



2007  
Management Report  
of Fund Performance

December 31, 2007

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VentureLink Diversified Income 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 DIVERSIFIED INCOME FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2007*

## INVESTMENT OBJECTIVE AND STRATEGIES

The Fund invests in a diversified portfolio of small and medium sized eligible Ontario based businesses with the objective of generating interest and dividend income as well as long term capital appreciation.

The investment focus is on income-yielding investments in a broad range of traditional industries such as the manufacturing, industrial, financial services, information technology, retail, health care, transportation and service sectors. The Fund concentrates on making debt and debt-related investments, a strategy that is designed to reduce risk and increase the income potential of the Fund compared to traditional equity-based venture capital funds.

For additional diversification and yield potential, a portion of the Fund's proceeds are invested in linked notes tracking the S&P/TSX Capped Income Trust Index and the S&P/TSX 60 Total Return Index.

## RISK

The risks of investing remain as discussed in the prospectus. The Fund is suited to investors that have a high tolerance for risk and a long term investment horizon.

## RESULTS OF OPERATIONS (all figures in \$000's except for per share amounts, number of shares and percentages)

The net asset value of the Fund at the end of the 2007 fiscal year was \$ 53,533. There were 720,028 Class A Shares, Series I, 106,801 Class A Shares, Series II, 2,874,755 Class A Shares, Series III, 1,352,327 Class A Shares, Series IV and 5,787 Class A Shares, Series VI outstanding.

### Revenue

The Fund had revenue of \$2,827 in 2007 compared to \$2,632 in 2006, an increase of approximately 7%. There was an increase in interest income of \$629 related to an increase in the size of the venture portfolio offset by a decrease in placement and participation fees.

### Expenses

Operating expenses have decreased to \$2,547 in 2007 from \$3,091 in 2006, a decrease of 18%. This decrease has occurred due to a significant reduction in performance fee expense. Expenses excluding performance fees were \$3,511 in 2007 versus \$2,121 in 2006 or an increase of 65%. This increase is related to the significant increase in average net assets from 2006 to 2007.

### Class A Shares

Net purchases of Class A Shares during the period were \$21,668.

### New investments

The Fund made a total of \$24,330 new and follow-on venture investments during the year in the following businesses:

- ARSystems International Inc., \$300 follow-on, total current investment \$1,735
- Biox Corporation., \$2,000 follow-on, total investment \$2,500
- Coventree Inc., \$152 follow-on, total current investment \$1,276
- Destinator Technologies Inc., \$5,151 new investment
- GMSP Corp. Finance, \$900 new investment
- Intrepid Business Acceleration Fund, \$2,000 new investment
- Strategic Connections Inc., \$3,201 follow-on, total investment \$5,701
- Steamlogics Inc., \$2,675 new investment
- Telephoto Technologies Inc., \$350 follow-on, total investment \$2,350
- Tofino IRG Acquisition Inc., \$2,000 new investment
- Tofino Koprash Acquisition Inc., \$5,000 new investment
- UWG Inc., \$600 follow-on, total investment \$3,900

The fund made a \$1,011 new investment in the following marketable security:

- i Units S&P/TSX 60 Index Fund

# VENTURELINK DIVERSIFIED INCOME FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2007*

## **Realizations**

The Fund realized proceeds totaling \$5,855 from the sale of securities of the following companies for a net realized gain of \$1,066.

- Coventree Inc., cost \$778
- Orion Financial Inc., cost \$11
- Ventus Energy Inc., cost \$4,000

The portfolio holdings continue to reflect the Fund's objective of making debt and debt-related investments in a diversified portfolio of established small and medium-size companies in traditional sectors of the economy.

## **Fund performance**

Fund performance reflected a decrease in net asset value per share of approximately 9-11% during the year. This decrease was primarily related to the unrealized depreciation in venture investments during the year.

Class A, Series I returned -10.0%, Class A, Series II returned -10.0%, Class A, Series III returned -10.5%, and Class A, Series IV returned -10.6%, and Class A, Series VI returned -10.1% versus the DEX Mid\_Term Bond Index of 3.3% and the Globe Labour Sponsored Peer Index of -1.1%.

## **RECENT DEVELOPMENTS**

Turmoil characterized global equity markets during January 2008. Trading ranges of several hundred points were the order of the day on several occasions for the major equity indices. The continued unwinding of the U.S. sub-prime mortgage debacle saw additional writedowns at several major financial institutions. A potential trading fraud of record proportions at a top European bank made headlines and added to volatility as its positions were unwound. Against this backdrop, increased uncertainty over the health of the U.S. economy added to the fears of market participants, leading to declines on virtually all stock markets worldwide during the month.

Events prompted the U.S. Federal Reserve to cut interest rates by an aggressive three-quarters of a percentage point, and to follow up soon after with a further cut of half a percentage point. By contrast, the Bank of Canada's modest quarter point rate reduction served to provide greater interest rate differentiation and additional support for the Canadian dollar emerged. Not surprisingly, the fixed-income market reflected the volatility of the equity markets. Yields on 10-year Government of Canada bonds fell by close to a quarter of a percentage point over the course of the month, only to close out virtually unchanged at month's end. The story was different for short-term securities as two-year yields fell about half a percentage point, but closed the month down about a third of a percentage point.

## **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. These measures have not received Royal Assent and are not yet law.

# VENTURELINK DIVERSIFIED INCOME FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2007*

## RELATED PARTY TRANSACTIONS

### **Manager**

The Manager, Advisor and Sponsor are deemed to be related parties and earned \$1,904 from the Fund. This amount represents fees for management, investment advisor and sponsor services. In addition, the Fund paid \$377 of performance fees and reversed \$964 of the accrual from 2006. There were no performance fees accrued as of the end of the year.

### **Management Fees**

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

### **Registrar and Transfer Agent**

United Financial Corporation is the registrar and transfer agent for the Fund.

# VENTURELINK DIVERSIFIED INCOME FUND INC.

*Management Report of Fund Performance for the year ended December 31, 2007*

## 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 years ended December 31, as applicable. This information is derived from the Fund's audited annual financial statements.

The Ratios & Supplemental Data shown below are based on Net Asset Values.

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

<b>CLASS A, SERIES I SHARES</b>	<b>Dec. 31 2007</b>	<b>Dec. 31 2006</b>	<b>Dec. 31 2005</b>	<b>Dec. 31 2004</b>	<b>Dec. 31 2003</b>
Net assets, beginning of year <sup>(3)(9)</sup>	11.47	10.44	9.58	9.96	10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.62	0.92	0.58	0.74	0.48
Total expenses	(0.39)	(0.94)	(0.80)	(0.57)	(1.02)
Realized gain (loss) for the year	0.23	(0.03)	0.03	0.12	–
Unrealized gain (loss) for the year	(1.53)	1.13	1.06	0.33	0.51
<b>Total increase (decrease) from operations<sup>(3)</sup></b>	<b>(1.07)</b>	<b>1.08</b>	<b>0.87</b>	<b>0.62</b>	<b>(0.03)</b>
<b>Dividends</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	0.15	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total dividends<sup>(3)(4)</sup></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.15</b>	<b>–</b>
<b>Net assets at end of year shown<sup>(3)(9)</sup></b>	<b>10.40</b>	<b>11.48</b>	<b>10.44</b>	<b>9.58</b>	<b>9.96</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Total net asset value (\$000's)	7,770	8,354	7,660	7,090	7,413
Number of shares outstanding (000's)	720	727	734	741	744
Management Fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25	1.25
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00	2.00
Management expense ratio (%) <sup>(6)</sup>	3.29	8.22	7.61	5.14	10.07
Portfolio turnover rate (%) <sup>(7)</sup>	13.25	23.74	5.28	48.00	–
Trading expense ratio (%) <sup>(8)</sup>	0.01	–	–	–	–
Net Asset Value at end of year <sup>(9)</sup>	10.79	11.99	11.06	9.58	9.96

# VENTURELINK DIVERSIFIED INCOME FUND INC.

## Management Report of Fund Performance for the year ended December 31, 2007

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

	Dec. 31 2007	Dec. 31 2006	Dec. 31 2005	Dec. 31 2004	Dec. 31 2003
<b>CLASS A, SERIES II SHARES</b>					
Net assets, beginning of year <sup>(3)(9)</sup>	11.61	10.64	9.84	9.95	10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.61	0.92	0.58	0.75	0.49
Total expenses	(0.45)	(1.00)	(0.86)	(0.58)	(1.05)
Realized gain (loss) for the year	0.23	(0.03)	0.03	0.12	–
Unrealized gain (loss) for the year	(1.52)	1.12	1.06	0.32	0.53
Total increase (decrease) from operations <sup>(3)</sup>	(1.13)	1.01	0.81	0.61	(0.03)
<b>Dividends</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	0.15	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total dividends <sup>(3)(4)</sup>	–	–	–	0.15	–
<b>Net assets at end of year shown</b> <sup>(3)(9)</sup>	10.49	11.62	10.64	9.84	9.95
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Total net asset value (\$000's)	1,146	1,256	1,153	1,084	1,107
Number of shares outstanding (000's)	107	108	108	110	111
Management Fee (%) <sup>(5)</sup>	1.25	1.25	1.25	1.25	1.25
Investment advisor fee (%) <sup>(5)</sup>	2.00	2.00	2.00	2.00	2.00
Management expense ratio (%) <sup>(6)</sup>	3.82	8.75	8.15	5.68	10.33
Portfolio turnover rate (%) <sup>(7)</sup>	13.25	23.74	5.28	48.00	–
Trading expense ratio (%) <sup>(8)</sup>	0.01	–	–	–	–
Net Asset Value at end of year <sup>(9)</sup>	10.73	11.94	11.03	9.84	9.95

	Dec. 31 2007	Dec. 31 2006	Dec. 31 2005	Dec. 31 2004
<b>CLASS A, SERIES III SHARES</b>				
Net assets, beginning of year <sup>(3)(9)</sup>	11.86	11.01	10.34	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.60	0.90	0.56	0.71
Total expenses	(0.58)	(1.11)	(0.97)	(0.73)
Realized gain (loss) for the year	0.22	(0.03)	0.03	0.12
Unrealized gain (loss) for the year	(1.48)	1.10	1.01	0.30
Total increase (decrease) from operations <sup>(3)</sup>	(1.24)	0.86	0.63	0.40
<b>Dividends</b>				
From income (excluding dividends)	–	–	–	–
From dividends	–	–	–	0.15
From capital gains	–	–	–	–
Return of capital	–	–	–	–
Total dividends <sup>(3)(4)</sup>	–	–	–	0.15
<b>Net assets at end of year shown</b> <sup>(3)(9)</sup>	10.62	11.87	11.01	10.34
<b>RATIOS AND SUPPLEMENTAL DATA</b>				
Total net asset value (\$000's)	30,521	19,963	10,188	2,953
Number of shares outstanding (000's)	2,875	1,681	925	286
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>	4.96	9.79	9.27	6.89
Portfolio turnover rate (%) <sup>(7)</sup>	13.25	23.74	5.28	48.00
Trading expense ratio (%) <sup>(8)</sup>	0.01	–	–	–
Net Asset Value at end of year <sup>(9)</sup>	10.62	11.87	11.01	10.34

# VENTURELINK DIVERSIFIED INCOME FUND INC.

## Management Report of Fund Performance for the year ended December 31, 2007

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

	Dec. 31 2007	Dec. 31 2006	Dec. 31 2005	Dec. 31 2004
<b>CLASS A, SERIES IV SHARES</b>				
Net assets, beginning of year <sup>(3)(9)</sup>	11.86	11.01	10.33	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.59	0.90	0.56	0.71
Total expenses	(0.58)	(1.11)	(0.97)	(0.73)
Realized gain (loss) for the year	0.22	(0.03)	0.03	0.12
Unrealized gain (loss) for the year	(1.48)	1.09	1.01	0.30
Total increase (decrease) from operations <sup>(3)</sup>	(1.25)	0.85	0.63	0.40
<b>Dividends</b>				
From income (excluding dividends)	–	–	–	–
From dividends	–	–	–	0.15
From capital gains	–	–	–	–
Return of capital	–	–	–	–
Total dividends <sup>(3)(4)</sup>	–	–	–	0.15
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>10.61</b>	<b>11.87</b>	<b>11.01</b>	<b>10.33</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>				
Total net asset value (\$000's)	14,346	8,035	3,456	1,053
Number of shares outstanding (000's)	1,352	677	314	102
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>	5.00	9.81	9.27	6.89
Portfolio turnover rate (%) <sup>(7)</sup>	13.25	23.74	5.28	48.00
Trading expense ratio (%) <sup>(8)</sup>	0.01	–	–	–
Net Asset Value at end of year <sup>(9)</sup>	10.61	11.87	11.01	10.33

	Dec. 31 2007
<b>CLASS A, SERIES VI SHARES</b>	
Net assets, beginning of year <sup>(3)(9)</sup>	11.80
<b>Increase (decrease) from operations:</b>	
Total revenue	0.57
Total expenses	(0.55)
Realized gain (loss) for the year	0.22
Unrealized gain (loss) for the year	(1.43)
Total increase (decrease) from operations <sup>(3)</sup>	(1.19)
<b>Dividends</b>	
From income (excluding dividends)	–
From dividends	–
From capital gains	–
Return of capital	–
Total dividends <sup>(3)(4)</sup>	–
<b>Net assets at end of year shown <sup>(3)(9)</sup></b>	<b>10.61</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>	
Total net asset value (\$000's)	61
Number of shares outstanding (000's)	6
Management Fee (%) <sup>(5)</sup>	1.25
Investment advisor fee (%) <sup>(5)</sup>	2.00
Management expense ratio (%) <sup>(6)</sup>	4.62
Portfolio turnover rate (%) <sup>(7)</sup>	13.25
Trading expense ratio (%) <sup>(8)</sup>	0.01
Net Asset Value at end of year <sup>(9)</sup>	10.61

# VENTURELINK DIVERSIFIED INCOME FUND INC.

## Management Report of Fund Performance for the year ended December 31, 2007

### FINANCIAL HIGHLIGHTS cont'd

- (1) The amounts in the Fund's Net Assets per Share (\$) table have been adjusted to conform to the requirements of National Instrument 81-106, which came into effect in 2005. It is not intended that this table act as a continuity of beginning and ending Net Assets per share. Any prior year audited information has not been restated and is stated as previously published.
- (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 VI shares	December 15, 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 fiscal period.
- (4) Dividends 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 market 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) The Canadian Securities Administrators issued a notice and request for comments to the proposed amendments to NI 81-106, form 81-106F1 and 81-106CP on June 1, 2007. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Canadian GAAP (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets requires bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The provisions of Section 3855 have been applied retroactively without restatement of prior periods. Accordingly, the net assets at the beginning of the current period has been adjusted as follows:

	Class A, Series I shares	Class A, Series II shares	Class A, Series III shares	Class A, Series IV shares	Class A, Series VI shares
Net Assets per unit, beginning of period - Adjustment	0.01	0.01	0.01	0.01	-

# VENTURELINK DIVERSIFIED INCOME FUND INC.

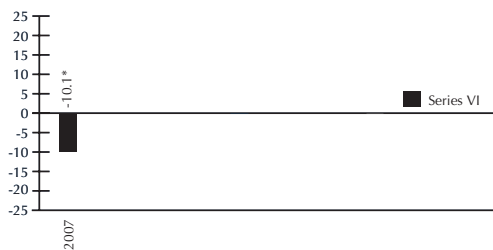
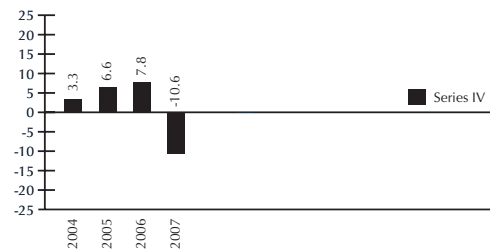
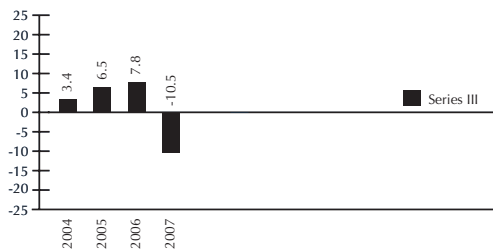
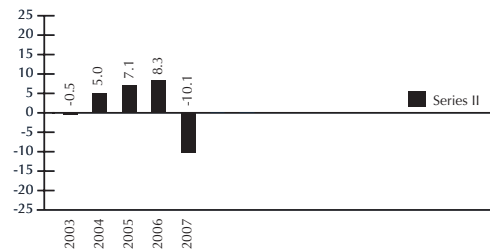
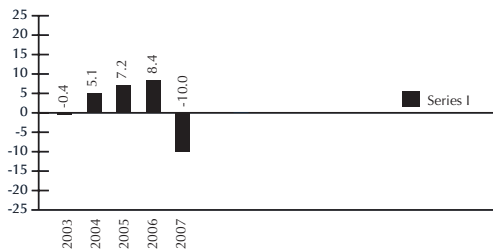
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## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, 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 asset values per share (Note 3 of the Financial Statements). The information shown assumes that dividends paid by the Fund in the periods 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 December 15, 2006 to December 31, 2007.

# VENTURELINK DIVERSIFIED INCOME FUND INC.

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## Annual Compound Returns

The following table shows the Fund's annual compound returns, compared to the DEX Mid Term Bond Index and Globe Labour-Sponsored Peer Index.

DEX Mid Term Bond Index is comprised of Canadian, provincial and municipal government bond issues and corporate bond issues with maturities from five to ten years. The index is a component of the DEX Universe Bond Index.

The Globe Labour-Sponsored Peer Index is an equally weighted average of mutual funds within the Labour-Sponsored Investment Fund asset class.

A discussion of the performance of the Fund as compared to the DEX Mid Term Bond Index and Globe Labour-Sponsored 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 (%)	-10.0	1.5	1.8	1.8
DEX Mid Term Bond 100%	3.3	4.3	5.5	5.8
Globe Labour Sponsored Peer Index 100%	-1.1	-0.9	-2.0	-1.9
Class A, Series II (%)	-10.1	1.4	1.7	1.7
DEX Mid Term Bond 100%	3.3	4.3	5.5	5.8
Globe Labour Sponsored Peer Index 100%	-1.1	-0.9	-2.0	-1.9
Class A, Series III (%)	-10.5	0.9	N/A	1.9
DEX Mid Term Bond 100%	3.3	4.3	N/A	4.9
Globe Labour Sponsored Peer Index 100%	-1.1	-0.9	N/A	-1.9
Class A, Series IV (%)	-10.6	0.9	N/A	1.9
DEX Mid Term Bond 100%	3.3	4.3	N/A	4.9
Globe Labour Sponsored Peer Index 100%	-1.1	-0.9	N/A	-1.9
Class A, Series VI (%)	-10.1	N/A	N/A	-9.7
DEX Mid Term Bond 100%	3.3	N/A	N/A	3.3
Globe Labour Sponsored Peer Index 100%	-1.1	N/A	N/A	-1.1

# VENTURELINK DIVERSIFIED INCOME FUND INC.

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## SUMMARY OF INVESTMENT PORTFOLIO (as at December 31, 2007)

<b>Industry Sector</b>	<b>Number of companies</b>	<b>Cost (in \$000's)</b>	<b>Fair Market Value (in \$000's)</b>	<b>% of cost</b>	<b>% of FMV</b>
Consumer and retail	2	4,800	1,159	11.6	3.1
Energy	1	2,500	2,500	6.0	6.7
Financials	7	9,635	8,666	23.2	23.1
Information technology	5	17,613	18,232	42.4	48.5
Services	2	7,000	7,000	16.8	18.6
	17	41,548	37,557	100	100

<b>Stage of Development</b>	<b>Number of companies</b>	<b>Cost (in \$000's)</b>	<b>Fair Market Value (in \$000's)</b>	<b>% of cost</b>	<b>% of FMV</b>
Investment Stage					
Early	3	4,500	5,659	10.8	15.1
Later	14	37,048	31,898	89.2	84.9
	17	41,548	37,557	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.