

2019 Semi-Annual Management Report of Fund Performance

for the period ended June 30, 2019

VentureLink Innovation Fund Inc.



VENTURELINK
FUNDS

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-253-1043, by writing to us at VL Advisors Inc., 3 Church Street, Suite 602, Toronto, ON M5E 1M2 or by visiting our website at www.venturelinkfunds.com or SEDAR at 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 INNOVATION FUND INC.

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

The net asset value of the Fund as at June 30, 2019 was \$31,639. There were 495,427 Class A Shares, Series I, 332,856 Class A Shares, Series II, 1,841,018 Class A Shares, Series III, 748,111 Class A Shares, Series IV, and 47,939 Class A Shares, Series VI outstanding.

Income

The Fund had income for the period of \$2,292 compared to \$637 in 2018. This increase is primarily related to improved net investment gains on the venture portfolio of \$1,923 in 2019 versus \$(463) in 2018 partially offset by reduced dividend and participation fee income.

Expenses

Operating expenses for the period were \$1,145 for the period compared to \$1,638 in 2018, a reduction of 30%. Before performance fees and Class P dividends, operating expenses in 2019 were \$1,056 compared to \$1,545 in 2018 a decrease of 32%. This decrease is related to the decrease in weighted average net asset value of approximately 25% and to the elimination of distribution fees as all shares have been held in excess of eight years.

Class A Shares

Net redemptions of Class A Shares during the period were \$8,130.

New investments

The Fund made one venture investment of \$500 in Pitchpoint Solutions Inc. in the period.

Realizations

The Fund realized proceeds totalling \$653 from the sale of securities of the following venture investments for a realized gain (loss) of nil.

- DCR Strategies Inc., cost \$75
- SCI Ltd., cost \$578

In addition, to the venture investment activity, short-term notes of \$6,968 were purchased and sold in the period.

The portfolio holdings continue to reflect the Fund's objective of investing in a diversified portfolio mezzanine debt and equity investments. However, concentration is increasing significantly as the orderly wind up the investment portfolio progresses.

Fund performance

The Fund's net asset value per share increased by \$.27 to \$.38 or approximately 3-4%. This increase is primarily related to unrealized gains on the investment portfolio less fund expenses for the period.

RECENT DEVELOPMENTS

Fund Liquidity and investment concentration

The Fund has approx. 31% of its assets in cash. As the orderly wind up of the Fund takes place, the concentration of the investment portfolio is increasing. The three largest investments of the Fund have a total value equal to 57% of net asset value.

The current plan for the operation of the Fund is to manage the existing portfolio with a view towards exiting all or at least most of its investment portfolio by December 2019 followed by an orderly wind up of the Fund in 2020.

In order to manage fund liquidity until such time as the Fund realizes upon its venture investments, the Fund's prospectus provides the Fund with the discretion to halt redemptions in a given financial year once redemptions have reached an aggregate value of 20% of the net asset value of the Fund on the last day of the preceding financial year. On January 11, 2019, the Fund capped redemptions at approximately \$8.1 million, an amount in excess of 20% of the net asset value of the fund as of December 31, 2018.

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RELATED PARTY TRANSACTIONS

Manager

The Manager and Investment Advisor and Sponsor are deemed to be related parties and earned \$543 from the Fund. This amount represents fees for management and investment advisory and sponsor services. The Fund paid performance fees of \$12 and recovered \$308 of performance fees in the period reducing its ending accrual to \$980. In addition, the Fund incurred dividend expense of \$399 in connection with the issuance of dividends on Class P shares held by VL Holdings LP, the 100% shareholder of the Manager and Investment Advisor. Accrued performance fees will be payable to the Manager in future periods if certain criteria are achieved.

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FINANCIAL HIGHLIGHTS

The Fund's Net Assets per Share tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the past six periods.

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

THE FUND'S NET ASSETS PER SHARE (\$)^{(1)(2)*}

CLASS A, SERIES I SHARES Commencement of operations September 10, 2010	Six months Ended					
	Jun. 30 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014
Net assets at the beginning of period⁽³⁾	9.81	10.34	8.37	8.07	8.63	8.56
Increase (decrease) from operations:						
Total revenue	0.12	0.51	0.15	0.13	0.22	0.14
Total expenses (excluding distributions)	(0.36)	(0.47)	(1.05)	(0.74)	(0.56)	(0.58)
Realized gains (losses) for the period	-	(0.77)	3.23	0.66	0.56	-
Unrealized gains (losses) for the period	0.62	0.21	(0.38)	0.27	(0.78)	0.52
Total increase (decrease) from operations⁽³⁾	0.38	(0.52)	1.95	0.32	(0.56)	0.08
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets at the end of the period shown⁽³⁾	10.20	9.81	10.34	8.37	8.07	8.63
Ratios and Supplemental Data						
Net asset value (\$000's)	5,052	5,395	6,347	5,876	6,431	8,935
Number of shares outstanding (000's)	495	549	614	702	797	1,035
Portfolio turnover rate (%) ⁽⁵⁾	1.47	18.77	-	2.05	2.98	12.17
Trading expense ratio (%) ⁽⁶⁾	-	-	-	0.01	0.01	0.04
Management expense ratio after taxes (%) ⁽⁴⁾	6.48	4.79	11.75	8.87	7.46	7.22
Net assets per share (\$)	10.20	9.81	10.34	8.37	8.07	8.63

*Footnotes for the tables are found at the end of the Financial Highlights section.

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FINANCIAL HIGHLIGHTS (cont'd)

THE FUND'S NET ASSETS PER SHARE (\$) ^{(1)(2)*}

CLASS A, SERIES II SHARES Commencement of operations September 10, 2010	Six months Ended					
	Jun. 30 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014
Net assets at the beginning of period ⁽³⁾	9.35	9.91	8.07	7.82	8.42	8.39
Increase (decrease) from operations:						
Total revenue	0.11	0.48	0.15	0.13	0.18	0.14
Total expenses (excluding distributions)	(0.35)	(0.50)	(1.06)	(0.76)	(0.59)	(0.62)
Realized gains (losses) for the period	-	(0.74)	3.10	0.64	0.56	-
Unrealized gains (losses) for the period	0.59	0.20	(0.37)	0.26	(0.75)	0.51
Total increase (decrease) from operations ⁽³⁾	0.35	(0.56)	1.82	0.27	(0.60)	0.03
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions ⁽³⁾	-	-	-	-	-	-
Net assets at the end of the period shown ⁽³⁾	9.72	9.35	9.91	8.07	7.82	8.42
Ratios and Supplemental Data						
Net asset value (\$000's)	3,235	3,342	4,033	3,654	4,034	5,295
Number of shares outstanding (000's)	333	357	407	453	516	629
Portfolio turnover rate (%) ⁽⁵⁾	1.47	18.77	-	2.05	2.98	12.17
Trading expense ratio (%) ⁽⁶⁾	-	-	-	0.01	0.01	0.04
Management expense ratio after taxes (%) ⁽⁴⁾	6.98	5.35	12.32	9.43	8.03	7.78
Net assets per share (\$)	9.72	9.35	9.91	8.07	7.82	8.42

*Footnotes for the tables are found at the end of the Financial Highlights section.

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FINANCIAL HIGHLIGHTS (cont'd)

THE FUND'S NET ASSETS PER SHARE (\$) ^{(1)(2)*}

CLASS A, SERIES III SHARES Commencement of operations September 10, 2010	Six months Ended					
	Jun. 30 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014
Net assets at the beginning of period ⁽³⁾	8.53	9.14	7.53	7.38	8.02	8.09
Increase (decrease) from operations:						
Total revenue	0.10	0.44	0.13	0.12	0.19	0.12
Total expenses (excluding distributions)	(0.31)	(0.56)	(1.06)	(0.80)	(0.65)	(0.68)
Realized gains (losses) for the period	-	(0.67)	2.81	0.62	0.53	0.01
Unrealized gains (losses) for the period	0.53	0.18	(0.33)	0.25	(0.72)	0.49
Total increase (decrease) from operations ⁽³⁾	0.32	(0.61)	1.55	0.19	(0.65)	(0.06)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions ⁽³⁾	-	-	-	-	-	-
Net assets at the end of the period shown ⁽³⁾	8.87	8.53	9.14	7.53	7.38	8.02
Ratios and Supplemental Data						
Net asset value (\$000's)	16,325	20,470	28,630	30,111	36,874	49,854
Number of shares outstanding (000's)	1,841	2,396	3,131	4,000	4,997	6,213
Portfolio turnover rate (%) ⁽⁵⁾	1.47	18.77	-	2.05	2.98	12.17
Trading expense ratio (%) ⁽⁶⁾	-	-	-	0.01	0.01	0.04
Management expense ratio after taxes (%) ⁽⁴⁾	6.97	6.44	13.39	10.49	9.12	8.86
Net assets per share (\$)	8.87	8.53	9.14	7.53	7.38	8.02

*Footnotes for the tables are found at the end of the Financial Highlights section.

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FINANCIAL HIGHLIGHTS (cont'd)

THE FUND'S NET ASSETS PER SHARE (\$) ^{(1)(2)*}

CLASS A, SERIES IV SHARES Commencement of operations September 10, 2010	Six months Ended					
	Jun. 30 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014
Net assets at the beginning of period ⁽³⁾	8.48	9.10	7.50	7.35	8.00	8.07
Increase (decrease) from operations:						
Total revenue	0.10	0.44	0.13	0.12	0.20	0.11
Total expenses (excluding distributions)	(0.31)	(0.56)	(1.06)	(0.80)	(0.65)	(0.68)
Realized gains (losses) for the period	-	(0.67)	2.78	0.63	0.52	0.02
Unrealized gains (losses) for the period	0.52	0.18	(0.33)	0.25	(0.72)	0.49
Total increase (decrease) from operations ⁽³⁾	0.31	(0.61)	1.52	0.20	(0.65)	(0.06)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions ⁽³⁾	-	-	-	-	-	-
Net assets at the end of the period shown ⁽³⁾	8.82	8.48	9.10	7.50	7.35	8.00
Ratios and Supplemental Data						
Net asset value (\$000's)	6,595	8,855	12,838	13,858	17,462	23,948
Number of shares outstanding (000's)	748	1,043	1,411	1,849	2,375	2,993
Portfolio turnover rate (%) ⁽⁵⁾	1.47	18.77	-	2.05	2.98	12.17
Trading expense ratio (%) ⁽⁶⁾	-	-	-	0.01	0.01	0.04
Management expense ratio after taxes (%) ⁽⁴⁾	6.98	6.50	13.45	10.54	9.19	8.92
Net assets per share (\$)	8.82	8.48	9.10	7.50	7.35	8.00

*Footnotes for the tables are found at the end of the Financial Highlights section.

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FINANCIAL HIGHLIGHTS (cont'd)

THE FUND'S NET ASSETS PER SHARE (\$)^{(1)(2)*}

CLASS A, SERIES VI SHARES Commencement of operations September 10, 2010	Six months Ended					
	Jun. 30 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016	Dec. 31 2015	Dec. 31 2014
Net assets at the beginning of period⁽³⁾	8.70	9.30	7.64	7.47	8.11	8.15
Increase (decrease) from operations:						
Total revenue	0.10	0.45	0.14	0.13	0.14	0.10
Total expenses (excluding distributions)	(0.36)	(0.54)	(1.06)	(0.79)	(0.64)	(0.67)
Realized gains (losses) for the period	-	(0.69)	2.83	0.64	0.55	0.03
Unrealized gains (losses) for the period	0.53	0.19	(0.30)	0.25	(0.69)	0.50
Total increase (decrease) from operations⁽³⁾	0.27	(0.59)	1.61	0.23	(0.64)	(0.04)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions⁽³⁾	-	-	-	-	-	-
Net assets at the end of the period shown⁽³⁾	9.00	8.70	9.30	7.64	7.47	8.11
Ratios and Supplemental Data						
Net asset value (\$000's)	432	560	680	709	900	1,083
Number of shares outstanding (000's)	48	64	73	93	120	134
Portfolio turnover rate (%) ⁽⁵⁾	1.47	18.77	-	2.05	2.98	12.17
Trading expense ratio (%) ⁽⁶⁾	-	-	-	0.01	0.01	0.04
Management expense ratio after taxes (%) ⁽⁴⁾	7.82	6.20	13.16	10.24	8.89	8.62
Net assets per share (\$)	9.00	8.70	9.30	7.64	7.47	8.11

*Footnotes for the tables are found at the end of the Financial Highlights section.

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FINANCIAL HIGHLIGHTS (cont'd)

- (1) This information is derived from the Fund's semi-annual and annual financial statements.
- (2) The following classes of shares of the Fund commenced operations:

Class A, Series I shares	September 10, 2010
Class A, Series II shares	September 10, 2010
Class A, Series III shares	September 10, 2010
Class A, Series IV shares	September 10, 2010
Class A, Series VI shares	September 10, 2010
- (3) Net assets per share and distributions 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) 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.
- (5) 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 period. 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.
- (6) 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.

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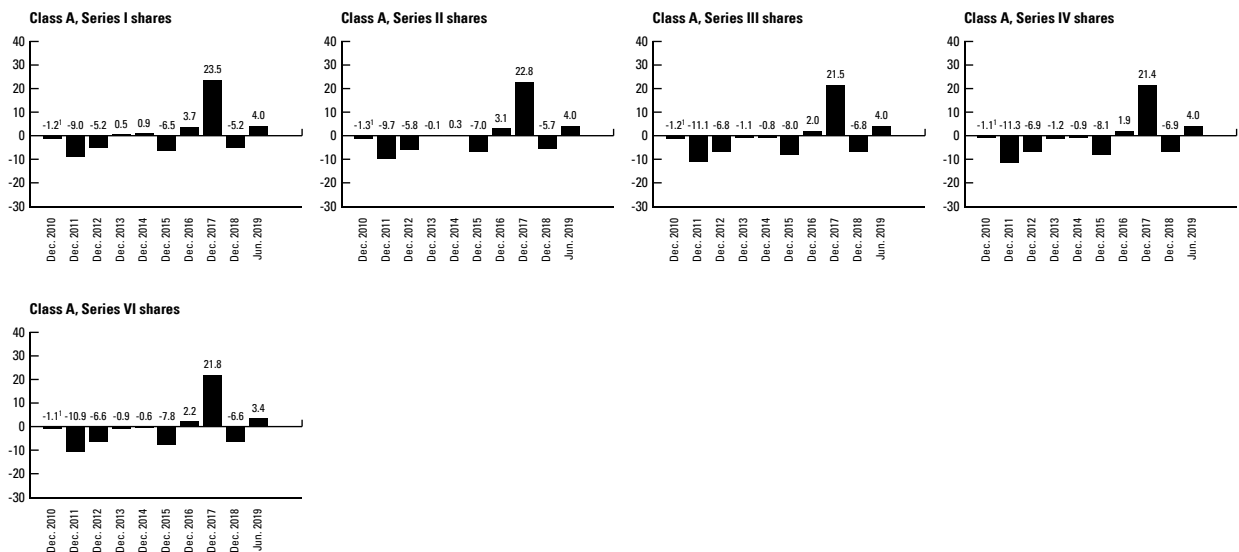
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PAST PERFORMANCE

This section describes how the Fund has performed in the past. Past returns do not indicate how the Fund will perform in the future. 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 semi-annual and annual performance for each of the periods shown, and illustrates how the Fund's performance has changed from period to period. In percentage terms, the charts show 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.



¹ 2010 return is for the period from September 10, 2010 to December 31, 2010.

Returns for years up to December 31, 2012 are calculated using Canadian GAAP while returns for years thereafter are calculated using IFRS.

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SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2019

Industry Sector	Number of Companies	Cost (in \$000's)	Fair Value (in \$000's)	% of Cost	% of FV
Sector					
Financial Services	2	4,380	566	14.3	2.6
Biotechnology	1	-	-	-	-
Information Technology and Communications	8	26,157	21,016	85.7	97.4
	11	30,537	21,582	100.0	100.0

Stage of Development	Number of Companies	Cost (in \$000's)	Fair Value (in \$000's)	% of Cost	% of FV
Investment Stage					
Early	5	14,906	7,406	48.8	34.3
Later	6	15,631	14,176	51.2	65.7
	11	30,537	21,582	100.0	100.0

Investments	Cost (in \$000's)	Fair Value (in \$000's)
Venture Investments	30,537	21,582
Underlying Funds	17,692	13,657
	48,229	35,239

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SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2019 (cont'd)

Top Venture Investment Holdings (as at June 30, 2019)*

DCR Strategies Inc.
Embotics Corp.
Futurestate IT Inc.
MMB Research Inc.
Peraso Technologies Inc.
Performance Plants Inc.
Pitchpoint Solutions Inc.
SCI Ltd.
Upsight Inc.
WF Fund III Limited Partnership
WireIE Holdings International Inc.

*This includes the eleven venture investments that continue to be carried at greater than nominal cost or market value.

The summary of investment may change due to ongoing portfolio transactions of the Fund and updates will be available on an 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.