

December 2009

**W**e are pleased to provide this quarterly newsletter to keep you up to date on the recent activity of GrowthWorks Canadian Fund's portfolio companies, industry news and other newsworthy information.



## Portfolio Company Update

### Targeted Growth [www.targetedgrowth.com](http://www.targetedgrowth.com)

Targeted Growth Inc. (TGI) is a crop biotechnology company focused on developing products with enhanced yield and improved quality for the agriculture and energy industries. TGI's current development programs include enhancements to corn, soybean, canola, rice, algae, wheat, and camelina.

TGI has made remarkable progress since the GrowthWorks Canadian Fund made its first investment in the company in December, 2003. Most recently, Sustainable Oils, a joint venture between Targeted Growth, Inc. and Green Earth Fuels, a vertically integrated biodiesel energy company, announced that it has been awarded a contract by the Defense Energy Support Center (DESC) for 40,000 gallons of camelina-based jet fuel. The fuel will be delivered to the Naval Air Systems Command (NAVAIR) fuels team in 2009 and will support the Navy's certification testing program of alternative fuels.

Camelina was selected by the DESC because it does not compete

with food crops, has been proven to reduce carbon emissions by more than 80%, is an excellent rotation crop with wheat, and can also grow on marginal land. In addition, camelina has naturally high oil content, is drought tolerant and requires less fertilizer and herbicides. In January, 2009, Sustainable Oils sourced camelina for Japan Airlines' historic biojet demonstration flight, whose biofuel blend was comprised primarily of camelina. In August, 2009, camelina again performed under high-test conditions in a 100% blend of fuel powering the Boeing U-787 hydroplane in a series of demonstration laps at the Seafair Cup in Seattle.



Camelina Plant

## Protexis & Activplant Exits

Over the past few months, the Canadian Fund has been able to realize exits on a number of its investments. Two of them are highlighted below:

- Protexis Inc.: In August, 2009, Protexis Inc. sold its assets to Arvato Digital Services, a leading provider of integrated solutions that



## In the news...

**Anywhere Group Inc.**

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**Bothwell Cheese Inc.**

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**Custom Software Solutions Inc.**

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**Ice Kube Systems Ltd.**

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**NetShelter Technology Media**

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include every step of the value chain. Net proceeds of the sale were distributed to shareholders, including GrowthWorks Canadian Fund. GrowthWorks took over management of the investment when Canadian Science and Technology Growth Fund merged into GrowthWorks Canadian Fund in 2005. Protexis, currently headquartered in Vancouver, British Columbia, maintains a catalog of more than 2,000 software titles from leading publishers worldwide. It provides a turnkey solution to allow software vendors to market, trial, sell and fulfill their products over the web. Protexis will allow Arvato to become a stronger competitor to Digital River, which is the leader in the electronic software distribution market currently.

- **Activplant Corporation:** In November, 2009, GrowthWorks Canadian Fund completed the cash sale of its investment in Activplant Corporation, a London, Ontario-based provider of manufacturing business intelligence solutions, to CDC Software Corporation (NASDAQ: CDSCS), a global provider of enterprise software applications and services. Activplant is a market leader in providing manufacturing business intelligence software for some of the world's leading Tier 1 automotive manufacturers, as well as food and beverage, forestry products and consumer packaged goods companies. Their software is installed at more than 200 plants around the world. GrowthWorks Canadian Fund became a shareholder in Activplant through the merger with Canadian Science and Technology Growth Fund in 2005.

## Portfolio Companies Recognized

### Deloitte Fast 50



In October, 2009, three companies from the GrowthWorks Canadian Fund portfolio were winners of Deloitte Fast 50 Technology Awards, a ranking of the 50 fastest growing Canadian technology companies based on the highest percentage of revenue growth over five years.

BTI Systems of Ottawa, Ontario placed 20th with revenue growth of 787% over the past five years. BTI was founded in 2000 to address the increasing demand for greater capacity, dynamic networking, and management simplicity in next-generation fiber optic networks. Two places down the list was NetShelter Technology Media from Thornhill, Ontario. NetShelter achieved 761% in growth over the last five years. NetShelter brings together a publisher network of more than 150 technology content sites alongside owned-and-operated programs to offer marketers a platform to directly engage with technology audiences. Camilion Solutions Inc. of Markham, Ontario which placed 33rd in the ranking had revenue growth of 499% over the same period. Camilion is a leading provider of product development solutions and next-generation policy administration systems for the insurance industry. GrowthWorks Canadian Fund portfolio company OneChip Photonics was also a winner of the "Companies to Watch Award".

To qualify for the Deloitte Technology Fast 50 ranking, companies must have been in business for at least five years, have revenues of at least \$5 million, be headquartered in Canada, possess proprietary technology, and conduct research and development activities in Canada. A panel of industry experts evaluates and judges candidate companies based on four key criteria: competitive advantage; size, growth, and market attractiveness; management effectiveness and organization; and financial performance.

### Canadian Innovation Exchange (CIX)

This year two GrowthWorks Canadian Fund portfolio companies were among Canada's Top 20 hottest technology companies at the Canadian Innovation Exchange (CIX). Morega Systems Inc., a Toronto, Ontario-based software and systems company focused on the security, management and monetization of premium multimedia content, and Peerset Inc., a Toronto, Ontario-based developer of predictive matching software platforms with applications in advertising, e-commerce and search, were selected. Every year, the CIX conducts an extensive search for the most innovative ideas, products, services and companies in the country. The selected companies are lauded for their creativity and forward-thinking approach and for their contribution to Canadian technological strength and growth.

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