

# 2009 Annual Management Report of Fund Performance

for the year ended December 31, 2009

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VentureLink Brighter Future Fund Inc.

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-253-1043, by writing to us at VentureLink LP, 1 Richmond Street West, Suite 801, Toronto, ON M5H 3W4 or by visiting our website at [www.venturelinkfunds.com](http://www.venturelinkfunds.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or semi-annual portfolio disclosure.

# VENTURELINK BRIGHTER FUTURE FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2009*

## INVESTMENT OBJECTIVE AND STRATEGIES

The Fund invests in a mix of emerging, high growth and later stage Canadian companies with an emphasis on technology oriented businesses.

The Fund's strategy for 2010 will be to provide additional growth capital to existing portfolio companies as required and to make a limited number of new investments.

## RISK

The risks of investing remain as discussed in the prospectus. The market value of the two largest investments represents approximately 23% of the net asset value of the Fund. The Fund is suited to investors that have a high tolerance for risk and a long term investment horizon.

## RESULTS OF OPERATIONS (in \$000's except share numbers)

The net asset value of the Fund at the end of the 2009 fiscal year was \$64,104. There were 2,361,136 Class A Shares, Series I, 204,953 Class A Shares, Series II, 1,448,487 Class A Shares, Series III, 863,124 Class A Shares, Series IV, 67,468 Class A Shares Series V and 90,483 Class A Shares Series VI outstanding. During the period 300,000 Class P shares were issued to the Manager, VentureLink LP and a capital gains dividend of \$2,988 was paid to Class P shareholder.

### Revenue

The Fund had revenue of \$1,834 in 2009 compared to \$2,976 in 2008, a decrease of \$1,142. This decrease is related to a decrease in interest income from \$1,422 to \$163 principally due to the low interest rate available on the Fund's cash balance in 2009.

### Expenses

Operating expenses were \$5,459 in 2009 compared to \$6,497 in 2008, a decrease of \$1,038. Performance fees decreased by \$831 and other operating expenses decreased based on lower average monthly net asset values.

### Class A Shares

Net redemptions of Class A Shares during the period were \$5,536.

### Class P Shares

300,000 Class P Shares were issued to the Manager during the period.

### New investments

The Fund made a total of \$3,341 of investments during the year in the following companies:

- Biox Corp., \$600 follow-on, total current investment \$4,617
- Covarity Inc., \$625 follow-on, total current investment \$1,125
- Ecosynthetix Adhesives Inc., \$52 follow-on, total current investment \$2,983
- Enerworks Inc., \$897 follow-on, total current investment \$1,473
- Peraso Technologies Inc., \$667 new investment
- Performance Plants Inc., \$500 follow-on, total current investment \$7,157

### Realizations

The Fund realized proceeds totaling \$1,928 from the sale of securities of the following companies for a net realized loss of \$716.

- Dragonwave Inc., cost \$772
- Enerworks Inc., cost \$190
- Perimeter Financial Corp., cost \$1,682

The portfolio holdings continue to reflect the Fund's objective of investing in a diversified portfolio of technology companies.

# VENTURELINK BRIGHTER FUTURE FUND INC.

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## **Fund performance**

Fund performance reflects an increase in net asset value per share of approximately 7-8%. This increase was related to a significant gain on the Fund's investment in Dragonwave Inc.(total of \$7.2 million) plus net appreciation on the balance of the venture investment portfolio less net operating expenses.

Class A, Series I returned 7.4%, Class A, Series II returned 6.9%, Class A, Series III returned 6.9%, Class A, Series IV returned 6.9%, Class A, Series V returned 7.4% and Class A Series VI returned 7.4% versus the Globe Retail Venture Capital Peer Index of (5.1)%. The Fund's investment in Dragonwave and overall portfolio appreciation enabled the Fund to outperform the Peer Index.

## **RECENT DEVELOPMENTS**

### ***International Financial Reporting Standards***

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for all publicly accountable profit-oriented enterprises. IFRS will replace Canadian Generally Accepted Accounting Principles ("GAAP"). IFRS becomes effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

Based on the Manager's current evaluation of the differences between IFRS and Canadian GAAP, the Manager does not expect any impact to net asset value or net asset value per share as a result of the transition to IFRS. Currently, the Manager expects that the main impact will be on the Fund's financial statements, where additional disclosures or changes in presentation will be required. The Manager believes that the adoption of IFRS will have minimal impact on its operational areas and reporting systems. Further updates on the progress in the implementation of the IFRS transition plan and any changes to reporting will be provided during the implementation period leading up to January 1, 2011.

### **Ontario Tax Benefits**

On September 30, 2005, the Ontario government announced that it is planning to remove the provincial tax credit for investors by the end of the 2011 RSP season. On March 23, 2006 a number of measures relating to the transition of the labour sponsored fund program were announced in the 2006 Ontario budget. These measures received Royal Assent on May 18, 2006 and are now law. In December of 2007, the Ontario Government announced that it is intended to extend the tax credit by one year to the end of the 2012 RSP season and that it would increase the annual contribution eligible for provincial credit from \$5,000 to \$7,500. The measures announced in December 2007 received Royal Assent on May 14, 2008 and are now law

## **RELATED PARTY TRANSACTIONS**

### **Manager**

The Manager, Investment Advisor and Sponsor are deemed to be related parties and earned \$2,165 from the Fund. This amount represents fees for management, investment advisor and sponsor services. In addition, a capital gains dividend of \$2,988 was paid to the Manager with respect to Class P shares which reduced accrued performance fees. The Fund accrued \$1,836 of performance fees in the year resulting in an ending accrual of \$1,968. Accrued performance fees will be payable to the Manager in future periods if certain criteria are achieved.

### **Management Fees**

In consideration of the management fees for the period, 100% of the fees were used to pay for administration.

### **Registrar and Transfer Agent**

CI Investments Inc., is the registrar and transfer agent for the Fund.

# VENTURELINK BRIGHTER FUTURE FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2009*

## FINANCIAL HIGHLIGHTS

The Fund's Net Assets per Share table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for each of the five one-year periods ended December 31, as applicable.

The Ratios & Supplemental Data shown below are based on net asset value.

THE FUND'S NET ASSETS PER SHARE (\$) <sup>(1)(2)</sup>

<b>CLASS A, SERIES I SHARES</b>	<b>Dec. 31 2009</b>	<b>Dec. 31 2008</b>	<b>Dec. 31 2007</b>	<b>Dec. 31 2006</b>	<b>Dec. 31 2005</b>
Net assets, beginning of year <sup>(3)(9)</sup>	11.68	10.47	9.11	5.20	4.05
<b>Increase (decrease) from operations:</b>					
Total revenue	0.35	0.56	0.23	0.10	0.10
Total expenses	(1.41)	(1.20)	(0.70)	(0.63)	(0.24)
Realized gains (losses) for the period	0.34	2.45	0.50	(1.29)	0.33
Unrealized gains (losses) for the period	1.60	(0.59)	1.33	1.34	0.96
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>0.88</b>	<b>1.22</b>	<b>1.36</b>	<b>(0.48)</b>	<b>1.15</b>
Change in Net Assets due to merger	–	–	–	4.52	–
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total annual distributions <sup>(3)(4)</sup></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>12.65</b>	<b>11.68</b>	<b>10.47</b>	<b>9.11</b>	<b>5.20</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Total net asset value (\$000's)	29,984	40,569	37,722	31,969	24,334
Number of shares outstanding (000's)	2,361	3,432	3,476	3,511	4,683
Management fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25	2.00
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00	–
Management expense ratio (%) <sup>(6)</sup>	5.11	9.48	6.62	4.98	5.16
Portfolio turnover rate (%) <sup>(7)</sup>	6.52	34.15	2.99	8.36	30.35
Trading expense ratio (%) <sup>(8)</sup>	0.01	–	0.22	–	0.01
Net asset value per share (\$) <sup>(9)</sup>	12.70	11.82	10.85	9.74	5.62

# VENTURELINK BRIGHTER FUTURE FUND INC.

## Management Report of Fund Performance for the year ended December 31, 2009

THE FUND'S NET ASSETS PER SHARE (\$) <sup>(1)(2)</sup> cont'd

	Dec. 31 2009	Dec. 31 2008	Dec. 31 2007	Dec 31. 2006
<b>CLASS A, SERIES II SHARES</b>				
Net assets, beginning of year <sup>(3)(9)</sup>	11.72	10.58	9.27	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.35	0.57	0.24	0.04
Total expenses	(1.62)	(1.27)	(0.77)	(0.78)
Realized gains (losses) for the period	0.47	2.46	0.50	(1.29)
Unrealized gains (losses) for the period	1.74	(0.60)	1.34	1.30
Total increase (decrease) from operations <sup>(3)</sup>	0.94	1.16	1.31	(0.73)
Change in Net Assets due to merger	-	-	-	-
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total annual distributions <sup>(3)(4)</sup>	-	-	-	-
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>12.67</b>	<b>11.72</b>	<b>10.58</b>	<b>9.27</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>				
Total net asset value (\$000's)	2,614	2,505	2,316	1,993
Number of shares outstanding (000's)	205	210	212	215
Management fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00
Management expense ratio (%) <sup>(6)</sup>	5.64	10.01	7.16	5.58
Portfolio turnover rate (%) <sup>(7)</sup>	6.52	34.15	2.99	8.36
Trading expense ratio (%) <sup>(8)</sup>	0.01	-	0.22	-
Net asset value per share (\$) <sup>(9)</sup>	12.75	11.93	10.93	9.76

	Dec. 31 2009	Dec. 31 2008	Dec. 31 2007	Dec. 31 2006	Dec.31 2005*
<b>CLASS A, SERIES III SHARES</b>					
Net assets, beginning of year <sup>(3)(9)</sup>	11.98	10.97	9.77	9.50	7.70
<b>Increase (decrease) from operations:</b>					
Total revenue	0.35	0.60	0.24	0.14	0.17
Total expenses	(1.86)	(1.36)	(0.88)	(0.64)	(0.54)
Realized gains (losses) for the period	0.55	2.37	0.50	(1.29)	0.55
Unrealized gains (losses) for the period	1.83	(1.54)	1.34	1.36	1.62
Total increase (decrease) from operations <sup>(3)</sup>	0.87	0.07	1.20	(0.43)	1.80
Change in Net Assets due to merger	-	-	-	0.70	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions <sup>(3)(4)</sup>	-	-	-	-	-
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>12.80</b>	<b>11.98</b>	<b>10.97</b>	<b>9.77</b>	<b>9.50</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Total net asset value (\$000's)	18,561	12,949	3,077	1,336	128
Number of shares outstanding (000's)	1,448	1,081	281	137	13
Management fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25	2.00
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00	-
Management expense ratio (%) <sup>(6)</sup>	6.76	11.02	8.26	6.67	6.93
Portfolio turnover rate (%) <sup>(7)</sup>	6.52	34.15	2.99	8.36	30.35
Trading expense ratio (%) <sup>(8)</sup>	0.01	-	0.22	-	0.01
Net asset value per share (\$) <sup>(9)</sup>	12.81	11.98	10.97	9.77	9.50

# VENTURELINK BRIGHTER FUTURE FUND INC.

## Management Report of Fund Performance for the year ended December 31, 2009

THE FUND'S NET ASSETS PER SHARE (\$) <sup>(1)(2)</sup> cont'd

	Dec. 31 2009	Dec.31 2008	Dec. 31 2007	Dec. 31 2006	Dec.31 2005*
<b>CLASS A, SERIES IV SHARES</b>					
Net assets, beginning of year <sup>(3)(9)</sup>	11.97	10.97	9.77	9.50	7.69
<b>Increase (decrease) from operations:</b>					
Total revenue	0.35	0.60	0.23	0.14	0.17
Total expenses	(1.89)	(1.37)	(0.86)	(0.64)	(0.54)
Realized gains (losses) for the period	0.57	2.42	0.50	(1.29)	0.55
Unrealized gains (losses) for the period	1.87	(1.51)	1.33	1.36	1.62
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>0.90</b>	<b>0.14</b>	<b>1.20</b>	<b>(0.43)</b>	<b>1.80</b>
Change in Net Assets due to merger	-	-	-	0.71	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>12.78</b>	<b>11.97</b>	<b>10.97</b>	<b>9.77</b>	<b>9.50</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Total net asset value (\$000's)	11,047	7,029	1,714	330	36
Number of shares outstanding (000's)	863	587	156	34	4
Management fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25	2.00
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00	-
Management expense ratio (%) <sup>(6)</sup>	6.79	11.04	8.27	6.70	6.93
Portfolio turnover rate (%) <sup>(7)</sup>	6.52	34.15	2.99	8.36	30.35
Trading expense ratio (%) <sup>(8)</sup>	0.01	-	0.22	-	0.01
Net asset value per share (\$) <sup>(9)</sup>	12.80	11.97	10.97	9.77	9.50

	Dec. 31 2009	Dec. 31 2008	Dec. 31 2007	Dec. 31 2006	Dec. 31 2005*
<b>CLASS A, SERIES V SHARES</b>					
Net assets, beginning of year <sup>(3)(9)</sup>	11.92	10.83	9.58	5.39	4.31
<b>Increase (decrease) from operations:</b>					
Total revenue	0.35	0.57	0.24	0.10	0.10
Total expenses	(1.49)	(1.34)	(0.84)	(0.44)	(0.28)
Realized gains (losses) for the period	0.30	2.48	0.51	(1.29)	0.32
Unrealized gains (losses) for the period	1.55	(0.61)	1.34	1.33	0.94
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>0.71</b>	<b>1.10</b>	<b>1.25</b>	<b>(0.30)</b>	<b>1.08</b>
Change in Net Assets due to merger	-	-	-	4.60	-
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>12.79</b>	<b>11.92</b>	<b>10.83</b>	<b>9.58</b>	<b>5.39</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Total net asset value (\$000's)	865	1,463	1,359	1,198	1,257
Number of shares outstanding (000's)	67	122	124	125	233
Management fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25	2.00
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00	-
Management expense ratio (%) <sup>(6)</sup>	6.16	10.53	7.69	6.04	6.23
Portfolio turnover rate (%) <sup>(7)</sup>	6.52	34.15	2.99	8.36	30.35
Trading expense ratio (%) <sup>(8)</sup>	0.01	-	0.22	-	0.01
Net asset value per share (\$) <sup>(9)</sup>	12.83	11.95	10.94	9.77	5.53

\* Figures provided are those of VentureLink Fund Inc.

# VENTURELINK BRIGHTER FUTURE FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2009*

THE FUND'S NET ASSETS PER SHARE (\$) <sup>(1)(2)</sup> cont'd

<b>CLASS A, SERIES VI SHARES</b>	<b>Dec. 31 2009</b>	<b>Dec. 31 2008</b>	<b>Dec. 31 2007</b>
Net assets, beginning of year <sup>(3)(9)</sup>	12.36	11.28	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.35	0.64	0.24
Total expenses	(1.83)	(1.54)	(0.83)
Realized gains (losses) for the period	0.51	3.21	0.51
Unrealized gains (losses) for the period	1.87	(1.15)	1.36
<b>Total increase (decrease) from operations <sup>(3)</sup></b>	<b>0.90</b>	<b>1.16</b>	<b>1.28</b>
Change in Net Assets due to merger	-	-	-
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
<b>Total annual distributions <sup>(3)(4)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>13.25</b>	<b>12.36</b>	<b>11.28</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Total net asset value (\$000's)	1,200	1,047	638
Number of shares outstanding (000's)	90	85	57
Management fee (%) <sup>(5)</sup>	1.25	1.25	1.25
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00
Management expense ratio (%) <sup>(6)</sup>	6.42	10.78	7.81
Portfolio turnover rate (%) <sup>(7)</sup>	6.52	34.15	2.99
Trading expense ratio (%) <sup>(8)</sup>	0.01	-	0.22
Net asset value per share (\$) <sup>(9)</sup>	13.27	12.36	11.28

# VENTURELINK BRIGHTER FUTURE FUND INC.

## *Management Report of Fund Performance for the year ended December 31, 2009*

- (1) This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.
- (2) The following classes of shares of the Fund commenced operations:
- |                            |                   |
|----------------------------|-------------------|
| Class A, Series I shares   | January 1, 2002   |
| Class A, Series II shares  | January 1, 2002   |
| Class A, Series III shares | January 1, 2004   |
| Class A, Series IV shares  | January 1, 2004   |
| Class A, Series V shares   | January 1, 2002   |
| Class A, Series VI shares  | December 18, 2006 |
- (3) Net assets per share and dividends per share are based on the actual number of shares outstanding for the relevant class on the relevant date. The increase (decrease) in net assets from operations per share is based on the weighted average number of shares outstanding for the relevant class over the financial period.
- (4) Distributions are automatically reinvested in additional shares of the Fund, unless the shareholder withdraws from the automatic reinvestment plan by providing written notice to the Manager, or unless the Fund elects to pay them.
- (5) The Fund has entered into various agreements including management, investment advisory and administration agreements. The annualized fees are as shown.
- (6) Management expense ratio is calculated based on expenses charged directly to the Fund plus, if applicable, expenses of the underlying funds, calculated on a weighted average basis based on the percentage weighting of each underlying fund and is expressed as an annualized percentage of average daily net asset value for the period.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year and the value of any securities acquired as a result of merger, by the average of the monthly fair value of investments during the period.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value of the Fund during the period. The trading expense ratio is provided from 2005 onwards.
- (9) Section 14.2 of National Instrument 81-106 requires the net assets of an investment fund to be calculated using the fair value of the fund's assets and liabilities. Canadian GAAP requires a different valuation method for calculating net assets for financial reporting purposes. For the purpose of processing shareholder transactions, net assets are calculated based on the closing market price (referred to as "Net Asset Value"), while for financial statement purposes net assets are calculated based on bid/ask price (referred to as "Net Assets").

# VENTURELINK BRIGHTER FUTURE FUND INC.

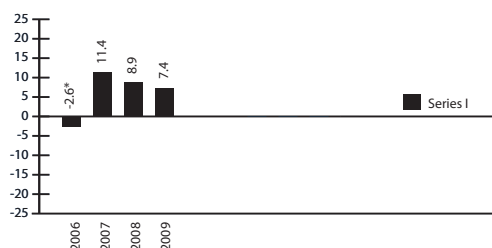
*Management Report of Fund Performance for the year ended December 31, 2009*

## PAST PERFORMANCE

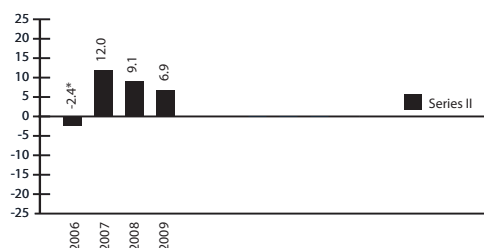
This section describes how the Fund has performed in the past. Past returns do not indicate how the Fund will perform in the future. Returns shown are based on Net Asset Value per share, which differs from the GAAP net assets per share (Note 3 of the Financial Statements). The information shown assumes that dividends paid by the Fund in the years shown were reinvested in additional shares of the relevant classes of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

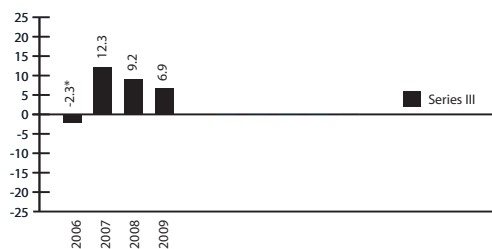
The following charts show the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. In percentage terms, the chart shows how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



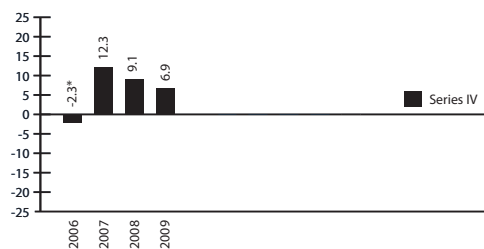
\*This figure is for the period from July 28, 2006 to December 31, 2006.



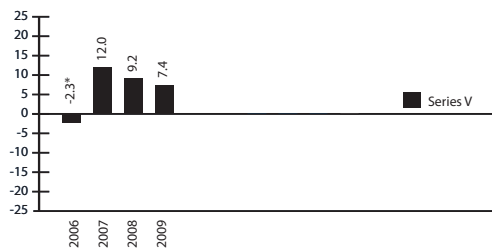
\*This figure is for the period from July 28, 2006 to December 31, 2006.



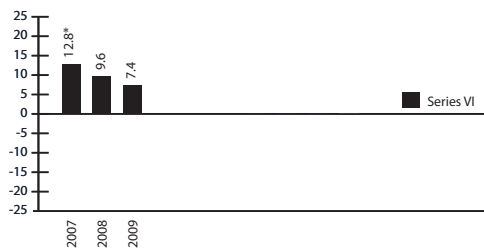
\*This figure is for the period from July 28, 2006 to December 31, 2006.



\*This figure is for the period from July 28, 2006 to December 31, 2006.



\*This figure is for the period from July 28, 2006 to December 31, 2006.



\*This figure is for the period from December 18, 2006 to December 31, 2007.

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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each period indicated, compared to the S&P/TSX SmallCap Index, Globe Retail Venture Capital Peer Index and the Blended Index composed of: 50% - S&P/TSX SmallCap Index and 50% - Globe Retail Venture Capital Peer Index.

The S&P/TSX SmallCap Index is a float adjusted market capitalization weighted index which tracks the performance of the small cap market segment of the Canadian equity market. The index includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange for at least 12 full calendar months and at the same time have a market capitalization equal to or greater than C\$100 million and less than or equal to C\$1.5 billion.

The Globe Retail Venture Capital Peer Index is a mutual fund sector specific index that combines data from similar funds, in this case labour-sponsored venture capital funds, to provide sector average return information.

A discussion of the performance of the Fund as compared to the S&P/TSX SmallCap Index, Globe Retail Venture Capital Peer Index and the Blended Index composed of: 50% - S&P/TSX SmallCap Index and 50% - Globe Retail Venture Capital Peer Index is found in the Results of Operations section of this report.

	One Year	Three Years	Five Years	Since Inception
Class A, Series I (%)	7.4	9.2	N/A	7.2
Blended Index (%)	26.5	-4.3	N/A	-3.2
S&P/TSX SmallCap Index (%)	62.4	-3.7	N/A	-2.5
Globe Retail Venture Capital Peer Index (%)	-5.1	-7.2	N/A	-5.9
Class A, Series II (%)	6.9	9.3	N/A	7.3
Blended Index (%)	26.5	-4.3	N/A	-3.2
S&P/TSX SmallCap Index (%)	62.4	-3.7	N/A	-2.5
Globe Retail Venture Capital Peer Index (%)	-5.1	-7.2	N/A	-5.9
Class A, Series III (%)	6.9	9.5	N/A	7.5
Blended Index (%)	26.5	-4.3	N/A	-3.2
S&P/TSX SmallCap Index (%)	62.4	-3.7	N/A	-2.5
Globe Retail Venture Capital Peer Index (%)	-5.1	-7.2	N/A	-5.9
Class A, Series IV (%)	6.9	9.4	N/A	7.5
Blended Index (%)	26.5	-4.3	N/A	-3.2
S&P/TSX SmallCap Index (%)	62.4	-3.7	N/A	-2.5
Globe Retail Venture Capital Peer Index (%)	-5.1	-7.2	N/A	-5.9
Class A, Series V (%)	7.4	9.5	N/A	7.5
Blended Index (%)	26.5	-4.3	N/A	-3.2
S&P/TSX SmallCap Index (%)	62.4	-3.7	N/A	-2.5
Globe Retail Venture Capital Peer Index (%)	-5.1	-7.2	N/A	-5.9
Class A, Series VI (%)	7.4	9.9	N/A	9.5
Blended Index (%)	26.5	-4.3	N/A	-3.8
S&P/TSX SmallCap Index (%)	62.4	-3.7	N/A	-3.3
Globe Retail Venture Capital Peer Index (%)	-5.1	-7.2	N/A	-6.5

# VENTURELINK BRIGHTER FUTURE FUND INC.

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## SUMMARY OF INVESTMENT PORTFOLIO (as at December 31, 2009)

<b>Industry Sector</b>	<b>Number of companies</b>	<b>Cost (in \$000's)</b>	<b>Fair Value (in \$000's)</b>	<b>% of cost</b>	<b>% of FV</b>
Other	2	0	10	0.0	0.0
Energy and environmental	5	11,779	13,149	33.2	34.7
Biotechnology	2	11,299	10,298	31.9	27.2
Information Technology	6	10,451	8,326	29.5	22.0
Telecommunications	1	1,921	6,115	5.4	16.1
	16	35,449	37,898	100.0	100.0

<b>Stage of Development</b>	<b>Number of companies</b>	<b>Cost (in \$000's)</b>	<b>Fair Value (in \$000's)</b>	<b>% of cost</b>	<b>% of FV</b>
Early	7	22,164	23,471	62.5	61.9
Later	9	13,285	14,427	37.5	38.1
	16	35,449	37,898	100.0	100.0

*The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a semi-annual basis.*

### A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual

events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.