

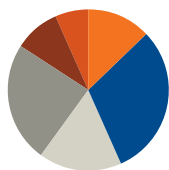
NEWSLETTER

VENTURELINK INNOVATION FUND - YEAR ONE



The Fund has felt the effects of the difficult public equity environment. The year to date decline of the TSX of almost 13% has had an impact on the value of the Fund's index linked notes and on the publicly traded portion of venture investments. The private equity and private debt portions of the portfolio continue to be prudently managed towards realization over the next three to five years.

As can be seen from the chart below, the liquidity position of the Fund is very strong with the majority of the fund's assets held in liquid securities including cash, strip bonds, index linked notes and public equities.



TYPE OF INVESTMENT*

Cash & marketable securities	10.2%
Index linked notes	27.0%
Publicly Traded Equity	15.4%
Private Debt	27.3%
Yeild earning LP investments	6.7%
Private Companies	13.4%

The Fund also has a favourable redemption profile with fundraising in the period 2006 to 2010 of over \$ 126 million. This fundraising corresponds to expected redemption years of 2014 to 2018. The strong liquidity position and the favourable redemption profile enables the Fund to continue to seek investment opportunities at a time when there is a greatly reduced venture capital supply in the province.

INVESTMENT UPDATE



The Fund made an initial investment of \$650,000 in eSentire Inc., a Cambridge, Ontario based managed security service provider with a well established customer base in the financial service and health care industries. The Company's core services include vulnerability assessments, managed security monitoring, and incident response.

ECOSYNTHETIX UPDATE



We profiled Ecosynthetix Inc. in our May newsletter. Since then, Ecosynthetix completed its IPO raising \$100 million. As of September 30, Ecosynthetix is the Fund's largest position at market value. Having originally invested in 2003, we will look to realize on the Fund's position of approximately 2.7 million shares in an orderly manner within the next 24-36 months. All larger pre-IPO investors, including the Fund are subject to a lock-up period restricting the ability to sell shares until the end of January 2012.

*As of September 30, 2011; Net asset value of approximately \$168.8 million

NEWSLETTER

PORTFOLIO HIGHLIGHT: ADVENTUS INTELLECTUAL PROPERTY INC.



Adventus provides the international remediation industry with an expanding portfolio of safe, effective and field-proven environmental biotechnologies including those exclusive to their affiliated companies: Adventus Americas, EnviroMetal Technologies, and select strategic partners. The business model is to support a project team by aiding in design and selection of the most cost-effective

remedial strategy-without predisposition or bias to proprietary offerings. Adventus scientists and engineers work collaboratively with consultants, engineering firms, regulators, and site owners to help them address their most challenging environmental challenges.

Adventus' people are uniquely qualified technical specialists whose wide-ranging experience allows them to reduce remediation risks and costs while solving the most intractable remediation problems.

The Adventus Groups' proprietary Soil, Sediment and Groundwater remediation solutions are based on world-leading, patented research developed both in-house and out some of Canada's finest academic institutions. The company's innovative and diverse product offerings allow Adventus to provide the most efficacious remediation solutions at prices that are better value than their proprietary and generic competition.

ABOUT VENTURELINK

VL Advisors Inc. manages VentureLink Innovation Fund Inc. The Fund's objective is to realize long-term capital appreciation by making debt and equity investments in a diversified portfolio of securities in eligible Canadian businesses and by investing in reserves, including debt instruments whose returns are linked to the performance of the TSX or sub-indices of the TSX, instruments whose returns are linked to the performance of other investment vehicles approved by the board of directors and investment grade rated bonds.

VentureLink Innovation Fund Inc. was formed under the Canadian Business Corporation Act by articles of amalgamation dated September 10, 2010 amalgamating VentureLink Brighter Future Fund Inc., VentureLink Balanced Fund Inc., VentureLink Diversified Income Fund Inc., and VentureLink Financial Services Innovation Fund Inc. VentureLink Innovation Fund Inc. provides a 15% Federal Tax Credit on a purchase of up to \$5,000 per annum and a 5% Provincial Tax Credit on a purchase of up to \$7,500 per annum to investors in Ontario. Important information is contained in the prospectus, please read it before investing. Commissions, trailing commissions, management fees and expenses all may be associated with this investment. This fund is not guaranteed and its value may fluctuate. Investment must be held for eight years to keep the tax credits. VentureLink, VentureLink Funds and VentureLink Innovation Fund are trademarks of VentureLink LP. 10/11

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