



Short-Term Equity *fund*

MAKING A DIFFERENCE IN NOVA SCOTIA COMMUNITIES,
ONE BUSINESS AT A TIME...

The co-operative and credit union sector of Nova Scotia is committed to growing Nova Scotia's economy. We believe in our people, and we believe in business. The launch of our Short-Term Equity Investment Fund is one more way of keeping money where it belongs; in our communities.

Helping you achieve your financial goals

Applications are accepted from co-operatives and businesses legally incorporated in the province of Nova Scotia. All applicants must complete a viable business plan, application, and personal net worth statement of all shareholders. An applicant is also required to hold their business account with a credit union.

Equity Limits Available. Normally no higher than \$50,000 per investment, put in, in the form of five \$10,000 shares. All other requests will be considered on a case-by-case basis

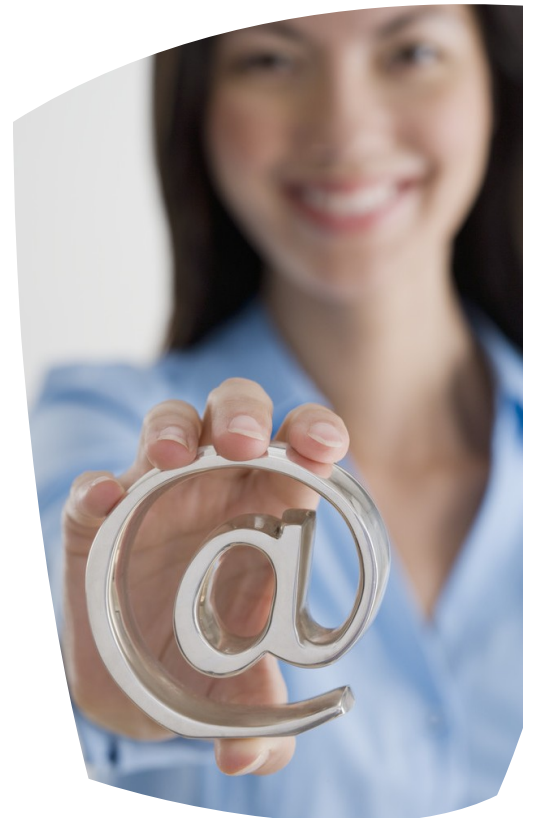
Positions Taken. In co-operative ventures, shares are issued in the form of member loans. In other incorporated business ventures, shares are issued as preferred shares only

Cost of Equity. Each preferred share attracts 0.5% of revenue per month. For example, a \$50,000 investment (equal to five shares) would yield 2.5% of revenue per month

Redemption. Any one share can be redeemed at any time. At the time of redemption, each share will attract a bonus pay out of credit union prime + 5%

Maximum Term of Investment . Seven years

Decision-Making Timeframe. A decision can usually be made within three weeks, if all documentation and information has been satisfactorily submitted





Smart Businesses ...Smart Investments

The Nova Scotia Co-operative Council's
Short-Term Equity Fund... Innovative ways
to grow your business and your community!

Reporting. Equity clients are required to submit financial statements within two weeks of month end, together with the monthly dividend cheque, representing 0.5% of revenue per share

Redemption bonus cheques are payable within one month of having been invoiced. Failure to remit is considered a default and will trigger the default provisions as outlined in the legal equity agreement.

Once an equity application has been approved, the client will receive a legal equity agreement, which must be duly signed by the client and his/her lawyer. The lawyer must also submit official share certificates with the duly signed legal document.

No disbursements of cash will be made until:

- All legal documents have been duly and legally signed and submitted
- All documentation and information, as requested, has been submitted
- Share certificates have been submitted
- Any and all conditions of approval have been met

Cost of Equity (An Example)

'Company A' has received a \$50,000 equity investment from the Nova Scotia Co-operative Council's Short-Term Equity Fund, in the form of five (5) \$10,000 preferred shares, and has \$20,000 of revenue per month, for a total yearly revenue of \$240,000

$\$20,000 \times 2.5\% (0.5\% \text{ per share}) = \$500 \times 12 \text{ months} = \$6,000 \text{ per year (cost of equity)}$

Note. Shares are redeemed at par, but attract a bonus of credit union prime + 5% at the time of redemption

APPLICATIONS CAN BE MADE TO

DIANNE KELDERMAN, CEO
NOVA SCOTIA CO-OPERATIVE COUNCIL
PO BOX 1872, 339 WILLOW STREET
TRURO, NS B2N 6C7
PHONE 902.893.8966
FAX 902.895.0109
EMAIL DIANNEFK@EASTLINK.CA



Nova Scotia Co-operative Council
MAKING A DIFFERENCE IN NOVA SCOTIA COMMUNITIES