

Fund Insights ~ Venture Series

Who Is This Investment Designed For?

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

- Long-term capital appreciation
- Up to 30% in additional tax savings beyond an RRSP deduction
- Exposure to BC's private companies with high growth potential
- Low correlation to typical publicly traded mutual funds

Portfolio Characteristics

Venture

- On average, 45-55 companies in the portfolio
- Focus on IT, life sciences and cleantech
- Investing in entrepreneurial companies with high growth potential
- Companies located in BC, 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-Venture

- Choice of 7 series: Balanced, Growth, Income, Financial, Resources, Diversified, GIC
- Invested in securities with investment focus indicated by series name¹ (see current prospectus for details)
- Series 2 shares can be split and switched up to four times a year between series (no switch out of GIC series)

About GrowthWorks

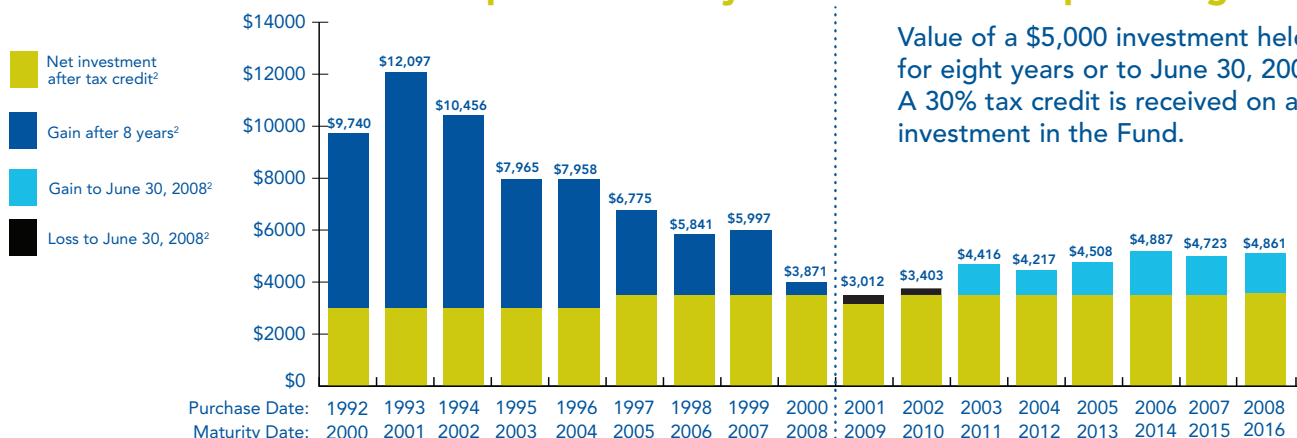
- Over \$710 million in assets under management
- Manager of 6 venture capital funds across Canada
- Recognized leader in the Canadian venture capital industry
- Specializing in the management and growth of regionally based VC funds
- A primary focus on Canada's high growth potential sectors: information technology, life sciences and cleantech
- Specialized investment teams in core sectors
- Adding value through Board participation, providing strategic advice and expertise

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 are generally in private companies with high growth potential.
- **Reduction of income tax**
Tax credits reduce income tax payable.

Consult your investment advisor to determine suitability.

Shareholders who have completed their 8 year hold have seen positive growth.



Value of a \$5,000 investment held for eight years or to June 30, 2008. A 30% tax credit is received on an investment in the Fund.

Managed by GrowthWorks Capital Ltd.



Performance
Diversification
Know-How

Market Commentary - as at Aug 31, 2008

Jim Charlton - Senior Vice President, Investments

In the first 6 months of 2008 investment activity was slower for the Working Opportunity Fund than in the same period in 2007. While we expect to close new investments early in Q2 2008, WOF did not make a new investment in Q1 2008. As a result, investment activity was a bit slower than usual, however \$10.5 million was placed in follow on investments in existing portfolio companies.

The most significant follow-on investment was made in D-Wave Systems (www.dwavesys.com), where WOF invested \$3 million as part of a \$17 million round of financing in January 2008. D-Wave is building the world's first quantum computer. Based on research originally performed at UBC, physicists have theorized that quantum computers will have the ability to perform calculation-oriented tasks exponentially quicker than traditional computers. D-Wave has demonstrated early prototypes and will soon have commercial prototypes completed.

In what was one of the largest biotech financings in Canada in Q1, Inimex Pharmaceuticals (www.inimexpharma.com) closed a US\$22 million financing led by Morningside Ventures, a US/Hong Kong based investor. Inimex is developing treatments for infectious diseases that boost the body's natural innate immune system. Inimex is scheduled to begin its clinical trial process with the FDA next year with an IND filing in Q1 2009.

A number of other WOF portfolio companies made positive strides in Q1 2008. Protiva Biotherapeutics settled its outstanding litigation with Tekmira Pharmaceuticals. As a result of the agreement, Protiva and Tekmira agreed to merge under the name of Tekmira Pharmaceuticals (www.tekmirapharm.com). The CEO of Protiva, Dr. Mark Murray, and CSO, Ian MacLachlan, retain those positions in the combined company. Tekmira is now positioned as one of the leading companies in the RNAi field, which is one of biotech's hottest sectors. In addition, QuIC (www.quic.com) and Layer 7 Technologies (www.layer7tech.com), which both registered strong sales growth.

Working Opportunity Fund operated in a challenging exit environment in the first quarter of 2008. Retail venture capital funds, like WOF, exit investments either through the sale of shares in an initial public offering (IPO) or through the sale of the company in a merger or acquisition (M&A). While the IPO market has been poor for a number of years, in Q1 of 2008 it hit historic lows. In the US where a number of Canadian technology firms look to trade on US exchanges, no venture capital backed firm completed an IPO in that period. Since IPO records began being tracked 30 years ago, this is the first quarter in which no venture backed companies completed an IPO.

Similarly, the M&A market slowed considerably. Two companies in the WOF portfolio are prepared to pursue an IPO but were informed by investment bankers that current market conditions weren't conducive to success. WOF will continue to participate in follow on investments in its portfolio companies until exit markets improve.

On a more positive side, M&A activity is growing. Although Q1 2008 was not that active in terms of exits, Q2 has started off stronger. With the movement towards increased usage of greener sources of power generation worldwide, Xantrex's (www.xantrex.com) renewable energy division is growing rapidly at 60% annually. Schneider Electric, a German based, global energy management company, offered in July to purchase Xantrex for \$15 per share or \$500M. This transaction is expected to close in October. We are optimistic other solid M&A opportunities will become available for our portfolio companies.

Fund Facts

- **Start date:** January 1992
- **Pricing net assets:** \$267 million
- **Management fee³:** 2.00%
- **Venture holdings (# of companies):**
Private: 41; Public: 6
- **RRSP eligibility:** 100%
- **Tax credits:** 15% provincial (BC)
15% federal (BC)

GrowthWorks' Investment Managers (Vancouver office)

Combined business experience:
105 years

- **Jim Charlton, Sr. VP, BSc, MBA**
- Focus: Information Technology
- 22 years experience
- **Todd Farrell, VP, BComm, MBA**
- Focus: Information Technology
- 18 years
- **Joe Timlin, VP, BSc, MBA**
- Focus: Information Technology
- 12 years
- **Pat Brady, VP, BBA Honours, MBA**
- Focus: Life Sciences
- 18 years
- **Rolf Dekleer, VP, BA, MA, MBA**
- Focus: Cleantech
- 27 years
- **Maria Pacella, Investment Mgr, BBA, CFA**
- Focus: Information Technology
- 8 years

Returns⁴ (as at February 28, 2009)

	1 Year	3 year	5 year	10 year	Since Inception
Including Tax Credits					
WOF Growth-1	-13.1%	-0.4%	0.1%	n/a	-0.4%
WOF Growth-2	-14.3%	-1.2%	-0.6%	n/a	0.9%
WOF Balanced-1	-3.4%	1.2%	-0.9%	4.2%	4.9%
WOF Balanced-2	-4.8%	0.1%	-1.8	n/a	-0.7%
WOF Income	-7.4%	-0.8%	n/a	n/a	-0.1%
WOF Financial	-8.0%	-0.3%	n/a	n/a	0.4%
WOF Resources	-5.4%	0.7%	n/a	n/a	1.3%
WOF Diversified	-8.4%	-0.6%	n/a	n/a	0.1%
WOF GIC	17.2%	n/a	n/a	n/a	14.2%
Excluding Tax Credits					
WOF Growth-1	-17.6%	-4.9%	-4.5%	n/a	-4.4%
WOF Growth-2	-18.8%	-5.7%	-5.1%	n/a	-3.7%
WOF Balanced-1	-8.0%	-3.3%	-5.5%	1.0%	1.9%
WOF Balanced-2	-9.4%	-4.4%	-6.3%	n/a	-5.2%
WOF Income	-12.0%	-5.4%	n/a	n/a	-4.7%
WOF Financial	-12.5%	-4.9%	n/a	n/a	-4.2%
WOF Resources	-10.0%	-3.9%	n/a	n/a	-3.3%
WOF Diversified	-13.0%	-5.1%	n/a	n/a	-4.4%
WOF GIC	12.6%	n/a	n/a	n/a	9.6%

Asset Allocation: Choice of 7 Series

WOF gives you up to 30% in tax credits, a diversified investment strategy and the freedom to choose your own investment path. Here's how it works: over time the majority of your investment will go into venture investments in growth-oriented BC companies. The remainder is up to you, with seven options to choose from:

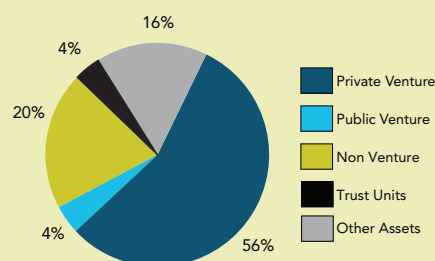
Non-Venture Portion: Choose 1 of 7 investment options

Series Name	Fund Code	Series Non-Venture Investment
Balanced	WOF 141/142	40–60% high quality debt securities 20–30% high yield investments (mix of debt/income trust) 20–30% bank investments
Growth	WOF 151/152	100% Canadian equities (Units of Great-West Life Socially Responsible Index Fund 16.01 G)
Income	WOF 161/162	100% Income Trusts (S&P/TSX Capped Income Trust Index)
Financial	WOF 171/172	100% Financial sector equities (S&P/TSX Capped Financials Index)
Resources	WOF 181/182	50% Energy equities (S&P/TSX Capped Energy Index) 50% Gold equities (S&P/TSX Capped Gold Index)
Diversified	WOF 191/192	A mix of the above investments (no GICs)
GIC	WOF 131/132	GICs with BC Financial Institutions

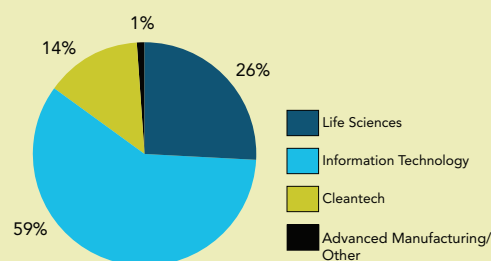
- **Best** completed 8 year period (Jan 1993–Jan 2001): Value of \$5,000 investment taking into account tax credits² (Balanced Series 1): **\$12,217**
- **Worst** completed 8 year period (Jan 2001–Jan 2009): Value of \$5,000 investment taking into account tax credits² (Balanced Series 1): **\$4,397**

Portfolio Composition (As at February 28, 2009)

Asset Class Weighting⁵ Balanced Series 2 (by Market Value)



Venture Industry Weighting (by Market Value)



Top 10 Venture Holdings ~ Venture Series (by Market Value) as at February 28, 2009

- 1 **Teradici Corp.** www.teradici.com
Teradici Corp. is a fabless semiconductor company developing innovative technology for next-generation computer form factors.

- 2 **Celator Pharmaceuticals, Inc.** www.celator.ca
Celator is a privately held biopharmaceutical company working to develop new and more effective combination therapies for the treatment of cancer.

- 3 **Layer 7 Technologies** www.layer7tech.com
Layer 7 builds technology to secure and integrate web services applications across business boundaries, enabling them to share richer, more complex and more flexible customer service opportunities.

- 4 **CellFor Inc.** www.cellfor.com
CellFor is one of the world's leading independent suppliers of high technology seeds to the global forest industry.

- 5 **Neuromed Technologies Inc.** www.neuromed.com
Neuromed is a privately held biopharmaceutical company committed to developing the next generation of chronic pain drugs.

- 6 **D-Wave System Inc.** www.dwavesys.com
D-Wave designs computers that would solve complicated logistical problems in seconds instead of hours or days.

- 7 **Quic Financial Technologies** www.quic.com
Quic develops next-generation simulation and risk calculation software for top-tier financial institutions and global corporations, in-house and partner systems.

- 8 **Bycast Inc.** www.bycast.com
Bycast is a network storage solutions company whose products are used in the health care industry. Leading medical institutions use Bycast solutions to store images and documents within an institution or throughout a network of health care facilities.

- 9 **Xenon Pharmaceuticals Inc.** www.xenon-pharma.com
Xenon is a genetics-based, clinical-stage pharmaceutical company. Xenon focuses on innovative drugs for treatments for pain, arrhythmia, obesity, and iron overload disorders.

- 10 **ResponseTek** www.responsetek.com
ResponseTek offers Customer Experience Management software solutions that measure and report on customer experiences by capturing insights on customer experiences when and where they occur and delivering them continuously and in real-time.

Throughout this "Fund Insight – Venture Series": All data is as of February 28, 2009, unless otherwise noted and all information relates solely to the Fund's Venture Series; All percentages and proportions may vary and are subject to change as conditions and portfolio composition change; Tax credits are subject to certain conditions including repayment if shares are not held for five years, shares must generally be held for eight years; GrowthWorks refers to affiliates of GrowthWorks Ltd., including GrowthWorks Capital Ltd the Fund's manager and principal distributor; This document contains "forward-looking statements" and information obtained from third parties, actual results may differ from those implied by such statements or information and we assume no obligation to update such statements or confirm the accuracy of such information; Series 1 shares are not available; for Series available for purchase, see WOF's current prospectus; The indicated gains and rates of return are the historical annual compounded total returns and gains 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 gains and returns; Commissions, trailing commissions, management fees and expenses all may be associated with retail venture capital funds (RVC); Please read the prospectus before investing; RVCs are not guaranteed, their values change frequently and past performance may not be repeated. Notes: ¹All venture series participate in the same diversified portfolio of venture investments on a pro rata basis. Each venture series invests its non-venture funds in securities with the investment focus indicated by its name. ² Net investment is \$5,000 less tax credits. Combined federal and provincial tax credit rates were 40% from 1992 to March 6, 1996 and 30% thereafter. Gain reflects the value of the net investment resulting from a \$5,000 investment in Balanced 1 of WOF made in January of the year stated. Gains are over 8 years (referred to as "maturity") to 1998 and to June 30, 2008 for 1999 purchases and beyond. For performance data on the Fund's other series, please email info@growthworks.ca. ³ % is of Pricing NAV on Series 2 Shares. See prospectus for details. ⁴ This includes the annual, compounded rate of return of 4.56% related to investment of the tax credits over the typical 8 year hold period on shares (assumes that the tax credits were fully claimed and allowed at the same time as the purchase was made). In simple terms, a share is purchased for \$1; the cost is reduced by 30 cents of tax credit, for net capital invested of 70 cents. At year 8 if Pricing NAV has not changed, the share can be redeemed for \$1. Thus, 70 cents growing to \$1 over 8 years provides a 4.56% annual, compounded growth over that period. For Balanced Shares (series 1) only, the 10 year return period calculation assumes that 70 cents grows to \$1 over 10 years providing 3.63% annual, compounded growth over that period. As well, for Balanced Shares (series 1) only, the since inception return calculation assumes that a share is purchased for \$1 and the cost is reduced by 40 cents of tax credit, for net capital invested of 60 cents. Thus, 60 cents grows to \$1 over that period, providing 3.24% annual, compounded growth.⁵ Investments may be in the form of notes with a value linked to the indicated index or securities indicated by such index.