FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK
COMMISSION DES SERVICES FINANCIERS ET DES SERVICES AUX CONSOMMATEURS DU NOUVEAU-BRUNSWICK

CAPITAL MARKETS NOTICE

New Brunswick Capital Market Activity 2023-2024

November 12, 2025

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EXECUTIVE SUMMARY

This notice provides an overview of New Brunswick's capital markets, as well as insights into certain activities, from January 1, 2023 to December 31, 2024.

The continued growth in New Brunswick's exempt market aligns with the findings reported in the Capital Markets Report published in November 2023. Key trends identified in this notice include:

- The accredited investor exemption (see **Note 1**) continues to be the most used prospectus exemption[1]:
  - Approximately 99 per cent of capital raised in New Brunswick's exempt market relied on the accredited investor exemption.
  - New Brunswick's universities invested approximately $45 million, relying on the accredited investor exemption.
  - The combined investment made by New Brunswick's top 10 accredited investors exceeded $1 billion in 2024.
- Five New Brunswick-based issuers collectively raised approximately $242 million in 2024, while issuer capital raises ranged from $4,700 to more than $44 million. The majority of those purchases were under the accredited investor exemption.

1. A prospectus exemption allows companies to raise capital without preparing and filing a formal prospectus—a detailed legal document that outlines the business, financials, risks and terms of a securities offering.

Note 1: The accredited investor exemption allows the distribution of securities to an accredited investor in any amount without providing any required disclosure documents about the issuer. No limit exists on the number of purchasers or the amount that can be raised using the accredited investor exemption. See section 1.1 and subsection 2.3(1) of National Instrument 45-106 *Prospectus Exemptions* for the list of requirements to be an accredited investor.

The following charts and graphs illustrate the prospectus exemptions commonly relied upon by New Brunswick issuers in 2023 and 2024.

When interpreting this data, it is important to note that companies are not required to disclose the amounts they raise when they rely on the private issuer exemption. Accordingly, we cannot report on activity in that area of New Brunswick's capital markets.

Figure 1a: Exemption relied on by New Brunswick issuers (excluding accredited investor)

Exemption	Year	Amount
45-106 2.10 – Minimum Amount Investment	2023	$0
	2024	$2,000,000
45-106 2.13 – Petroleum, Natural Gas and Mining Properties	2023	$25,000
	2024	$15,000
45-106 2.24 – Employee, Executive Officer, Director and Consultant	2023	$0
	2024	$0
45-106 2.5 – Family, Friends and Business Associates	2023	$654,200
	2024	$887,058
45-110 5(1) – Start-up Crowdfunding Registration and Prospectus Exemptions	2023	$13,200
	2024	$2,350
Other (US accredited investor)	2023	$224,700
	2024	$50,000

Figure 1b: Exemption highlight (accredited investor)

Exemption	Year	Amount
45-106 2.3 – Accredited Investor	2023	$239,899,844
	2024	$244,480,453

Figure 1c: Totals of all exemptions relied on by New Brunswick issuers

Year	Amount
2023 Total	$240,816,944
2024 Total	$247,434,861

Throughout 2023 and into 2024, geopolitical conflicts and concerns about a global recession created a cautious environment. In addition, the Bank of Canada and many of the world's central banks increased interest rates to combat the threat of rising inflation. This made borrowing more expensive, increasing financing costs for dealmaking and investor return requirements, and making it harder for issuers and buyers to agree on valuations for securities. As such, general financing activity was lower over the period as many companies abstained from the capital markets until interest rates decreased.[2]

Prospectus distributions (excluding investment funds)

The number of prospectuses filed in 2024 increased slightly to 273 from 265 in the previous year, however, this figure remains below the levels recorded by the 2020-2022 *Capital Markets Notice*.

This trend is consistent with other jurisdictions, as companies are increasingly relying on the exempt market and other non-prospectus financing methods.

Prospectus filings in New Brunswick have spanned a wide range of industries including, but not limited to, agriculture, mining, real estate, transportation, oil and gas and financial services.

2. Federal Reserve Board, *Monetary Policy and Exchange Rates during the Global Tightening* (Washington, DC: Federal Reserve Board, 2024).

Figure 2a: Industry break down (excluding investment funds)

Industry	Year	Amount
Accommodation and food services	2023	$33,598
	2024	$20,000,000
Arts, entertainment and recreation	2023	$0
	2024	$200,000
Construction	2023	$320,000
	2024	$206,000
Finance and insurance	2023	$643,716,252
	2024	$1,025,271,148
Health care and social assistance	2023	$3,497,340
	2024	$26,974,205
Industrial products	2023	$8,132,998
	2024	$50,000
Information and cultural industries	2023	$52,277,161
	2024	$20,065,000
Junior natural resource – mining	2023	$614,018
	2024	$0
Management of companies and enterprises	2023	$9,109,230
	2024	$38,753,805
Manufacturing	2023	$7,593,697
	2024	$45,873,152
Mining, quarrying, and oil and gas	2023	$44,517,735
	2024	$158,255,490
Professional, scientific and technical services	2023	$26,500,659
	2024	$58,916,802
Real estate and rental and leasing	2023	$154,099,871
	2024	$199,116,870
Retail trade	2023	$59,281,621
	2024	$40,800,000
Transportation and warehousing	2023	$27,000,000
	2024	$302,050
Utilities	2023	$35,589,338
	2024	$80,261,927
Wholesale trade	2023	$20,000,801
	2024	$30,500,250
Other	2023	$17,884,752
	2024	$251,000

Prospectus distributions (investment funds and ETFs)

In 2023, 3,958 investment funds prospectuses were filed in New Brunswick. The number of filings increased to 4,289 in 2024. Owing to the convenience and increasing innovation in products, over the long term, the number of fund products available to Canadians has seen consistent growth.

Figure 3: Type of offerings

Trends	Year	Amount
Investment funds	2023	$593,158,914
	2024	$1,326,816,780
Issuer (other than investment funds)	2023	$1,110,169,865
	2024	$1,730,786,755
2023 Total		**$1,703,328,779**
2024 Total		**$3,057,603,534**

Figures 4 a-c highlight the exemptions New Brunswick companies relied on to raise capital in 2023 and 2024. This data highlights the importance of the accredited investor exemption to New Brunswick's capital markets. To provide some additional context, most accredited investors in New Brunswick are investment funds.

Figure 4a: Exemptions relied on by all issuers with distribution in New Brunswick (excluding accredited investor)

Exemption	Year	Amount
45-106 2.1 – Rights offering	2023	$4,500
	2024	$0
45-106 2.10 – Minimum amount investment	2023	$64,560,188
	2024	$26,723,500
45-106 2.12 – Asset acquisition	2023	$9,499,998
	2024	$0
45-106 2.13 – Petroleum, natural gas and mining properties	2023	$707,978
	2024	$130,293
45-106 2.14 – Securities for debt	2023	$0
	2024	$128,074
45-106 2.19 – Additional investment in investment funds	2023	$100,000
	2024	$322,000
45-106 2.5 – Family, friends and business associates	2023	$586,500
	2024	$1,112,734
45-106 2.9(2.1) – Offering memorandum	2023	$5,092,044
	2024	$8,273,172
45-106 5A.2 – Listed issuer financing exemption	2023	$3,306,262
	2024	$2,799,998
45-110 5(1) – Start-up crowdfunding registration and prospectus exemptions	2023	$26,687
	2024	$38,080
45-505 – Distribution to existing security holders	2023	$9,198
	2024	$0

Figure 4b: Exemption highlight (accredited investor)

Exemption	Year	Amount
45-106 2.3 – Accredited investor	2023	$1,619,435,325
	2024	$3,018,075,695

Figure 4c: Totals of all exemptions relied on by all issuers with distribution in New Brunswick

Year	Amount
2023 Total	$1,703,328,779
2024 Total	$3,057,603,534

CAPITAL RAISES BY COMMUNITY ECONOMIC DEVELOPMENT CORPORATIONS AND COOPERATIVES

A community economic development corporation or cooperative (**CEDC**) is a local business that raises funds for a defined community-economic purpose by selling shares (or other eligible securities) to investors in New Brunswick. A local group of officers and directors controls the funds and directs them toward development within their communities.

For New Brunswickers, CEDCs represent an opportunity to channel their investment dollars into their local economy and obtain a tax credit from the Government of New Brunswick for their investment.[3]

Since the inception of the CEDC program, four CEDCs have received non-objection letters from the Commission. While the Commission did not issue any non-objection letters during the 2023-2024 reporting period, we continue to support existing and prospective CEDC issuers.

MARKET ANALYSIS

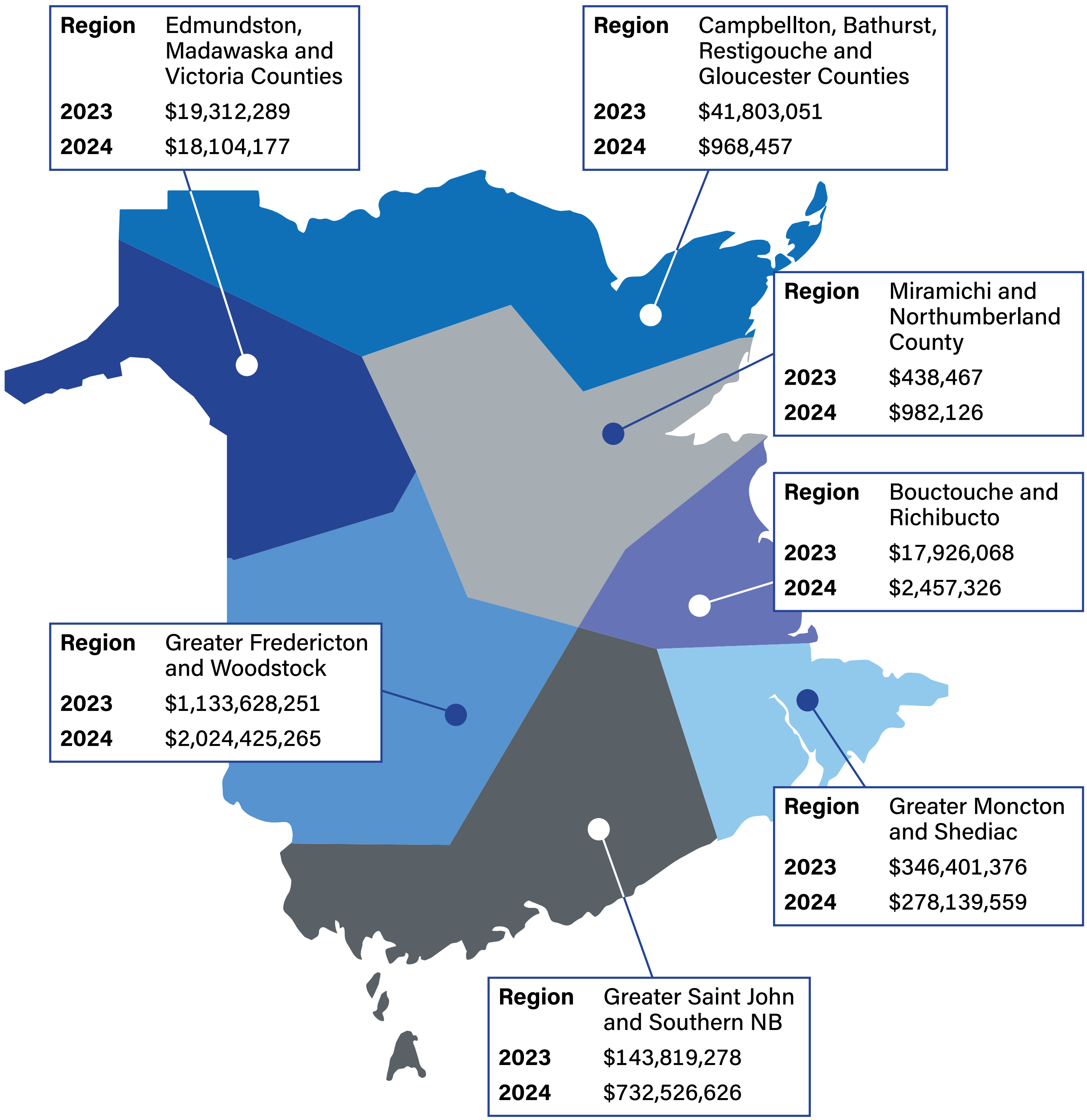
New Brunswick's exempt market – regional breakdown

Investment activity in New Brunswick remains predominantly concentrated in the southern region of the province, a pattern that has shown little variation in recent years. However, in 2024, Fredericton and Saint John experienced a notable increase in investment flows, coinciding with the Bank of Canada's decision to begin cutting interest rates in June. Over the remainder of the year, the policy rate was reduced five times, reaching 3.25 per cent by year-end, as inflation cooled and economic slack emerged. This shift in monetary policy made traditional fixed-income investments less attractive, prompting investors to seek alternative opportunities.[4]

3. See CEDC Program | New Brunswick Financial and Consumer Services Commission.

4. Pinnacle Wealth, *Why Canadians Are Investing in the Exempt Market in 2024: Key Trends and Insights*.

Figure 5: New Brunswick purchaser amount by region



Region	All New Brunswick
2023	$1,703,328,780
2024	$3,057,603,534
Total	$4,760,932,314

Issuer location

Provincial and national boundaries are less of a barrier to capital formation. Many companies outside of New Brunswick are raising capital in the province. As this chart and the following tables illustrates, New Brunswick purchasers have accessed opportunities in New Brunswick companies, and purchased securities issued by companies in other Canadian provinces and internationally.

Figure 6a: Issuer head office – within Canada

Location	Year	Amount
Alberta	2023	$94,728,121
	2024	$201,378,785
British Columbia	2023	$76,187,423
	2024	$103,925,955
Manitoba	2023	$2,000,000
	2024	$0
New Brunswick	2023	$195,520,431
	2024	$202,546,819
Newfoundland and Labrador	2023	$8,000,000
	2024	$8,000,000
Nova Scotia	2023	$34,097,256
	2024	$41,218,584
Ontario	2023	$622,388,770
	2024	$1,117,687,755
Québec	2023	$241,725,518
	2024	$236,320,705
Saskatchewan	2023	$22,355,680
	2024	$6,028,929

Figure 6b: Issuer head office – Outside Canada (foreign issuers)

Location	Year	Amount
Foreign (Non-Canada)	2023	$406,325,580
	2024	$1,140,496,001

Figure 6c: Issuer head office – Canada & Foreign

Year	Amount
2023 Total	$1,703,328,779
2024 Total	$3,057,603,534

Where New Brunswick issuers are finding investment capital

New Brunswick companies are raising capital by selling their securities to purchasers not only in New Brunswick, but also by accessing other markets across Canada and internationally.

Figure 7: Purchaser locations

Country	Location	2023	2024
Canada	All	$239,820,612	$246,592,614
	Alberta	$1,594,100	$245,000
	British Columbia	$14,388,817	$25,500,000
	New Brunswick	$193,649,249	$204,462,001
	Newfoundland and Labrador	$15,000	$0
	Nova Scotia	$20,293,588	$13,444,113
	Ontario	$2,226,108	$175,500
	Québec	$7,653,750	$2,766,000
United States	All	$915,133	$0
	Maine	$130,000	$0
	Maryland	$263,968	$0
	New York	$100,000	$0
	Texas	$11,700	$0
	Virginia	$13,500	$0
	Washington	$395,964	$0
Asia Pacific		$31,200	$0
Europe		$0	$150,000
South America and Caribbean		$50,000	$692,247
Total		**$240,816,944**	**$247,434,861**

REGULATORY CHANGES

Review of disclosure regarding women on boards and in executive officer positions

Over the past decade, the Canadian Securities Administrators (**CSA**) have conducted annual reviews of diversity among directors and executive officers of certain Canadian publicly traded companies. In Fall 2024, the CSA published its Year 10 report, based on disclosures required under Form 58-101F1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. The report highlighted key trends in the representation of women on boards and in executive roles. Notably, the CSA announced that they expected that this would be the final year of the annual review under the current framework.

Figure 8: Highlights of year 10 findings

Board seats

29% of board seats were held by women	8% of the chairs of the board were women	37% of vacated board seats were filled by women

Executive officer positions

5% of issuers had a woman chief executive officer (CEO)	16% of issuers had a woman Chief Financial Officer (CFO)	72% of issuers had at least one woman in an executive officer position

Policies and targets

64% of issuers adopted a policy relating to the representation of women on their board	44% of issuers adopted targets for the representation of women on their board	7% of issuers adopted targets for the representation of women in executive officer positions

Term limits

25% of issuers adopted term limits	40% of issuers adopted other mechanisms of board renewal (but not term limits)	32% of issuers did not adopt director term limits or other mechanisms of board renewal

Looking ahead, the CSA is exploring potential changes to diversity-related disclosure requirements, as outlined in its April 2023 notice and request for comment on proposed amendments to NI 58-101 and National Policy 58-201.[5]

Listed issuer financing exemption

The listed issuer financing exemption (**LIFE**) came into effect on November 21, 2022. It provides a more efficient method of capital raising for reporting issuers that have securities listed on a Canadian stock exchange and have satisfied their continuous disclosure obligations. Twenty-three issuers relied on the exemption during this reporting period, raising more than $6 million.

This exemption aims to reduce costs for issuers raising smaller amounts of capital through the public markets by simplifying the disclosure requirements for issuers. LIFE allows issuers to raise the greater of $5 million, or 10 per cent of the issuer's market capitalization, to a maximum of $10 million annually.[6] LIFE also allows retail investors to access a wider variety of investment options.

Registration

Registration is a key aspect of capital market regulation. The registration data provides us with the number of individuals and firms registered in the business of advising or trading in securities in New Brunswick. The data below illustrates the different categories of registrants and how they are participating in New Brunswick's capital markets.

5. In April 2025, the CSA announced it was pausing its work on changes to diversity-related disclosure requirements. See *CSA updates market on approach to climate-related and diversity-related disclosure projects*.

6. Per Coordinated Blanket Order 45-935 *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption*, effective May 15, 2025, issuers can raise the greater of $25 million or 20 per cent of their aggregate market value, up to a maximum of $50 million in a 12-month period.

Figure 9: Number of firms by category[7]

We have seen an increase in the categories of Exempt Market Dealer, Mutual Fund Dealer and Portfolio Manager since the last notice.

Category	2023	2024
Exempt Market Dealer	247	257
Investment Dealer	114	114
Investment Fund Manager	31	32
Mutual Fund Dealer	50	52
Portfolio Manager	223	232
Restricted Dealer	11	9
Restricted Portfolio Manager	4	5
Scholarship Plan Dealer	6	6
Grand Total	**508**	**517**

Figure 10: Number of firms and branches

Year	Branches
2023	488
2024	489

7. A firm may be registered in more than one category.

Figure 11: Registration category[8]

Firm Category	Individual Category	2023	2024
Exempt Market Dealer	Chief Compliance Officer	232	245
	Dealing Representative	1,268	1,348
Investment Dealer	Chief Compliance Officer	118	117
	Dealing Representative	7,573	7,887
Investment Fund Manager	Chief Compliance Officer	28	30
Mutual Fund Dealer	Chief Compliance Officer	46	47
	Dealing Representative	3,679	3,706
Portfolio Manager	Chief Compliance Officer	212	219
	Advising Representative	1,896	1,988
	Associate Advising Representative	341	361
Restricted Dealer	Chief Compliance Officer	9	5
	Dealing Representative	4	0
Restricted Portfolio Manager	Chief Compliance Officer	3	4
	Advising Representative	12	14
	Associate Advising Representative	2	0
Scholarship Plan Dealer	Chief Compliance Officer	4	4
	Dealing Representative	79	56
Ultimate Designated Person	Ultimate Designated Person	480	496
Grand Total		**14,735**	**15,212**

SUMMARY

Based on the statistics in this notice, it may be safely stated that the exempt market still accounts for a significant portion of the activity in New Brunswick's capital markets. Although activity has decreased in many areas, it appears as though activity levels are returning to more normal pre-2020 levels.

8. A person may be registered in more than one category. See *Understanding Registration* (CSA) for more information about individual categories of registration.