

Welcome to the first edition of the GrowthWorks Atlantic Venture Fund Portfolio Report. We will provide this newsletter on a quarterly basis to keep you up to date on the recent activity of the Fund's portfolio companies, industry news and other newsworthy information.



GrowthWorks Announces Investment in Impath Networks



In April, 2008, GrowthWorks Atlantic Venture Fund invested in Impath Networks Canada Corporation. The investment, made with co-investor Nova Scotia Business Inc., was made to support the company's growth and the expansion of its headquarters to Halifax.

Impath Networks is a provider of video surveillance solutions for various markets including transportation systems, bridges and tunnels, government and military facilities, airports and seaports, city centres, border crossings and correctional facilities. Established in 1996, Impath has a worldwide customer base, with thousands of its products operating in

mission critical installations. The new financing will allow the company to take advantage of the growing market for the delivery of video over the Internet in security and surveillance applications.

"Our move to Halifax will enable Impath Networks to build and promote research and development in Nova Scotia," said Carlo Shimoon, CEO of Impath. "Nova Scotia's thriving high-tech sector offers more opportunities to grow our business."

"One of the key focuses for us when choosing to make an investment in a company is the management team," says Tom Hayes, President and CEO of GrowthWorks Atlantic Venture Fund. "Along with great technology, Impath brings a solid management team which

we believe can really drive the growth of this company."

For more information on Impath Networks [click here](#).



In the news...

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Anywhere Group
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Virtual Expert Clinics
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Portfolio Company Updates

Virtual Expert Clinics

www.autismpro.com

Virtual Expert Clinics (VEC), a Fredericton, New Brunswick based software company, closed a \$1.1 million financing in April, 2008, to which GrowthWorks Atlantic Venture Fund contributed \$0.6 million. AutismPro, VEC's flagship suite of software solutions, provides teachers, therapists and parents with expert-based therapy solutions for children with autism. VEC has seen initial success in the education market where a number of schools, including North America's fourth largest school board, are experiencing the benefits AutismPro offers students and teachers. In March, 2008, VEC won the inaugural Rogers Innovations@Work Award which recognizes small businesses whose innovative products contribute to their success.

Azorus

www.azorus.com

Azorus Inc., a CRM software and services firm focused exclusively on the higher education market announced that St. Francis Xavier University, one of Canada's top undergraduate universities, is building on the success of last year's recruitment efforts with Azorus' Digital Recruit by acquiring the entire suite of CRM capabilities from the company. St. Francis Xavier University began the fall 2007 recruiting cycle using the Azorus Digital Recruit solution to capture prospective student



Sector Spotlight

Education Vertical

In recent years, education software and online products and services have started moving out of the shadows cast by other more traditional venture investment sectors. By incorporating technologies such as high-speed access and voice over IP, new businesses in the education vertical can now offer increased interactivity and engagement with the students and other key stakeholders. In 2007, the number of US venture capital funded start-ups in the education vertical grew to 30, a 25% increase from 2006, while a number of other investments in the sector took place in Canada, China, India, Israel and the UK.

Venture capital tends to flow into large, worldwide markets, and with a market size in excess of \$20 billion in the US alone, it is clear that the education vertical fits this decisive factor. The public capital markets started to take note at the end of 2007 when three VC-backed education companies enjoyed successful IPO's.

GrowthWorks Atlantic Venture Fund has invested in two promising companies that serve different segments of the education vertical. [Virtual Expert Clinics](#) provides pre-school and elementary school teachers with software applications that assist in working with children with autism. [Azorus](#) serves the higher education market with targeted customer relationship management software and solutions.

information electronically then automatically delivering emails to students immediately following a recruitment event. Having been able to personalize the response to 3,000 prospective students the same day they met them, the university then tasked Azorus to take them to the next level of personalized student recruitment. The university's Director of Admissions and Recruitment, Robb Parker, voices, "Ensuring that our entire recruitment effort

is personalized to each student is critical to us retaining our high profile. The Digital Recruit solution certainly helped us enhance our presence with today's students and adopting the Azorus CRM system in its entirety allows us to not only build on that level of personalization, but also to streamline many other internal processes." GrowthWorks Atlantic Venture Fund first invested in Azorus in August, 2006.

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