

Why RVCs?

Up to 35% in tax credits plus growth potential.

Tax credits[†] of up to 35% make RVCs an appealing investment. But like any smart investor, you're looking for an investment that also provides potential for growth and allows you to participate in the significant opportunities available in the venture capital market. RVCs can do this and more – it's a matter of finding the right manager and the right fund to fit your investment portfolio.

What's an RVC?

RVCs are retail venture capital funds that invest in up-and-coming companies with strong growth potential. People who invest in RVCs receive tax credits[†] of up to 35% because they help provide the vital capital needed by small- and medium-sized firms to realize their full potential. Venture capital investment helps these companies to bring to market the innovative ideas that make Canada one of the world's leading developers of new technologies.

Why invest in RVCs?

RVCs are one of the few investment vehicles that allow smaller investors to participate in the great potential of the venture capital market. They also help moderate the risk involved in venture capital investing through diversification and by allowing investors to benefit from the knowledge of an experienced venture capital investment team. When you factor in the tax credits, RVCs become a very attractive means of accessing this exciting market.

GrowthWorks* RVC managers.

Not all RVC managers are created equal. Our RVC managers have more than the ability to pick winning firms among the hundreds of potential choices available in Canada. Our RVC managers add value to investments by participating on portfolio company boards of directors, assisting in recruiting key personnel, securing additional funding and helping to formulate long-term strategic plans. And our managed RVC's provide capital needed to enable significant growth while reducing risks for investors through a diversified venture portfolio.

A sound investment approach.

GrowthWorks is a recognized leader in the Canadian venture capital industry. Our investments are generally made at an early stage in a new business. "Typically, our managed RVCs enter in the first or second round of institutional investors," says David Levi, President and CEO of GrowthWorks. "Before that comes



the ‘angels,’ and the ‘love’ money from family and friends.”

This early investment approach offers distinct advantages that temper the risk associated with venture capital investing:

- it gives GrowthWorks’ expert management teams the opportunity to offer early critical advice – the kind of guidance that can mean the difference between success and failure
- it provides GrowthWorks managed RVCs with increased potential for greater gains on winners.

“If you look at our biggest wins in the portfolio,” says Levi, “in most cases they are early-stage investments where we took a 20 to 30 percent equity position in the company at a relatively low cost, while later stage investors usually have less than ten percent at relatively higher prices.”

A successful investment strategy.

GrowthWorks managed RVCs have experienced many successes using this investment strategy. For example, in 1996 the GrowthWorks managed Working Opportunity Fund¹ made its initial investment of \$1 million in HotHaus Technologies, a developer of voice over Internet protocol (VOIP)

software technology. Over time, WOF increased its investment to \$4.5 million as the company grew. That \$4.5 million dollar total investment turned into a \$120 million dollar gain when HotHaus was sold to Broadcom Corporation just three years later.

Galleon Energy Inc. and Med-Eng Systems Inc. were winners for GrowthWorks Canadian Fund. The Fund invested a total of \$12.7 million in Galleon since December 2002 and realized gains of \$89.2 million to March 28, 2007. In 2005 GrowthWorks assumed management of the investment made in Med-Eng in 1997. In what was one of the largest M&A transactions of 2007, Med-Eng was sold for \$650 million, providing \$73 million in proceeds to GrowthWorks Canadian Fund.

Management with integrity.

Returns are obviously important, but so too is the ability to earn them with a trusted manager who can also reduce your risk in venture capital investing. GrowthWorks managed RVCs support the use of valuation methods recommended by Canada’s Venture Capital and Private Equity Association (CVCA). These rules-based and event-driven procedures give investors the confidence of knowing that GrowthWorks managed RVCs’ share prices are determined using recommended industry standards.

GrowthWorks* is an award-winning leader in Canadian venture capital management. GrowthWorks is a subsidiary of Matrix Asset Management Inc. (TSX:MTA), a diversified asset management company with over \$2.7 billion in assets under management, including approximately \$600 million in venture capital fund assets. The funds under management include the following RVCs: Working Opportunity Fund, GrowthWorks Canadian Fund, GrowthWorks Commercialization Fund and GrowthWorks Atlantic Venture Fund.

Commissions, trailing commissions, management fees and expenses all may be associated with investments in retail venture capital funds (RVCs). Please read the prospectus before investing. Consult your investment advisor to determine the suitable mix for your investment portfolio. RVCs are not guaranteed, their values change frequently and past performance may not be repeated. GrowthWorks Capital Ltd. is the principal distributor of all GrowthWorks managed RVCs. ¹Tax credits are subject to certain conditions, including repayment if shares are not held for eight years, federal and provincial maximum credits and having tax payable against which to claim the credits. *GrowthWorks refers to GrowthWorks Ltd. and its related companies providing services to GrowthWorks managed RVCs including GrowthWorks Capital Ltd, manager of the Working Opportunity Fund (EVCC) Ltd.; GrowthWorks WV Management Ltd., manager of GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd.; GrowthWorks Atlantic Ltd., manager of GrowthWorks Atlantic Venture Fund Ltd. GrowthWorks is a registered trademark of GrowthWorks Capital Ltd. ¹When the Working Opportunity Fund began it was internally managed. In 1999, all WOF employees, including the investment team, moved and began working for the manager.