



A Sweet Deal

An important part of our investment thesis is supporting fast-growing companies that have significant market traction, which means we can expect a higher probability of good outcomes in shorter time frames.

This was highlighted last week when [SweetIQ was acquired by Gannett/ReachLocal](#).

SweetIQ helps local bricks and mortar retailers manage their online presence and convert online advertising into in-store foot traffic. It powers local marketing for more than 200 clients across North America.

The acquisition happened just 18 months after we led [SweetIQ's \\$4.2-million series A financing](#), which was used to drive the growth of its platform, management team and client base.

The proceeds from the SweetIQ deal will return two-thirds of the funds from PV Fund II and nearly one-fifth of the funds from PV Fund III. This is further validation of our successful micro-fund model in which we concentrate investments in a small number of growth-stage companies.

There are two key points about the transaction: One, the returns were generated by a solid base hit, not an elusive home run. And two, it shows the benefit of opportunistically investing from a current fund (PV Fund III) into a high-potential company from a previous fund (PV Fund II).

We invested (and reinvested) in SweetIQ because we liked the market in which it was playing: local data analytics. While it was a competitive space, we liked the management team and the company's platform, which included differentiated features. We also liked their proven sales growth and metrics-driven philosophy. We thought it would do well.

With four straight years of 300% growth and 150 employees, SweetIQ was seeking series B financing to further capitalize the business and accelerate its growth towards profitability. In the process, it attracted the interest of [Gannett/ReachLocal](#), which was enticed by SweetIQ's industry-leading platform and team.

The deal is a win-win-win outcome.

It is great news for the company's founders, Mohannad El-Barachi and Michael Mire, its investors, employees, and the local economy. Gannett/ReachLocal plans to expand SweetIQ's operations in Montreal by hiring more local talent. We're excited for the team and for the City of Montreal!

PV Fund IV

Our newest fund is designed to capitalize on the opportunity to invest in technology companies looking to grow and scale. Two-thirds of the capital raised will be allocated to follow-on financing for five or six of our proven portfolio companies, while one-third will go towards four or five new Series A or Series B investments.

To learn more about PV Fund IV, which closes in the next few weeks, please contact [Matthew Leibowitz](#).

Portfolio News



Mobile traffic surpassed desktop traffic for large retailers in May 2015. Mobify expects that retail leaders will see mobile revenue exceed desktop revenue by Black Friday 2017.

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SweetIQ's Mohannad El-Barachi talks about the company's origins, how it has grown into a location-based market leader, and how data will be treated in 2017 and beyond.

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What We're Reading



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Thalmic Labs' co-founder Stephen Lake says it's time for Toronto/Waterloo to "step up" because it has all the key ingredients: infrastructure, innovation, and intrinsics.

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With a burgeoning artificial intelligence ecosystem, one of the biggest priorities for Canadian startups is turning innovative ideas into businesses.

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