted investments	amortized cost
Due to/from related party	amortized cost
Accounts receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost

Restricted investments

Restricted investments are investments set aside as security for use of a credit facility.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 years
Computer equipment	3 years
Leasehold improvements	straight-line over the term of the lease
Website	straight-line basis over the estimated useful life of the website, which is estimated to be 3 years.

Impairment of tangible capital assets

The Corporation reviews the valuation of tangible capital assets whenever events or changes in circumstances indicate the carrying value may not be recoverable. When indicators of impairment of tangible capital assets exist, a write down of the residual value is recognized in the statement of financial position. Write downs are not reversed.

INVEST TORONTO INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Office occupancy costs and deferred lease escalations

The Corporation has entered into an operating lease to occupy its current head office premises. Rent expense is recorded in office occupancy costs on a straight-line basis over the term of the lease. Differences between the straight-line rent expense and the payments, as stipulated under the lease agreement, referred to as lease escalations, are included in accounts payable and accrued liabilities.

Use of estimates

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are based on the information available at the date of preparation and reviewed annually to reflect new information as it is available. Measurement uncertainty exists in the financial statements primarily related to impairment in accounts receivable and tangible capital assets. Actual results could differ from those estimates.

3. Restricted investments

Restricted investments include a guaranteed investment certificate of \$50,000, which has been set aside as a security for a revolving credit card facility. This investment certificate has an annual yield of 0.8% (December 31, 2012 – 0.8%), and a maturity date of October 21, 2014, with a provision for redemption after 30 days of acquisition. The revolving credit card facility has a \$50,000 limit, and \$12,995 (December 31, 2012 – \$4,680) has been drawn on it as at December 31, 2013 which is included in accounts payable and accrued liabilities.

4. Related party transactions

a) The Corporation has received a grant from TPLC, an affiliated company owned by the City of Toronto, to cover operating and capital expenditures incurred during the year. This is pursuant to a Grant agreement entered into by the two Corporations for a five year period starting in 2009, with a provision for an automatic renewal, for subsequent periods of one year each.

At the end of the five-year term ended December 31, 2013, the agreement was automatically renewed for a one-year period, for a grant amount agreed to by the Board of Directors of both Corporations. The total value of the grant provided by TPLC as at December 31, 2013 is \$2,521,996 (December 31, 2012 – \$2,474,585). Of this balance, \$2,518,400 (December 31, 2012 – \$2,458,660) has been used to fund operations and the remaining \$3,596 (December 31, 2012 – \$15,925) has been used to fund capital additions.

b) Of the total balance of \$174,514 (December 31, 2012 – \$143,958) due to related parties is an amount of \$174,514 (December 31, 2012 – \$48,416) to be reimbursed by the Corporation to TPLC for funds advanced for operations. There is no set term of repayment for these amounts and no interest is being charged by TPLC. The Corporation has agreed with TPLC to share certain administrative, accounting and other corporate services on a cost allocation basis. During the year, the Corporation has paid to TPLC \$112,150 (December 31, 2012 – \$111,870) as shared services costs.

The Corporation had agreed with Build Toronto Inc., an affiliated company owned by the City of Toronto, to share certain administrative, accounting and other corporate services on a cost allocation basis until 2012. In the total balance of due to related parties \$0 (December 31, 2012 – \$95,542) is owing to Build Toronto Inc. for corporate services used. During the year ended December 31, 2012, the Corporation has paid \$18,271 as shared services costs to Build Toronto Inc. The transactions for shared corporate services are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

c) Deferred contributions include \$125,000 received from Economic Development and Culture (EDC) department, a division of the City of Toronto to fund a study to be performed in 2014.

INVEST TORONTO INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

5. Tangible capital assets

			2013
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	57,435	54,768	2,667
Leasehold improvements	91,936	62,399	29,537
Furniture and fixtures	139,936	95,614	44,322
Website	91,180	78,831	12,349
	380,487	291,612	88,875

			2012
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	55,128	52,968	2,160
Leasehold improvements	90,646	43,817	46,829
Furniture and fixtures	139,937	67,630	72,307
Website	91,180	55,853	35,327
	376,891	220,268	156,623

6. Deferred capital contributions

Deferred capital contributions consist of the following:

	2013	2012
	\$	\$
Balance – Beginning of year	156,623	230,179
Contributions received from TPLC	3,596	15,925
Amortization	(71,344)	(89,481)
Balance – End of year	88,875	156,623

INVEST TORONTO INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

7. ICCI Contribution

The Corporation has received a contribution of \$49,892 from the Government of Canada towards eligible expenditures incurred pursuant to the Invest Canada-Community Initiatives (ICCI) of the Global Commerce Support Program.

8. Employee benefits

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of some of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit. The Corporation's current service contributions to the OMERS pension plan in 2013, which were expensed, totalled \$115,596 (December 31, 2012 – \$94,198) and are included in salaries and benefits expense.

9. Financial instruments

Fair value

The Corporation's financial instruments consist of cash, restricted investments, amounts receivable, accounts payable and accrued liabilities and due to/from related parties. The carrying values approximate their fair values due to their short-term maturity.

The Canadian Institute of Chartered Accountants Public Sector Accounting Handbook Section 3450 requires disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of a financial asset or a financial liability at the financial statement date. The three levels are defined as follows:

- Level 1 – Fair value is based on quoted market prices in active markets for identical financial assets or financial liabilities.
- Level 2 – Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) financial assets or financial liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for sustainability over the full term of the financial assets or financial liabilities.
- Level 3 – Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the financial assets or financial liabilities.

As at December 31, 2013, cash of \$240,613 (December 31, 2012 – \$222,562) is classified as Level 1.

INVEST TORONTO INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Risk management

The Corporation's operating activities expose it to a range of financial risks. These risks include credit risk, liquidity risk and currency risk, which are described as follows:

• Credit risk

Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a counterparty on its obligation to the Corporation. The total carrying value of cash, short-term investments and amounts receivable as presented in the statement of financial position represents the maximum credit risk exposure as at the date of the financial statements.

The cash deposit and GICs are held by a Schedule 1 Canadian financial institution, which reduces the Corporation's exposure to credit risk. Of the amounts receivable, \$78,028 (2012 – \$17,535) has been received subsequently to December 31, 2013 and \$109,631 (December 31, 2012 – \$203,791) is a GST/HST refund due from Canada Revenue Agency.

• Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. As at December 31, 2013, all obligations of the Corporation are due within one year.

• Currency risk

Virtually all of the Corporation's transactions are denominated in Canadian dollars. As at December 31, 2013, the Corporation held no financial instruments that were denominated in currencies other than the Canadian dollar.

10. Commitments

Future commitments for rent of the Corporation's premises are as follows:

	\$
2014	114,894
2015	86,171
	201,065

11. Economic dependence

The Corporation does not earn sufficient revenues from sources other than TPLC to fund its current operations. As a result, the Corporation is economically dependent on TPLC to fund its ongoing operations.

12. Budgeted figures

Budgeted figures have been provided for comparison purposes, and have been derived from the estimates prepared predominantly on a cash basis and approved by the Board of Directors of the Corporation.



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