

Tax Savings with VentureLink

Note: These are estimates only based on 2011 tax rates. Tax advice should be obtained from qualified advisor. Provincial tax credit of 5% is available on up to \$7,500 of subscriptions for purchases made by February 29, 2012. Federal credit of 15% is available on subscriptions of up to \$5,000.

Your Taxable Income Level ¹ :	Under \$37,774	\$37,775 to \$41,544	\$41,545 to \$66,515	\$66,516 to \$75,550	\$75,551 to \$78,373	\$78,374 to \$83,088	\$83,089 to \$128,800	\$128,801 and Over
Marginal Tax Rate (based on combined Federal and Provincial Personal Income Tax Rates) ⁴	20.05%	24.15%	31.15%	32.98%	35.39%	39.41%	43.41%	46.41%
Invest in an LSIF like VentureLink Innovation Fund Inc. (through RRSP) ²	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Federal Tax Credit ³	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Ontario Tax Credit ³	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
RRSP Tax Savings (based on combined Federal and Provincial Personal Income Tax Rates) ⁴	\$1,504	\$1,811	\$2,336	\$2,474	\$2,654	\$2,956	\$3,256	\$3,481
2011 Total Tax Savings	\$2,629	\$2,936	\$3,461	\$3,599	\$3,779	\$4,081	\$4,381	\$4,606
2012 Total Tax Credits ⁵	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
Total Tax Savings	\$3,004	\$3,311	\$3,836	\$3,974	\$4,154	\$4,456	\$4,756	\$4,981
Net 'Out of Pocket' Cost on \$7,500 Investment	\$4,496	\$4,189	\$3,664	\$3,526	\$3,346	\$3,044	\$2,744	\$2,519

Your Taxable Income Level ¹ :	Under \$37,774	\$37,775 to \$41,544	\$41,545 to \$66,515	\$66,516 to \$75,550	\$75,551 to \$78,373	\$78,374 to \$83,088	\$83,089 to \$128,800	\$128,801 and Over
Marginal Tax Rate (based on combined Federal and Provincial Personal Income Tax Rates) ⁴	20.05%	24.15%	31.15%	32.98%	35.39%	39.41%	43.41%	46.41%
Invest in an LSIF like VentureLink Innovation Fund Inc. (through RRSP) ²	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Federal Tax Credit ³	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Ontario Tax Credit ³	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
RRSP Tax Savings (based on combined Federal and Provincial Personal Income Tax Rates) ⁴	\$1,003	\$1,208	\$1,558	\$1,649	\$1,770	\$1,971	\$2,171	\$2,321
Total Tax Savings	\$2,003	\$2,208	\$2,558	\$2,649	\$2,770	\$2,971	\$3,171	\$3,321
Net 'Out of Pocket' Cost on \$5,000 Investment	\$2,997	\$2,792	\$2,442	\$2,351	\$2,230	\$2,029	\$1,829	\$1,679

¹ Taxable income is gross income less income deductions allowed by federal and Ontario law in Ontario.

² The RRSP contribution assumes that the investor is within his or her 2011 contribution limit. RRSP contributions for 2011 must be made on or before the RRSP contribution cut-off date of February 29, 2012. RRSP tax savings are not unique to LSIFs.

³ The federal and Ontario tax credits are generally available where the investor has tax otherwise payable against which to offset the tax credits. The federal and Ontario tax credits may be required to be repaid if the Class A Shares are redeemed within eight years.

⁴ The example assumes the investor is an eligible investor resident in Ontario. The income tax rates and taxable income levels are based on federal and Ontario income tax legislation in existence as at April 26, 2011 and may be subject to change, and are the marginal rates for investment income other than capital gains and dividends for individual residents living in Ontario. The chart does not take into account any taxes that may be payable if shares are redeemed or when the funds are withdrawn from an RRSP.

⁵ Must invest in the first 60 Days

ABOUT VL ADVISORS INC.

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 on purchases made prior to March 1, 2012. Important information is contained in the prospectus, please read it before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. VentureLink, VentureLink Funds and VentureLink Innovation Fund are trademarks of VentureLink LP. 01/12

TT_03E-0112

For more information:

VL Advisors Inc.

3 Church Street, Suite 602
Toronto, Ontario M5E 1M2
www.venturelinkfunds.com

Phone 416 681 6676
Toll Free 800 253 1043
Fax 416 681 6661



As of December 31, 2011

VentureLink INNOVATION FUND INC.

FUND OBJECTIVE

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. The Fund also invests its reserves in 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.

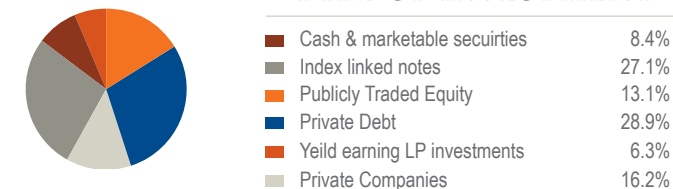
PORTFOLIO ACTIVITY

Venture activity during the fourth quarter of 2011 included a new investment in Smart Energy Instruments Inc., and follow-on investments in LivClean Inc. and Peraso Technologies Inc., The Coventree Inc. debenture was fully repaid and the Fund also received partial repayments from Kensington Capital Partners Ltd. and Lexfund Inc. VentureLink continues to maintain a strong liquidity position that is invested in index linked notes, bonds and cash. Due to this strength VentureLink continues to seek new investment opportunities.

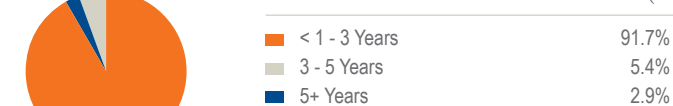
PORTFOLIO COMPOSITION



TYPE OF INVESTMENT



YEARS TO MATURITY (DEBT INVESTMENTS)



KEY NUMBERS

20%
Combined LSVCC & LSIF Tax Credit *

53.1%
Cash and Marketable Securities, Index Linked Notes and Publicly Traded Equity

\$152.6 mil.
Total Assets

FUND CODES

Series I*	6909
Series II*	6919
Series III	6929
Series IV	6939
Series VI	6949

*Series not available for sale.

*Credit is valid only if claimed for 2011 tax year and purchased by February 29th, 2012.

Top Venture Holdings

SCI LTD. (FORMERLY STRATEGIC CONNECTIONS INC.)
\$ 14,053,509

SCI is a SaaS-based software developer focused on retail process solutions and enterprise marketing solutions, with significant client wins in the automotive sector. SCI offers the industry's most powerful integrated solutions aimed directly at acquisition, retention and customer spend optimization.

The Company has further extended its offerings with highly-innovative, integrated marketing, lifecycle management and multichannel marketing capabilities.

Specifically targeted toward retailers with disparate sales channels, SCI enables coordinated, targeted, and cost-efficient communications with customers at both the local and enterprise level, but managed with the efficiency and precision of a single campaign.

WELLINGTON FINANCIAL LP
FUND II & FUND III
\$ 10,319,820

Wellington Financial manages bridge funds targeting both private and public companies in technology, industrial products and biotechnology sectors. Wellington seeks out mid-to-later stage companies with positive cash flows, suitable senior management, good corporate governance and proven markets for their products and services. Wellington will underwrite loans with terms of up to 36 months across Canada and the United States.

CLUBB FINANCE CORP.
\$ 9,700,000

Clubb Finance Corp. is a specialized Canadian automotive finance company providing short-term (up to 90 days) inventory-secured (floor-plans) financing to independent and franchised automobile dealers, brokers, and wholesalers. The company has offices in Toronto and Montreal, from which it services the Ontario, Quebec, Alberta and British Columbia markets, and is the only independent dedicated auto floorplan financing provider in Canada.

ECOSYNTHETIX INC. (TSX: ECO)
\$ 8,315,927

Ecosynthetix is a specialty adhesives company deploying bio-materials based technology for application in the paper and packaging industries. The company is currently focusing on bio latex material for application as a binder in the production of coated paper and has some of the worlds largest mills either as a customer or in commercial trials.

PERFORMINS CANADA INC.
\$ 6,050,000

PerformINS is executing a consolidation/roll-up strategy in the insurance Managing General Agencies (MGA) space, predicated around acquiring existing businesses in the MGA market, and introducing scale efficiencies and IT solutions to reduce the back-office cost of the acquired companies.



Featured Companies

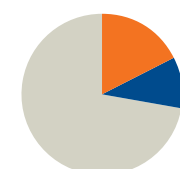
SMART ENERGY INSTRUMENTS INC.
\$750,000

SEI develops game-changing synchronous measurement technologies for the burgeoning "Smart Grid" to address today's global energy-environment challenges. Its mission is to achieve the global "Smart Grid" vision through ubiquitous synchronized measurements. SEI is applying its expertise and IP in power systems, digital signal processing, network communications and IC technologies to create the first universal measurement and communications core for next generation intelligent devices in power systems. These smart sensor devices provide real-time measurements, vital to improving grid reliability and efficiency and accelerating the shift to renewable energy sources. Products incorporating SEI's technology provide electric utilities and system operators an unprecedented ability to monitor, understand, control and plan electric power grids.



ESENTIRE INC.
\$650,000

eSentire is an information security solution provider that has developed a unique and differentiated technology and service offering which together solve advanced cybersecurity threats. The company is currently focused on the asset management industry but can apply their solution to many small and medium sized businesses and industries. The company delivers a complete solution for about one-third of the cost of the competition and reduces the time to functionality to weeks versus months.



YEARS IN PORTFOLIO (ENTIRE VENTURE PORTFOLIO)

< 1 - 3 Years	17.7%
3 - 5 Years	10.3%
5+ Years	72.1%

WHAT ARE LABOUR-SPONSORED FUNDS ("LSIFs")

LSIFs are mutual funds as defined by securities legislation mandated to invest in small- and medium-sized businesses. These are typically private companies with less than \$50 million in total assets. The government introduced LSIFs in the 1980s to encourage Canadians to invest in such companies that need money to grow and create jobs. The purchase of these funds generates federal and provincial tax credits. These funds are established under the Federal Income Tax Act and registered federally and may also be registered provincially.

Investments in LSIFs must be held for 8 years or the tax credits will be clawed back upon early redemption.