

## 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 30% in additional tax savings beyond an RRSP deduction
- Up to 25% dividend income over three years<sup>1</sup>
- Exposure to Canadian early-stage venture capital

### Portfolio Characteristics

#### Venture

- Focus on IT and life sciences
- Investing in early-stage, research-oriented companies with significant commercialization potential
- Private companies

#### Non-Venture

- May include high quality debt, high yield securities and bank securities

### 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.<sup>1</sup>

Consult your investment advisor to determine suitability.

### About GrowthWorks\*

- GrowthWorks is the venture capital division of Matrix Asset Management Inc. (TSX:MTA), a diversified asset management company with approximately \$1.8 billion in assets under management, including \$436 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

### Want extra tax breaks plus dividends?

Manitoba resident	Year 1	Year 2	Year 3
Initial Fund investment in your RRSP	\$ (5,000)	—	—
RRSP tax savings on Taxable Income of \$84,000	\$ 2,170	—	—
Manitoba tax credit at 15% <sup>1</sup>	\$ 750	—	—
Federal tax credit 15% <sup>1</sup>	\$ 750	—	—
Dividend	\$ 250	\$ 500	\$ 500
Cumulative cash flow	\$ (1,080)	\$ (580)	\$ (80)

See notes 1 and 2 on back regarding this chart.

## Market Commentary

As at October 31, 2011

### Tim Lee – Chief Investment Officer, Venture Capital, GrowthWorks Capital

In its February 2011 report on the venture capital industry, the Business Development Bank of Canada cited that “Among investable asset classes, venture capital shows one of the highest persistence of returns, meaning that funds which deliver top quartile returns for one fund are more likely to deliver top quartile returns on following funds.” As one of Canada’s best performing funds since its inception in 2005 with an A rating from FundGrade, the GrowthWorks Commercialization Fund is well-positioned to prove that point.

The GrowthWorks Commercialization Fund invests in the most promising Canadian technology companies that seek to capitalize on major emerging trends in computer science, health care and environmental protection. Thanks in part to GrowthWorks’ longevity and track record, the Fund enjoys tremendous deal flow. That said, the Fund is exceptionally selective - unique technology is only one part of the Fund’s investment criteria. In an environment where global competition is fierce and growth capital is scarce, the Fund’s investment criteria necessarily includes market readiness, management expertise and the ability for the Fund’s investment team to contribute to the company’s success.

This tried-and-true formula has already produced an impressive number of groundbreaking companies in the Fund portfolio: Bump Technologies (acquired by Google) is now an integral component of the millions of touch-screen Android handsets sold every month worldwide; Sysomos (acquired by Marketwire) impacts the marketing decisions of Fortune 500 companies on a daily basis; and Paymentus (acquired by a leading U.S. private equity firm in October 2011) is revolutionizing how household bill payments are done online. In each case, the Fund was able to contribute its experience, contacts and guidance to a company endowed with timely technology and world-class founders.

We believe the Fund’s success to-date, which has been achieved during a period of relatively difficult markets, is a harbinger for even better future outcomes as market conditions generally improve over time. We look forward to your continuing support as we realize on the full potential of the Fund in the coming years.

## Fund Code

Series	Fund Code
Commercialization 2012	WVN 512

## Fund Facts

**Fund start date:** January 2005

**Net assets<sup>3</sup>:** \$27 million

**Management fee<sup>4</sup>:** 2.00%

**Venture holdings<sup>3</sup> (# of companies):**

Private: 14, Public: 1

**RRSP eligibility:** 100%

**Tax credits:** 10% provincial (ON)

15% provincial (MB)

20% provincial (SK),

15% federal (ON, MB, SK, AB)

## GrowthWorks Investment Managers

**Combined business experience: 51 years**



**Tim Lee, Chief Investment Officer, Venture Capital, BA, MBA, CFA**

Focus: Senior Management  
Experience: 18 years



**Joseph Regan, VP Investments, Bachelor of Science Honours, MBA**

Focus: Life Sciences  
Experience: 21 years



**Andrew Pinkerton, VP Investments, Cum Laude Harvard College, MBA**

Focus: Information Technology  
Experience: 12 years

### Top 10 Venture Holdings 05, 09, 10 & 11 Series<sup>3</sup>

**Bering Media Inc.** [www.beringmedia.com](http://www.beringmedia.com)

Bering Media is a location-based advertising company focused on bringing hyper local targeting to any website. Through a unique privacy architecture, Bering Media's technology assists media companies and advertising agencies in accurately reaching the most relevant and responsive demographics online.

**Kibboko Inc.** [www.kibboko.com](http://www.kibboko.com)

Kibboko Inc. is commercializing recommendation software for online news and content publishers. Kibboko is focused on changing the way recommendation is done to help website publishers reduce instances of visitors clicking away to another website once they have read one story or watched one video. The company's algorithms and its Bamboo system's kiosk-type rich interface both serve to keep users more engaged on a website for a longer time, thereby increasing the revenue potential for publishers.

**Greencore Composites Inc.** [www.greencorenc.com](http://www.greencorenc.com)

GreenCore is a manufacturer of proprietary, high-performance cellulosic fiber reinforced composite materials sought by molders of automotive, furniture, toys, and other consumer or industrial products.

**Hy-Power Nano Inc.**

Hy-Power Nano Inc. is a Brampton, Ontario based nano technology research company who have developed proprietary nano-based insulating coatings. When applied, these coatings have infra-red blocking properties that keep heat outside in summer and inside during winter.

**PerspecSys Inc.** [www.perspecsys.com](http://www.perspecsys.com)

PerspecSys Inc. provides solutions for secure and compliant access to enterprise information. Founded in 2006, the PerspecSys Information Server™ is the core platform for delivery of Information Perspective™ - information virtualization technology providing information management and governance to an enterprise.

**Verold Inc.** [www.verold.com](http://www.verold.com)

Verold Inc. based in Toronto, Ontario is commercializing 3D content creation algorithms that will be used by animators and commercial illustrators.

**Cytochroma.** [www.cytochroma.com](http://www.cytochroma.com)

Cytochroma is a privately-held, clinical stage specialty pharmaceutical company that is headquartered in Markham and that designs, develops and commercializes prescription products to treat and prevent the clinical consequences of vitamin D insufficiency and secondary hyperparathyroidism (SHPT) associated with chronic kidney disease (CKD).

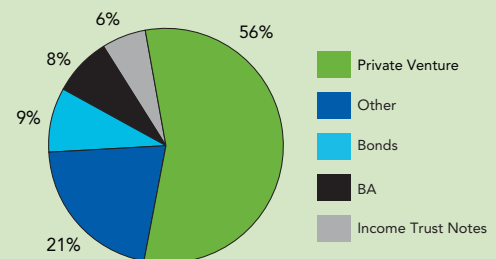
### Returns<sup>5</sup> (as at April 30, 2012)

	1 Year	3 Years	Since Inception
05 Series	-5.99%	6.64%	3.07%
10 Series	-0.61%	n/a	9.21%
11 Series	-1.22%	n/a	0.28%
12 Series	n/a	n/a	0.00%

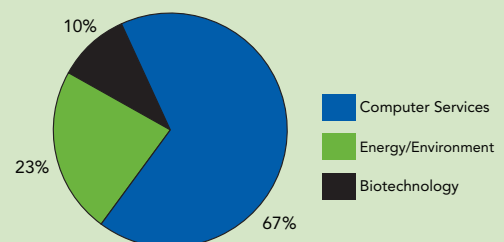
### Portfolio Composition\* Commercialization 05 Series<sup>3</sup>

(as at April 30, 2012)

#### Asset Class Weighting<sup>3</sup> (by Market Value)



#### Venture Industry Weighting<sup>3</sup> (by Market Value)



\*These Series participate in the same venture and non-venture investment portfolios. The weighting of these portfolios may vary among Series.

## Top 10 Venture Holdings 05, 09, 10 & 11 Series<sup>3</sup> continued...

### iStopOver Inc. [www.istopover.com](http://www.istopover.com)

iStopOver offers an inexpensive and comfortable alternative to traditional hotels. Guests can stay in B&B style accommodations and rent directly from the homeowner through the website. iStopOver offers a variety of tools to make traveling and hosting as simple as a few clicks of the mouse.

### gShift Labs Inc. [www.gshiftlabs.com](http://www.gshiftlabs.com)

gShift Labs Inc is a Toronto based company that has created optimization software which provides business intelligence to get a website ranked on page one of search engines.

### Swix. [www.swixhq.com](http://www.swixhq.com)

SWIX Inc. ("SWIX" or the "Company") is an early stage company focused on developing and selling solutions that help its customers to manage and monitor social media campaigns.

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Throughout this Fund Insight: All data is as of April 30, 2012, unless otherwise noted; All percentages and proportions may vary and are subject to change as conditions change;† For the 05, 09 Series as at September 30, 2011. See Returns. No FUNDGrade ratings for these periods are available. See [www.fundata.com](http://www.fundata.com) for more information about the FUNDGrade rating system. \*GrowthWorks refers to companies within the venture capital division of Matrix Asset Management Inc. including GrowthWorks Ltd., GrowthWorks WV Management Ltd., the Fund's manager, and GrowthWorks Capital Ltd., which provides investment fund management and principal distributor services.; This document contains "forward-looking statements," and information obtained from third parties, actual results may differ from those implied by such statements or information as a result of numerous known and unknown risks affecting the Fund and current and future portfolio companies, including risks inherent in emerging businesses with unproven products or limited sales, and other risks referenced in the Fund's public disclosure record, and we assume no obligation to update such statements or confirm the accuracy of such information; 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 contained in the prospectus. Notes: 1 The table is for illustrative purposes only and is neither a forecast nor a projection. (i) Figures in brackets are cash outflows and figures not in brackets are cash inflows or reductions in taxes otherwise payable. (ii) Assumes purchaser invests \$12,000 in 12 Series between January 1 and March 1, 2012, is within his or her 2010 RRSP contribution limit, pays income tax at 43.4% rate, and that tax rate applies to full purchase amount. RRSP deductions are not unique to the Fund. Assumes purchaser claims \$750 (15% of \$5,000) of federal tax credits for 2011 and \$750 (15% of \$5,000) of federal tax credits for 2012. RRSP tax deductions are available only when new funds are contributed to the RRSP. Tax is payable on amounts withdrawn from RRSPs. The chart assumes the investor has a long time period before any withdrawals are to be made and, accordingly, makes no provision for payment of taxes upon withdrawal from the RRSP. (iii) For Manitoba residents, the maximum annual provincial tax credit is \$1,800. (iv) Federal and provincial tax credits are subject to other conditions including repayment if shares are not held for eight years and the purchaser having tax payable against which to claim the tax credits. (v) The Board of Directors of the Fund has adopted a dividend policy to pay cash dividends on its 12 Series Shares equal to approximately 25% of the purchase price of the Shares during the period of 2012 through 2015. The precise timing of any dividend payments during that time period is not fixed. The timing of dividends shown is for illustration purposes only. Actual timing may vary. Dividends are not guaranteed. (vi) In the chart, the Year 1 period commences at the end of the 2011 RRSP selling season and ends the following March 31, 2012. Dividends are expected to be paid in the first calendar quarter. <sup>2</sup> The Fund currently offers 12 Series. <sup>3</sup> The Fund's series participate in the same venture and non-venture investment portfolios. The weighting of these portfolio may vary among series. The Fund expects to offer a new Series of Class A Shares each year and each new Series will begin participating in the shared investment portfolios within 30 days of the end of the RRSP season in which it was offered. When a Series has completed its dividend policy and has been allocated interest and other income at least equal to the amount of dividends paid under its dividend policy, that Series will be converted into shares of the 05 Series at the relative net asset value. For more information on asset and income allocations, see the Fund's prospectus. The 06 Series Shares, 07 Series Shares and 08 Series Shares were converted into 05 Series Shares at their relative NAV per Series Share effective April 17, 2009, February 26, 2010 and February 25, 2011 respectively. <sup>4</sup> As a % of NAV. See prospectus for details on fees. <sup>5</sup> The indicated rates of return are the historic annual compounded total returns including changes in share value and do not take into account sales, redemptions, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Returns include dividends paid but do not assume reinvestment of dividends because the applicable series was not available for sale when distributions were made.