

Frequently Asked Questions

About GrowthWorks Commercialization Fund Ltd.

1. *What is GrowthWorks Commercialization Fund?*
GrowthWorks Commercialization Fund is a Canadian labour-sponsored venture capital fund. In Ontario this fund is also a "research-oriented investment fund" (ROIF), which gives investors an additional 5% in provincial tax credit due to the earlier stage, research oriented Canadian companies the Fund primarily invests in. **Read the Fund's prospectus and consult with your investment advisor before investing.**
2. *What is the investment objective of the Fund?*
The Fund's investment objective is to achieve long-term capital appreciation, primarily by investing in a diversified portfolio of small or medium-sized Canadian businesses. The Fund primarily invests in early stage companies with significant commercialization potential. Investors who are resident in Canada will also benefit from tax savings through tax credits. (See "About the Tax Credits" below)
3. *When did the Fund start?*
The Fund was launched in January 2005.

About the Tax Credits

1. *What are the tax credit amounts and maximums?*
Tax credits vary depending on the province of residence for investors.
Federal tax credits:
Residents of Alberta, Saskatchewan and Ontario receive a 15% federal tax credit subject to a \$750 annual maximum, which is reached on a \$5,000 purchase.
Provincial tax credits:
Saskatchewan - residents are eligible to receive a 15% provincial tax credit subject to a \$525 annual maximum, which is reached on a \$3,500 purchase.
Ontario - residents are eligible receive a 20% provincial tax credit subject to a \$1,000 annual maximum, which is reached on a \$5,000 purchase.
2. *Why do Ontario residents receive a higher provincial tax credit?*
In Ontario this fund is a "research-oriented investment fund" (ROIF), which gives investors an additional 5% in provincial tax credits due to the early stage, research-oriented companies the Fund primarily invests in.

About the Dividends

(Read the prospectus for details)

1. *What is the dividend income?*
The Fund has adopted a policy to pay dividends on its shares totaling approximately 25% of the purchase price of 2006 issued shares during 2006 through 2009. The precise timing of the dividend payments has not been set, and will ultimately be decided by the Board. The dividends are not guaranteed.
2. *How will the dividend income be paid?*
The dividend income will be paid out in cash. For accounts linked to the FundSERV system, the cash dividend will be electronically distributed through FundSERV. For other

accounts, the dividend will be paid by cheque or electronic transfer to the investment account the shares are held in. For Fund administered non-registered accounts, a cheque will be mailed to the shareholder.

3. *When will the dividend appear in investors' accounts?*
The dividends will be paid out to investors promptly after being declared by the Board and paid by the Fund.
4. *How will the dividend income be treated for tax purposes?*
The dividend will be a taxable dividend paid in cash. RRSPs and RRIFs of course benefit from a deferral of tax on taxable dividends. In non-registered accounts, the dividends will result in a T5 being issued to the shareholder.
5. *Can this distribution be used to buy more shares of the Fund?*
Yes. There is no automatic re-investment plan, so you will need to initiate a new purchase.
6. *How does this distribution affect the portfolio companies in which the Fund invests?*
The Fund will from the outset be assembling a portfolio of investments for each series of shares that can generate the income needed to meet its dividend policy. This will be factored into the plans and expectations of our portfolio companies. In many cases, this new Fund will allow early stage businesses to access capital that was generally not previously available. This will help bridge the "financing gap" they face. The dividend, because of the very substantial benefit it provides to investors, will also help to raise more capital in the future for follow-on investing in many of these young companies.
7. *Will all series of the Fund's shares participate in the same portfolio of investments?*
Over time, yes. The Fund will offer a new series of Class A Shares each year. The venture investments attributable to a particular series will be segregated for the first three years after the series is first offered. In the fourth year, venture investments attributable to that series will be pooled with the venture investments attributable to all other series of Class A Shares that have completed this three-year cycle. These allocation rules are intended to reduce the dilution that might otherwise adversely impact early investors and at the same time preserve the benefits of diversification. See the Fund's prospectus for further details of these allocation rules.

About Subscribing to the Fund

1. *How can I purchase the fund?*
Purchases must be made through registered investment dealers or mutual fund dealers. In Alberta, purchases may be made only through registered investment dealers.
2. *Who is eligible to purchase shares in the Fund?*
Residents of Ontario, Saskatchewan and Alberta. Tax credits differ depending on the investor's province of residence. (See "About the Tax Credits" above)
3. *What are the minimum and maximum amounts that can be invested?*
The minimum initial investment in a single installment payment is \$500; the minimum subsequent subscription is \$50. There is no maximum investment; however, RRSP investments are subject to usual contribution limits and there are yearly maximums for the tax credits. (See "About the Tax Credits" - above)
4. *Does the Fund qualify as an RRSP investment?*
Yes. Any eligible purchaser with taxable income and residing in one of the provinces noted above may purchase shares in the Fund through an RRSP, thereby increasing his or her tax savings. RRSP tax savings are not unique to the Fund.

5. *What about Spousal RRSPs?*
An investor may contribute to a Spousal RRSP, which can then purchase shares of the Fund for the benefit of his or her spouse. Speak with your Investment Advisor for more information specific to your situation.
6. *Can this Fund be held outside of an RRSP?*
Yes, the fund can be held in a non-registered account.
7. *Can this Fund be held directly at GrowthWorks*?*
Yes and no. The Fund can be held in a non-registered account directly at GrowthWorks through a registered investment advisor. However, the Fund does not offer a GrowthWorks administered RRSP or RIF. Registered plans administered by others can of course purchase Fund shares as normal.
8. *Full service self-directed RRSPs can have higher annual fees. Is there another option available?*
Yes. We have worked with Concentra Trust to make available a Basic Self Directed RRSP ("Basic SDRRSP") at a reduced trustee fee of \$30 annually. The Basic SDRRSP account can hold shares of the GrowthWorks managed funds, Concentra Trust GICs and cash. A Basic SDRRSP may be opened by filling in the appropriate sections of the Concentra Trust Application Form. See the application form posted on the website for more details on opening this type of account.
9. *Can I redeem my GrowthWorks Canadian Fund shares and subsequently purchase GrowthWorks Commercialization Fund shares?*
That depends on several factors.
Tax credit repayment period:
If GrowthWorks Canadian Fund shares have reached the end of their eight-year tax credit repayment period they can be redeemed without having to repay federal and provincial tax credits and the GrowthWorks Commercialization Fund purchased if the shareholder is a resident of Ontario, Saskatchewan or Alberta. If GrowthWorks Canadian Fund shares have not reached the end of their eight-year tax credit repayment period they can still be redeemed but all or a portion of the tax credits that were received will have to be paid back as well as paying an early redemption fee.
Account type:
If GrowthWorks Canadian Fund shares are held in a self-directed RRSP account or a client-name non-registered account they can be redeemed from the GrowthWorks Canadian Fund and the Commercialization Fund directly purchased (see "Tax credit repayment period" above). However, if the GrowthWorks Canadian Fund shares are held in a GrowthWorks client-name RRSP, the account cannot be used to purchase GrowthWorks Commercialization Fund shares (see "Can this Fund be held directly at GrowthWorks" above). The redemption proceeds could be transferred to an external Self-Directed RRSP by T2033 transfer and then used to purchase GrowthWorks Commercialization Fund shares.
10. *Can Fund shares be purchased using money already existing within an RRSP?*
Yes.
11. *Can the Fund be purchased in an RESP?*
No. The Fund is not available to be purchased in an RESP.
12. *Can a senior with a RRIF purchase Fund shares and receive the tax credits?*
A registered retirement income fund ("RRIF") is not eligible to subscribe for shares and receive a federal or provincial tax credit. The Fund can be purchased individually in a non-registered account with full eligibility for tax credits by investors of RRIF eligible age. Once purchased on a non-registered basis, the shares can be transferred into a RRIF.

13. *What is the deadline for purchasing shares in order to qualify for tax credits for a tax year?*
Shares may be purchased for tax credits at any time during the taxation year for which the tax credits are claimed and during the first 60 days of the following year.
14. *Do shares have to be paid for all at once, or is there a payment plan?*
There is no pre-authorized cheque payment plan available for this Fund. Lump-sum payments only are accepted.
15. *What administration fees are associated with buying shares in the Fund in a non-registered account at GrowthWorks?*
There are no administration fees for holding a GrowthWorks non-registered account. For registered accounts, fees may be applied by third party account administrators.
16. *What is the Fund's commission structure?*
You do not pay any up-front commissions when you buy shares of GrowthWorks Commercialization Fund. Instead, the Manager of the Fund pays an up-front commission to your dealer and the Fund pays an ongoing service or "trailer" fee to your dealer as long as you hold the shares. Fees paid by the Fund will decrease the net asset value of the Fund and the value of your investment.
17. *What is the purchase price of the Fund and what determines the value of the shares?*
The purchase price will be the net asset value per series share which is determined each week. The Fund's net asset value and, therefore, its share price, will fluctuate with the value of its investments. The purchase price per share is determined each Friday. For example, purchase orders placed at any time between Monday January 24 and Friday January 28 will be priced at the Friday January 28 value. The NAV per series share will be posted on www.globefund.com each week. The Fund will offer a new series of Commercialization Shares each year. The purchase price of each series will initially be set at \$10 per share and thereafter will track the net asset value of that series for the balance of the year.
18. *Is the Fund listed on a stock exchange?*
No. The Fund is not listed on a stock exchange.

*GrowthWorks refers to affiliates of GrowthWorks Ltd. and includes: GrowthWorks WV Management Ltd., manager of GrowthWorks Commercialization Fund Ltd., GrowthWorks Canadian Fund Ltd., and GrowthWorks Opportunity Fund Ltd., GrowthWorks Atlantic Ltd, manager of GrowthWorks Atlantic Venture Fund Ltd., and Fullarton Capital Corporation, manager of Canadian Science and Technology Growth Fund Inc. and Capital Alliance Ventures Inc.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund purchases. Please read the prospectus of the GrowthWorks Commercialization Fund Ltd. before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.