

2021 Semi-Annual Management Report of Fund Performance

for the period ended June 30, 2021

VentureLink Innovation Fund Inc.



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 (416) 681-6372, by writing to us at VL Advisors Inc., 8 King Street East, Suite 300, Toronto, ON M5C 1B5 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, 2021 was \$12,167. There were 367,291 Class A Shares, Series I, 265,778 Class A Shares, Series II, 777,015 Class A Shares, Series III, 322,004 Class A Shares, Series IV, and 17,501 Class A Shares, Series VI outstanding.

Revenue

The Fund had a loss for the period of \$(231) compared to \$(2,056) in 2020. This decrease is primarily related to a reduction in unrealized losses on venture investments.

Expenses

Operating expenses for the period were \$607 for the period compared to \$656 in 2020 a reduction of 7%. Before performance fees and Class P dividends, operating expenses in 2021 were \$518 compared to \$663 in 2020 a decrease of 22%. This decrease is principally related to the reduction in net asset value.

Class A Shares

Net redemptions of Class A Shares during the period were \$4,068.

New investments

The Fund made no new venture investments in the period.

Realizations

The Fund realized proceeds totaling \$12 from the sale of securities with no realized gain or loss.

- DCR Strategies Inc., cost \$12

In addition, to the venture investment activity, short term notes of \$12,496 were purchased and \$16,496 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

Fund performance, on a per share basis, varied from a loss of \$.12 for Series II to a loss of \$.15 for Series VI. The losses were primarily related to operating expenses in excess of total income for the period.

RECENT DEVELOPMENTS

Fund Liquidity and investment concentration

The Fund has approx. 43% of its assets in cash and short term notes. As the orderly wind up of the Fund takes place, the concentration of the investment portfolio is increasing. The largest investment of the Fund has a total value equal to 63% of net asset value.

Management continues to work towards realizing the portfolio and completing a redemption of the net asset value of the Fund by the end of 2021. However, the sale of privately held companies holds significant uncertainty and there is no assurance that the realization will be completed.

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. The Fund has not exercised this discretion year to date in 2021.

RELATED PARTY TRANSACTIONS

Manager

The Manager and Investment Advisor and Sponsor are deemed to be related parties and earned \$226 from the Fund. This amount represents fees for management and investment advisory and sponsor services. The Fund accrued \$64 of performance fees in the period increasing its ending accrual to \$1,149. In addition, the Fund incurred dividend expense of \$25 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 2021	Dec. 31 2020	Dec. 31 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016
Net assets at the beginning of period⁽³⁾	7.79	8.09	9.81	10.34	8.37	8.07
Increase (decrease) from operations:						
Total revenue	0.24	0.12	0.34	0.51	0.15	0.13
Total expenses (excluding distributions)	(0.36)	(0.84)	(0.66)	(0.47)	(1.05)	(0.74)
Realized gains (losses) for the period	-	(1.53)	(2.21)	(0.77)	3.23	0.66
Unrealized gains (losses) for the period	(0.01)	1.94	0.80	0.21	(0.38)	0.27
Total increase (decrease) from operations⁽³⁾	(0.13)	(0.31)	(1.73)	(0.52)	1.95	0.32
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⁾	7.66	7.79	8.09	9.81	10.34	8.37
Ratios and Supplemental Data						
Net asset value (\$000's)	2,812	3,357	3,998	5,395	6,347	5,876
Number of shares outstanding (000's)	367	431	494	549	614	702
Portfolio turnover rate (%) ⁽⁵⁾	-	0.86	1.52	18.77	-	2.05
Trading expense ratio (%) ⁽⁶⁾	0.01	-	-	-	-	0.01
Management expense ratio after taxes (%) ⁽⁴⁾	9.02	11.19	6.48	4.79	11.75	8.87
Net assets per share (\$)	7.66	7.79	8.09	9.81	10.34	8.37

*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 2021	Dec. 31 2020	Dec. 31 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016
Net assets at the beginning of period ⁽³⁾	7.42	7.71	9.35	9.91	8.07	7.82
Increase (decrease) from operations:						
Total revenue	0.23	0.11	0.32	0.48	0.15	0.13
Total expenses (excluding distributions)	(0.34)	(0.80)	(0.63)	(0.50)	(1.06)	(0.76)
Realized gains (losses) for the period	-	(1.43)	(2.11)	(0.74)	3.10	0.64
Unrealized gains (losses) for the period	(0.01)	1.83	0.77	0.20	(0.37)	0.26
Total increase (decrease) from operations ⁽³⁾	(0.12)	(0.29)	(1.65)	(0.56)	1.82	0.27
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⁾	7.30	7.42	7.71	9.35	9.91	8.07
Ratios and Supplemental Data						
Net asset value (\$000's)	1,940	2,200	2,565	3,342	4,033	3,654
Number of shares outstanding (000's)	266	297	333	357	407	453
Portfolio turnover rate (%) ⁽⁵⁾	-	0.86	1.52	18.77	-	2.05
Trading expense ratio (%) ⁽⁶⁾	0.01	-	-	-	-	0.01
Management expense ratio after taxes (%) ⁽⁴⁾	9.02	11.21	6.49	5.35	12.32	9.43
Net assets per share (\$)	7.30	7.42	7.71	9.35	9.91	8.07

*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 2021	Dec. 31 2020	Dec. 31 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016
Net assets at the beginning of period ⁽³⁾	6.77	7.03	8.53	9.14	7.53	7.38
Increase (decrease) from operations:						
Total revenue	0.20	0.10	0.30	0.44	0.13	0.12
Total expenses (excluding distributions)	(0.31)	(0.73)	(0.57)	(0.56)	(1.06)	(0.80)
Realized gains (losses) for the period	-	(1.78)	(1.91)	(0.67)	2.81	0.62
Unrealized gains (losses) for the period	(0.01)	2.13	0.69	0.18	(0.33)	0.25
Total increase (decrease) from operations ⁽³⁾	(0.12)	(0.28)	(1.49)	(0.61)	1.55	0.19
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⁾	6.65	6.77	7.03	8.53	9.14	7.53
Ratios and Supplemental Data						
Net asset value (\$000's)	5,169	7,858	12,927	20,470	28,630	30,111
Number of shares outstanding (000's)	777	1,161	1,839	2,396	3,131	4,000
Portfolio turnover rate (%) ⁽⁵⁾	-	0.86	1.52	18.77	-	2.05
Trading expense ratio (%) ⁽⁶⁾	0.01	-	-	-	-	0.01
Management expense ratio after taxes (%) ⁽⁴⁾	8.97	11.14	6.48	6.44	13.39	10.49
Net assets per share (\$)	6.65	6.77	7.03	8.53	9.14	7.53

*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 2021	Dec. 31 2020	Dec. 31 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016
Net assets at the beginning of period ⁽³⁾	6.73	6.99	8.48	9.10	7.50	7.35
Increase (decrease) from operations:						
Total revenue	0.20	0.10	0.29	0.44	0.13	0.12
Total expenses (excluding distributions)	(0.31)	(0.72)	(0.57)	(0.56)	(1.06)	(0.80)
Realized gains (losses) for the period	-	(1.95)	(1.89)	(0.67)	2.78	0.63
Unrealized gains (losses) for the period	(0.01)	2.30	0.68	0.18	(0.33)	0.25
Total increase (decrease) from operations ⁽³⁾	(0.12)	(0.27)	(1.49)	(0.61)	1.52	0.20
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⁾	6.61	6.73	6.99	8.48	9.10	7.50
Ratios and Supplemental Data						
Net asset value (\$000's)	2,130	2,853	5,223	8,855	12,838	13,858
Number of shares outstanding (000's)	322	424	747	1,043	1,411	1,849
Portfolio turnover rate (%) ⁽⁵⁾	-	0.86	1.52	18.77	-	2.05
Trading expense ratio (%) ⁽⁶⁾	0.01	-	-	-	-	0.01
Management expense ratio after taxes (%) ⁽⁴⁾	8.99	11.11	6.48	6.50	13.45	10.54
Net assets per share (\$)	6.61	6.73	6.99	8.48	9.10	7.50

*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 2021	Dec. 31 2020	Dec. 31 2019	Dec. 31 2018	Dec. 31 2017	Dec. 31 2016
Net assets at the beginning of period⁽³⁾	6.78	7.11	8.70	9.30	7.64	7.47
Increase (decrease) from operations:						
Total revenue	0.20	0.10	0.30	0.45	0.14	0.13
Total expenses (excluding distributions)	(0.34)	(0.79)	(0.66)	(0.54)	(1.06)	(0.79)
Realized gains (losses) for the period	-	(1.86)	(1.94)	(0.69)	2.83	0.64
Unrealized gains (losses) for the period	(0.01)	2.22	0.70	0.19	(0.30)	0.25
Total increase (decrease) from operations⁽³⁾	(0.15)	(0.33)	(1.60)	(0.59)	1.61	0.23
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⁾	6.64	6.78	7.11	8.70	9.30	7.64
Ratios and Supplemental Data						
Net asset value (\$000's)	116	198	340	560	680	709
Number of shares outstanding (000's)	18	29	48	64	73	93
Portfolio turnover rate (%) ⁽⁵⁾	-	0.86	1.52	18.77	-	2.05
Trading expense ratio (%) ⁽⁶⁾	0.01	-	-	-	-	0.01
Management expense ratio after taxes (%) ⁽⁴⁾	9.81	11.97	7.33	6.20	13.16	10.24
Net assets per share (\$)	6.64	6.78	7.11	8.70	9.30	7.64

*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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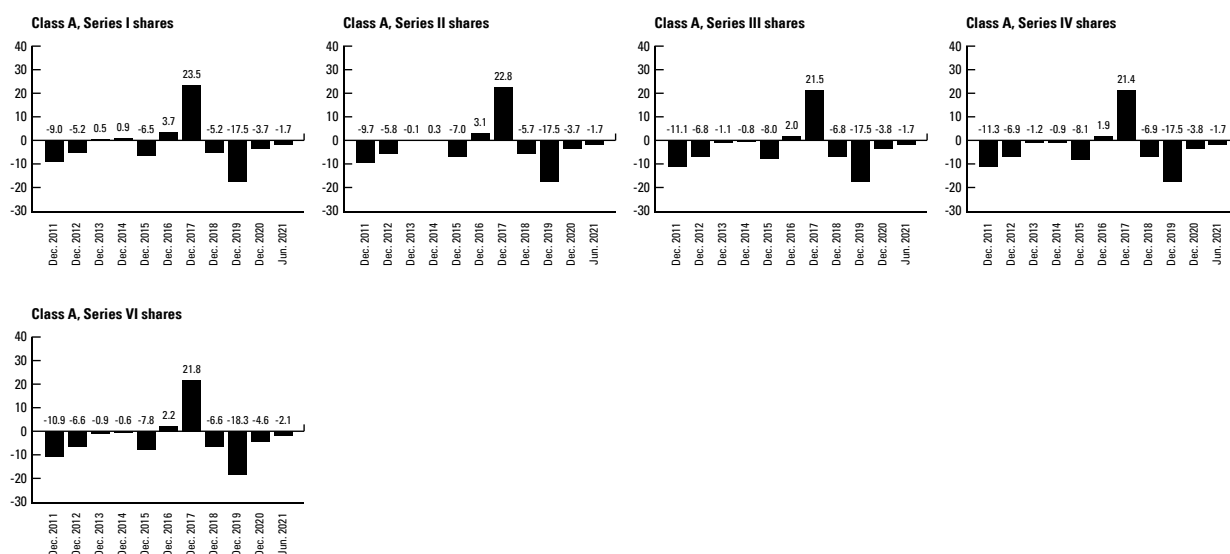
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PAST PERFORMANCE

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.



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, 2021

Industry Sector	Number of Companies	Cost (in \$000's)	Fair Value (in \$000's)	% of Cost	% of Fair Value
Sector					
Financial Services	2	3,563	185	22.5	2.2
Biotechnology	1	-	-	0.0	0.0
Information Technology and Communications	4	12,286	8,219	77.5	97.8
	7	15,849	8,404	100.0	100.0

Stage of Development	Number of Companies	Cost (in \$000's)	Fair Value (in \$000's)	% of Cost	% of Fair Value
Investment Stage					
Early	2	7,406	-	46.7	0.0
Later	5	8,443	8,404	53.3	100.0
	7	15,849	8,404	100.0	100.0

Investments	Cost (in \$000's)	Fair Value (in \$000's)
Venture Investments	15,849	8,404
Short-Term Investments	4,498	4,498
	20,347	12,902

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SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2021 (cont'd)

Top Venture Investment Holdings (as at June 30, 2021)*

DCR Strategies Inc.

MMB Research Inc.

Peraso Technologies Inc.

Performance Plants Inc.

Pitchpoint Solutions Inc.

Upsight Inc.

WF Fund III Limited Partnership

*This includes the 7 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.