

Fund Insights

Who Is This Investment Designed For?

Investors who are willing to stay invested for at least 8 years, and are looking for:

- Long-term capital appreciation
- Up to 35% in additional tax savings beyond an RRSP deduction
- Exposure to Canadian private companies with high growth potential

Portfolio Characteristics

Venture

- On average, 70 - 100 companies in the portfolio
- Focus on IT, life sciences, advanced manufacturing and cleantech
- Investing in entrepreneurial companies with high growth potential
- Companies located across Canada (focused in Ontario and Manitoba), mostly private
- Ranging from early-stage investing to supporting companies through to maturity and exit generally by Merger & Acquisition (M&A) or Initial Public Offering (IPO)
- Portfolio companies are a diversified mix of industries and stages of development

Non-Venture¹

- Choice of four series: Growth, Financial, Diversified, GIC
- Invested in securities with investment focus indicated by series name
- Can be split and switched up to four times a year between series (no switch out of GIC)

How an Investment in the Fund Fits into a Portfolio

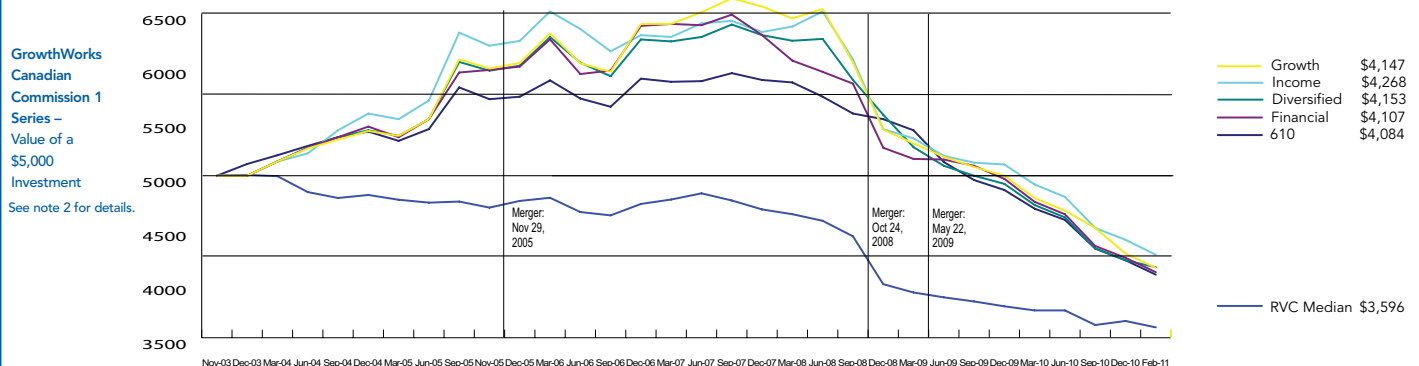
- **Asset allocation in venture capital**
Depending on risk tolerance, venture capital may make up 5-15% of a client's portfolio.
- **Growth potential**
Investments in private companies with high growth potential.
- **Reduction of income tax**
Tax credits reduce income tax payable.

Consult your investment advisor to determine suitability.

About GrowthWorks

- GrowthWorks Ltd. is the venture capital division of Matrix Asset Management Inc. (TSX:MTA), a diversified asset management company with approximately \$2.4 billion in assets under management, including \$450 million in venture capital fund assets
- Manager of five venture capital funds across Canada
- Recognized leader in the Canadian venture capital industry
- Specializing in the management and growth of regionally based VC funds
- A primary focus on Canada's high growth potential sectors: information technology, life sciences, advanced manufacturing and cleantech
- Specialized investment teams in core sectors
- Adding value through Board participation, providing strategic advice and expertise

GrowthWorks Canadian Fund's series shares value above RVC asset class median



GrowthWorks Canadian Commission 1 Series - Value of a \$5,000 Investment
See note 2 for details.

Data is as of February 28, 2011

Market Commentary

As at December 31, 2010

Tim Lee - Chief Investment Officer, Venture Capital, GrowthWorks Capital

The size and maturity of the GrowthWorks Canadian Fund's venture portfolio positions the Fund extremely well as the global economic recovery continues to take hold, paving the way for increased M&A and IPO activity in 2011. As with previous cycles, we believe that share value appreciation in several of our high-performing private companies will outpace returns in other asset classes once more opportunities arise for value-optimized exits from our venture portfolio.

This would be a welcome change from the environment that we have experienced over the past two years. In that period, the valuations of our private-company shares faced considerable pressure from the strong appreciation in the Canadian Dollar (which reduces the value of Fund holdings denominated in U.S. Dollars) and the persistent shortage of venture capital supply. The "buyers market" within the venture capital industry means many of the Fund's existing companies face abnormally low valuations when they require follow-on capital, which in turn affects the Fund's near-term valuations. The benefit, however, is that the Fund's ownership stakes can generally be maintained, and in some cases often expanded, with fewer dollars. In the long-term, the Fund should achieve enhanced returns for several of our investments once M&A and IPO markets are sustainably healthy.

One sector we believe shows signs of being able to outpace overall markets (e.g., because it has recently lagged the markets despite strong long-term fundamentals) is Life Sciences. The Fund's Life Science's portfolio has several strong companies including drug discovery companies such as Ambit and GeminX, agricultural biotechnology companies such as Targeted Growth and Agrisoma, and medical device companies such as Orthopaedic Synergy and ViOptix. That said, the Fund continues to be the most diversified retail venture capital fund in all the provinces it is available with investments in rapidly growing companies such as Paymentus (software), BTI Photonics (telecommunications) and Morega Systems (consumer electronics). We look forward to your continuing support as we realize on the potential of the Fund over time.

Fund Facts

- **Fund start date:** March 1990
- **GW management start date:** November 29, 2002
- **Net assets:** \$200 million
- **Management fee³:** 2.04%
- **Venture holdings (# of companies):** Private: 57 Public: 6
- **RRSP eligibility:** 100%
- **Tax credits:** 10% provincial (ON)
15% provincial (MB)
20% provincial (SK)
15% federal (ON, SK, AB, MB, YT, NT, NU)

GrowthWorks' Investment Managers (Toronto, Ottawa, and Winnipeg offices)

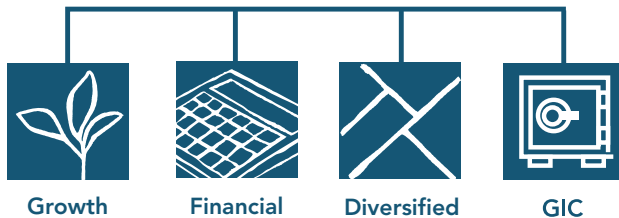
Combined business experience:
104 years

- **Tim Lee, Chief Investment Officer, Venture Capital, BA, MBA, CFA**
- Focus: Senior Management
- 15 years
- **Scott Pelton, VP, Bachelor of Computer Eng. & Mgmt.**
- Focus: Information Technology
- 10 years
- **Joseph Regan, VP, BSc. Honours, MBA**
- Focus: Life Sciences
- 17 years
- **Harold Heide, VP, B.Comm (Hons)**
- Focus: Manitoba/Saskatchewan
- 27 years
- **Mark Stirling, VP, BSc, MBA**
- Focus: Information Technology
- 26 years
- **Andrew Pinkerton, VP, Cum Laude Harvard College, MBA**
- Focus: Information Technology
- 9 years

Asset Allocation: Choice of 4 Series¹

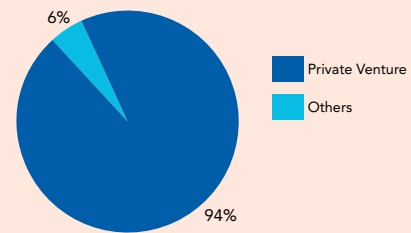
GrowthWorks Canadian Fund gives you up to 35% in tax credits, a diversified investment strategy and the freedom to choose your own investment path. Here's how it works: for all Series other than GIC Series, the majority of your investment goes into well managed venture investments in growth-oriented Canadian companies. The remainder is up to you, with four options to choose from:

Non-Venture Portion: Choose 1 of 4 investment options

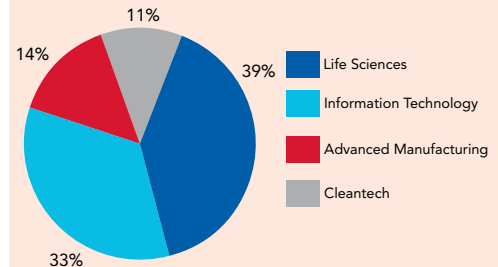


Venture Portfolio Composition (As at August 31, 2011)

Asset Class Weighting - Growth Series (by Market Value)



Venture Industry Weighting (by Market Value)



Series Name ¹	Fund Code	Series Non-Venture Investment ⁴
Growth I	WVN 651	100% Canadian equities (S&P/TSX 60 Capped Composite Index)
Growth II	WVN 652	
Financial I	WVN 671	100% Financial sector investments (S&P/TSX Capped Financials Index)
Financial II	WVN 672	
Diversified I	WVN 691	A mix of the above investments
Diversified II	WVN 692	
GIC I	WVN 631	GICs of Canadian Financial Institutions
GIC II	WVN 632	

Top 10 Venture Holdings (by Market Value) as at August 31, 2011

- 1 **Cytochroma Inc. www.cytochroma.com**
Cytochroma Inc. is an integrated specialty pharmaceutical company engaged in the development and commercialization of proprietary products to treat and prevent diseases and disorders related to vitamin D deficiency.
- 2 **Targeted Growth Canada Inc. www.targetedgrowth.com**
Targeted Growth is developing commercial crops with enhanced yield and disease resistance. The company is testing the effect of three different genes on yield and disease resistance in canola and other seed crops.
- 3 **Ambit Biosciences Corporation www.ambitbio.com**
Ambit Biosciences is engaged in the discovery and development of small-molecule kinase inhibitors for the treatment of cancer.
- 4 **Morega Systems Inc. www.morega.com**
Morega Systems' solutions enable premium multimedia content to be seamlessly transferred, streamed and protected across multiple platforms, including TV, PC and mobile devices such as phones and PDAs
- 5 **OneChip Photonics www.onechipphotonics.com**
OneChip Photonics develops and manufactures low-cost, high-performance optical transceivers for access networks and other mass-market broadband applications.
- 6 **BTI Systems Inc. www.btisystems.com**
BTI is a network communication manufacturer providing fiber optic networking equipment to companies which have found it expensive to build infrastructure at the edge of their networks
- 7 **Camilion Solutions Inc. www.camilion.com**
Camilion Solutions is an enterprise software company. Their Insurance Innovator solution allows Specialty Property and Casualty Carriers to create standard, software based, repeatable product models and product introduction methods.
- 8 **CFN Precision Inc. www.cfn-inc.com**
CFN is a precision machining company providing small and medium sized machined components for medical devices, telecom, aerospace and electronics applications.
- 9 **ViOptix Canada Inc. www.vioptix.com**
ViOptix has developed the proprietary breakthrough Tissue Oximetry technology which enables non-invasive, direct, real-time measurement of local tissue oxygen saturation
- 10 **Librestream Technologies Inc. www.librestream.com**
Librestream is a developer of mobile collaboration solutions. With its patented Onsite solution, the company extends traditional video conferencing and collaboration services to connect workers from any location at any time.

Throughout this "Fund Insight": All data is as of August 31, 2011, unless otherwise noted; All percentages and proportions may vary and are subject to change as conditions and portfolio composition change; RRSP deductions are not unique to the Fund; Tax 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; The Ontario provincial tax credit is 10% for the 2010 tax year and 5% for the 2011 tax year; GrowthWorks refers to GrowthWorks Ltd. and its related companies providing services to GrowthWorks managed venture capital funds including the Fund's manager, GrowthWorks WV Management Ltd. and the Fund's principal distributor, GrowthWorks Capital Ltd.; This document contains "forward-looking statements," actual results may differ from those implied by such statements and we assume no obligation to update such statements; Commissions, trailing commissions, management fees and expenses all may be associated with investment fund purchases; Please read the prospectus before investing; Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The information herein is entirely subject to the more detailed information in the Fund's prospectus. Notes: (1) Choice of two commission structures ("Commission I" and "Commission II" series). Each series invests its non-venture funds in securities with the non-venture investment focus indicated by its name. All series participate in the Fund's portfolio of venture investments. Increasing levels of share redemptions will reduce the proportion of capital invested in non-venture investments. (2) As of November 27, 2003, the Fund's previously issued Class A shares were re-designated "WV Canadian Commission I Shares," referred to as WV Canadian 610. At that date, the Fund ceased offering these shares and began offering a "menu," each with a different non-venture investment focus, and a choice of Commission I or Commission II series). The Fund currently offers four "menu" series, namely Growth, Diversified, Financial and GIC Series. The Fund previously offered Income Series shares. Subject to regulatory and shareholder approval, it is proposed that outstanding Income Series shares be converted into Diversified Series shares in connection with the proposed change of name and Directed Funds investment focus for Diversified Series. The Income Series were taken off-sale as of October 22, 2010 and other Series may no longer be switched into Income Series shares. The Fund purchased the assets of Canadian Science and Technology Growth Fund (CSTGF) and Capital Alliance Ventures (CAVI) in 2005, of ENSIS Growth Fund (ENSIS) in 2008 and of Canadian Medical Discoveries Fund (CMDf) in 2009, in each case in exchange for Class A shares. ENSIS is a trademark owned by ENSIS Capital Corporation. Rates of return below are the historical annual compounded (except for periods of less than one year which are period returns) total returns including changes in share value and reinvestment of all dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Returns for GrowthWorks Canadian 610 and Growth, Income, Financial and Diversified Series (Commission I series) to August 31 2011 were as follows:

GrowthWorks Canadian Fund	CMDf Merger (May 22, 2009)		ENSIS Merger (Oct. 24, 2008)		CAVI/CSTGF Merger (Nov. 29, 2005)	
	Since May 22, 2009	Oct. 24, 2008 to May 22, 2009	Oct. 24, 2007 to Oct. 24, 2008	Nov. 29, 2005 to Oct. 24, 2008	Nov. 29, 2004 to Nov. 29, 2005	Nov. 27, 2003 to Nov. 29, 2005
VW Canadian 610**	-12.0%	-7.7%	-6.9%	-0.7%	5.4%	7.0%
Growth	-11.9%	-8.2%	-17.0%	-2.2%	12.2%	11.4%
Financial Services	-11.3%	-10.1%	-14.0%	-2.1%	10.4%	9.4%
Diversified	-12.0%	-8.2%	-14.7%	-2.5%	10.2%	9.3%
GIC	-9.4%	-5.5%	n/a	n/a	n/a	n/a

** 3yr, 5yr, 10yr and since inception returns for WV Canadian 610 series to the November 29, 2005 merger date were: 3yrs: 4.6%; 5 yrs: -11.6%; 10 yrs: -3.0%; and since inception: -0.1%.

Returns for CAVI to November 29, 2005 were: 1 yr: -7.7%; 3 yr: -9.8%; 5 yr: -13.8%; since inception: -1.3%. Returns for CSTGF were: 1 yr: -22.1%; 3 yr: -25.2%; 5 yr: -20.9%; since inception: -9.0%. Returns for ENSIS to October 24, 2008 were: 1 yr: -8.3%; 3 yr: -3.7%; 5 yr: -3.3%; 10 yr: -2.2%; since inception: -2.4%. Returns for CMDf Series 1 to May 22, 2009 were: 1 yr: -33.8%; 3 yr: -25.6%; 5 yr: -19.9%; 10 yr: -10.6%; since inception: -7.6%. Returns for CMDf Series II to May 22, 2009 were: 1 yr: -39.2%; since inception: -29.7%. For returns in respect of currently offered Commission II series shares, email info@growthworks.ca. Median RVC data is based on the Globe Labour Sponsored Fund Peer Index, see www.globefund.com for details. (3) As a % of NAV. See prospectus for details on fees. (4) Investments may be in the form of notes with a value linked to the indicated index or securities comprising such index.