



W U T I F [®]

Western Universities Technology Innovation Fund

Young, technology-based companies are hungry for capital. Investors are on the lookout for a good return on investment. Governments want a strong, diversified economy. What if there were a single source that could address all of their needs? There is. And it's called **WUTIF Capital (VCC) Inc.**



A barge delivers construction supplies and equipment to the Toba Inlet (BC coast) site of WUTIF-investee Alterra Power Corporation's Montrose Creek power generation site in July 2007. In 2010, the 196MW plant started supplying green power to BC Hydro under a 35 year contract.

WUTIF (Western Universities Technology Investment Fund) is an "angel" fund that invests in very early-stage companies. It has been set up to commercialize novel technologies – including many developed at our universities, colleges and technical institutes. It targets the gap between the initial investments made by family and friends of company founders, and the point later on where venture capitalists become interested. Unfortunately, it is this gap that often defeats fragile, young companies. WUTIF works closely with Angel investors (i.e. successful business people) to fill this gap – providing not only capital but business expertise. With WUTIF funding, many such firms will survive this delicate period in their growth and go on to become sustainable producers and employers in BC's knowledge-based economy.

WUTIF attracts individual investors who are keen to see the BC knowledge-based economy prosper. They recognize the power that comes when money is pooled, and the risk shared, with other investors like themselves. Often, WUTIF investors will also co-invest directly in WUTIF companies.

The BC Government deserves much credit for encouraging investors to pool their capital by giving them a generous **30% refundable tax credit**. Plus, WUTIF shares are RRSP and TFSA eligible, giving investors up to 4:1 combined leverage on their capital. WUTIF is not just about money, however.

Young companies want to learn from experienced experts who have "been there and done that," and WUTIF's Board and member investors include many successful angels and entrepreneurs. So, in addition to providing working capital to these companies, WUTIF provides expertise. No wonder that WUTIF's arrival on the scene has been so warmly welcomed in the business community.

In other words, WUTIF promises extra-ordinary value to investors, companies and the economy.



Augurex's Norma Biln and Anthony Marotta are commercializing a biomarker for arthritis, enabling a personalized medicine application for a potentially much larger commercial market and shareholder exit.

WUTIF FOR THE PROVINCIAL ECONOMY

For 30 years the BC government has supported the growth of a vibrant technology sector. At first, this support took the form of direct grants for R&D through provincially-funded organizations such as the Science Council of BC and the BC Advanced Systems Institute. This helped nourish dozens of fledgling companies, some of which grew into world-class global firms such as Creo (now Kodak), MacDonald Dettwiler and Associates (MDA), QLT, Sierra Wireless, Ballard Systems, PMC Sierra, A.L.I. Technologies and Aspreva Pharmaceuticals.

According to a 2012 report by the BC Technology Industry Association (BC TIA) the BC technology sector, which was virtually non-existent in 1978, now employs over 84,000 people - more than mining, forestry, and oil & gas exploration industries combined, generating over \$18 billion in annual gross revenue. Clearly, support for start-up companies yields huge *overall* returns from relatively small, strategically directed and strategically timed investments. It also stimulates the growth and diversification of BC's economy.

Provincial government policy today encourages *individuals* to make those vital early-stage investments that can lead to the next generation of technology successes. It does this by providing tax credits to individuals who invest in WUTIF.



Aquatic Informatics is a software solutions firm specializing in the rapidly growing water monitoring and climate information industry.

About the photos: The photographs in this brochure depict the products and people of just a handful of the companies in which WUTIF has invested

WUTIF FOR NEW COMPANIES

Imagine developing and patenting a promising new drug therapy, a new wireless device, a software application, or some other technology. In BC, with its world class universities, technical and research institutes, this happens regularly. The next step is for the inventors to set up a new company to commercialize the innovation. That's when "the fun" begins.

The principals dip into their savings or re-mortgage their homes to kick-start the embryonic company. And they soon find that venture capital firms, banks and other sources are not interested in investing at this early stage. "Come back when you have a prototype," they say. Fortunately, WUTIF is willing to go where others fear to tread.

WUTIF typically invests up to \$200,000 in promising new start-up companies which, along with Angel investors can provide startups with up to \$1 million or more. Moreover, WUTIF (whose Board and investors are themselves successful investors, managers and/or entrepreneurs) provides important mentoring to the firms it invests in. Inexperienced company management thus benefits from WUTIF's impressive depth of experience and connections.

WUTIF is a long-term investor. It gives fragile young firms added stability at a crucial stage of their development. WUTIF provides not only mentors to its investees but also co-investors who often become directors of the investee firms. WUTIF also helps companies with their exit strategies to provide liquidity to investors.



Energy Aware Technology Inc. was founded in 2005 by Janice Cheam and Lauren Kulokas to develop the PowerTab, a real time home energy monitor. In 2010, the Company's product was installed and featured at the Olympic Village residences.

WUTIF FOR INVESTORS

The fortunes of high-profile companies such as Google, Intel and RIM took off thanks, in part, to timely angel investments when they were small, struggling start-ups. There are hundreds of examples. Of course, there's risk in angel investing – there's risk in every form of investing. But think of the returns the angels received for taking a risk with an embryonic Google or RIM! WUTIF reduces that risk for its member investors by investing in many start-ups in many diverse technologies.

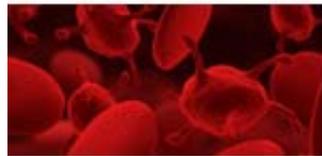
Equally important to individual investors are the benefits WUTIF offers. WUTIF shares are RRSP/TFSA eligible. At the same time, the provincial government provides BC residents who invest in WUTIF

a 30% **refundable** tax credit to a maximum of \$60,000. Investors may elect to donate some of their shares to charity. WUTIF shares donated to a registered charity generate a tax deduction equal to 43% of the price paid for the shares. In this case, investors will get back up

to 73% of their capital.

Most investors purchase at least 1,000 shares. WUTIF shares do not have to be held for a specific period and can be traded at any time, subject to securities regulations. WUTIF will offer redemptions to investors after they have held shares for at least five years from any gains that it realizes.

Note, too, that WUTIF never buys into a fledgling technology company unless independent



Platelets save lives. We save platelets.

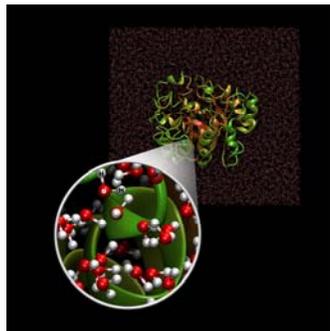
Blood platelets save lives. LightIntegra's Thrombo-LUX™ diagnostic test for platelet quality makes it easy to screen platelets prior to transfusion. Traditional methods of platelet quality testing are unreliable, time consuming, expensive and not used routinely. LightIntegra intends to make platelet quality testing a regular practice in blood banks around the world by making it accessible, affordable, reliable and fast.

angel investors do likewise. In this way the risk and the opportunity are shared and everyone benefits.

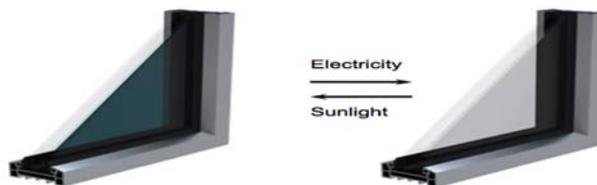
WUTIF shares are not traded on any public stock exchange. Potential investors or their representatives should contact WUTIF directly for further information or to subscribe for shares. Shares are currently being offered *only* to accredited investors.

HOW WUTIF INVESTMENTS ARE MANAGED

- ❖ WUTIF's investment fund is managed by the WUTIF Management Corporation which:
 - Partners with existing technology organizations in BC to identify companies in which to invest
 - Performs due diligence on each investee company
 - Monitors each company's progress
 - Remunerates the Fund Manager based on investment performance
 - Keeps the cumulative administrative fees low (under 5%), investing 95% of the capital raised
 - Donates 20% of its performance fees to BC universities
 - Provides regular reports on progress to investors



This is a graphical representation of computational protein modeling data generated by the Zymeworks Computer Assisted Design (ZymeCAD™) molecular simulation platform.



Burnaby-based Switch Materials Inc.'s technology from Simon Fraser University is based on proprietary organic molecules that "switch" optical properties on demand. For example, with an electrical signal, you can control the amount of light passing through a window.

MEMBERS OF THE BOARD

Mike Volker, President of WUTIF, has worked with technology startups since 1981 when he sold his company, Volker-Craig Ltd., founded at the University of Waterloo. He founded the BC Advanced Systems Institute's Product Development Fund and in 1999 established Vancouver's Angel Technology Network, VANTEC, that has raised millions of dollars for BC ventures. He is Director of Simon Fraser University's Innovation Office. In 2009, the National Angel Capital Organization named him "Canadian Angel of the Year". He also co-founded GreenAngel Energy (TSXV:GAE).

Tim Collings is an angel investor and inventor. At Simon Fraser University, he invented the V-Chip, a viewer control technology that has been legislated as a mandatory component in all TV sets sold in the USA. He currently works with WiLan Inc., a research organization that owns and licenses electronics and communications technologies. He holds an M.A.Sc. from the University of Waterloo.

Gordon Skene is an investor in, and director of, numerous technology ventures. He founded Future Fund Capital (VCC) Corp and was Director of Corporate Finance at MacMillan Bloedel Ltd and President of Norsat International. He holds degrees in Science and Business from the University of British Columbia. Gordon is President of Paradigm Environmental Technologies Inc., and winner of the BC TIA 2006 award for Excellence in Product Innovation.

Bruce Schmidt a UBC graduate, is largely focused on the life-sciences sector as an investor and entrepreneur. He has served as director for many high tech and biotech firms. He was a co-founder of Genome BC., past Chair of Life Sciences BC, past Chair of the BC Nanotechnology Alliance and contributor to the Provincial Life Sciences Strategy Committee and Integrated Technology Initiative. Currently, he's CEO of GenomeDX Biosciences Inc. and a Director of Migenix Inc., Greenangel Energy Corp, and WUTIF.

WUTIF FACTS AND FIGURES

- ❖ WUTIF was formed in 2003 and has since raised and invested over \$6 million in more than 60 BC companies.
- ❖ Shares were first offered for \$10 in 2003-2004. Shares have ranged in value from \$9.51 to \$12.17.
- ❖ WUTIF's first success story involved an investment of \$175,000 in 2005. When the firm was sold two years later, WUTIF's gain was 210%.

WUTIF TAX INCENTIVES

- ❖ Eligible investors receive a 30% after-tax "cash" benefit. Investors who donate their WUTIF shares to a registered charity get an additional income tax deduction of 44%. Therefore, the actual out of pocket cost to a donor is only \$2.63 for each \$10 placed with the fund. Using an RRSP to hold shares provides the same tax benefit for investors at the top marginal tax rate.
- ❖ A special benefit accrues to investors who buy shares using cash from an RRSP – in this case they receive *30% in cash, tax-free!*

WUTIF CURRENT OFFERING

- ❖ Offering size: Up to \$500,000 (subject to tax credit limits).
- ❖ Offering price: \$10.50 per share at February 28, 2014 (Tax credits apply to the 2013 tax year).
- ❖ Minimum subscription: 1,000 shares.
- ❖ Tax credits: VCC **refundable tax credits** of 30% are available to investors.
- ❖ WUTIF Shares are RRSP and TFSA eligible.

FOR INFORMATION:

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