



## **GrowthWorks Canadian Fund Ltd. Provides Update on CCAA Proceedings**

Toronto – February 26, 2015 – GrowthWorks Canadian Fund Ltd. (the “**Fund**”) today provided an update on recent developments concerning the Fund. The Fund continues to operate under creditor protection pursuant to court-supervised proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*. As previously announced on October 22, 2014, the Fund obtained an order of the Ontario Superior Court of Justice (the “**Court**”) extending the CCAA Proceedings until May 31, 2015.

### *The Fund’s Outstanding Obligations to Roseway*

At the commencement of the CCAA Proceedings on October 1, 2013, the Fund had secured payment obligations to Roseway Capital S.a.r.l. (“**Roseway**”) of approximately \$27,264,570 under the Participation Agreement between the Fund and Roseway dated May 28, 2010, as amended (the “**Participation Agreement**”). The Fund has since reduced those obligations, such that, as of January 31, 2015, the total amount owing to Roseway under the Participation Agreement was approximately \$1 million. The Fund is currently engaged in discussions with Roseway with a view to settling all outstanding issues and claims between the parties, which may involve a further payment by the Fund to Roseway.

### *Outstanding Litigation Involving the Fund*

In April 2014, the Fund announced the results of a Court-ordered process (the “**Claims Process**”) for identifying, assessing and determining claims against the Fund, indicating that FTI Consulting Canada Inc. (the “**Monitor**”), the Court-appointed monitor in the CCAA Proceedings, had received a variety of claims totalling in excess of \$725 million. At that time, the Monitor indicated that it did not anticipate responding to, or adjudicating, disputed claims until such time as Roseway is paid in full and there are, or are likely to be, remaining funds for distribution to unsecured creditors of the Fund.

The claims filed against the Fund or its officers and/or directors pursuant to the Claims Process included the following: an \$18 million claim (the “**Former Manager Claim**”) filed by the Fund’s former manager, GrowthWorks WV Management Ltd. (the “**Former Manager**”), against the Fund alleging that the Fund wrongfully terminated the Management Agreement (the “**Management Agreement**”) between the Fund and the Former Manager; a \$650 million claim (the “**AVC Claim**”) filed by Allen-Vanguard Corporation against the Fund and certain other defendants in connection with the sale of Med-Eng Systems Inc. (“**Med-Eng**”) a former investee company of the Fund; and a claim (“**AGTL Claim**”) filed by certain plaintiffs against the Fund as a shareholder of Advanced Glazing Technologies Limited (“**AGTL**”).

As a result of settlements, the Fund has been released from both the AVC Claim and the AGTL Claim. As a consequence of the settlement of the AVC Claim, settlement proceeds of \$28 million were paid to Allen-Vanguard Corporation from an existing escrow established in connection with the Med-Eng transaction. The remaining proceeds (the “**Remaining Proceeds**”) of that escrow, which amounted to approximately \$15,847,097 as of January 31, 2015 (plus interest accruing thereafter), continue to be held in escrow until further order of the Court. The Fund is in the process of seeking a Court order for the distribution of the Remaining Proceeds to the Fund and the other former shareholders of Med-Eng. In addition, the Fund has disposed of its interest in AGTL in exchange for a cash payment.

The Former Manager has also made a subsequent claim against the Fund for payment of approximately \$361,000 allegedly incurred by the Former Manager in connection with the provision of certain transitional services after the termination of the Management Agreement. The Fund denies that any such amount is owing to the Former Manager.

The Fund has filed a statement of defence in response to the Former Manager Claim, together with a counterclaim against the Former Manager for, among other things, a breach of the Former Manager’s duties under the Management Agreement. Under its counterclaim against the Former Manager, the Fund claims damages of \$25 million from the Former Manager. The timing for completion and outcome of the outstanding litigation between the Fund and the Former Manager cannot be determined with certainty at this time.

*Investment Portfolio Activity*

The Fund continues to pursue an orderly disposition of its investment portfolio with a view to maximizing the return on its assets under the oversight of the Fund's Board of Directors and with the advice of the Fund's investment and other advisors.

*Net Asset Value of the Fund as at December 31, 2014*

The Fund estimates that the total net asset value ("NAV") of the Fund as at December 31, 2014 was \$25.1 million and that the NAV per Series Share as at that date was as follows:

<b>Series</b>	<b>NAV \$ /Share</b>
<b>WV Canadian &amp; Merger Series</b>	
WV Canadian - Commission I	0.96
CAVI Series	0.79
ENSIS Series	0.65
CMDF Series	0.79
CSTGF Series	0.72
FOF Traditional Series	0.85
<b>GIC Series</b>	
Venture/ GIC Commission I	1.61
Venture/ GIC Commission II	1.60
<b>Growth Series</b>	
Venture/ Growth Commission I	0.84
Venture/ Growth Commission II	0.84
FOF Growth Series	0.97
<b>Financial Services Series</b>	
Venture/ Financial Services - Commission I	0.82
Venture/ Financial Services - Commission II	0.81
<b>Balanced &amp; CMDF Reinvestment Series</b>	
Venture/ Balanced Commission I	0.81
Venture/ Balanced Commission II	0.80

In determining the NAV of the Fund and its outstanding series of Class A shares, the Fund did not obtain an independent formal valuation and those amounts represent the Fund's estimate of the fair value of the Fund's assets and liabilities as at December 31, 2014. The valuation process followed by the Fund is subjective in certain respects and is based on inherent uncertainties,

including the fact that there is no published market for the Fund's assets. As a consequence, the resulting values attributed by the Fund to its assets can differ from the prices at which the investments are actually sold and those differences could be material. The Monitor was not involved in the calculation of the NAV of the Fund and its outstanding series of Class A shares and the Monitor does not assume any responsibility for the determination of any of those amounts.

The Fund has suspended redemptions of its Class A shares and that restriction remains in effect. Sales of Class A shares were discontinued in September 2011.

### **Forward-Looking Information**

This press release contains forward looking statements, including statements with respect to the CCAA Proceedings and the NAV of the Fund. These forward-looking statements reflect the Fund's current views and are based on certain assumptions, including, but not limited to, assumptions as to future operating conditions and courses of action, general economic and market conditions and other factors the Fund believes are appropriate. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in these statements, including, but not limited to, the risk that a disposition of the Fund's portfolio investments will not yield proceeds sufficient to satisfy in full the Fund's secured payment obligations to Roseway, the Fund's other creditors or any distribution to the Fund's shareholders; the risk that litigation proceedings involving claims by the former manager of the Fund or other third parties against the Fund may involve substantial expense and, if successful, could require the Fund to pay substantial damages, thereby reducing or depleting entirely the Fund's liquidity and capital resources; the risks associated with the Fund's estimate of the NAV of the Fund described elsewhere in this press release; and those risks and uncertainties disclosed in the Fund's most recently filed prospectus and other regulatory filings posted on SEDAR at [www.sedar.com](http://www.sedar.com). These risks and uncertainties may cause actual results, events or developments to be materially different from those expressed or implied by such forward-looking statements. Unless required by law, the Fund does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or results or other factors.

**FTI Consulting Canada Inc. the Court Appointed Monitor of Growthworks Canadian Fund has established the following website containing information concerning the CCAA proceedings: <http://cfcanada.fticonsulting.com/gcfl/>**

**You may also contact the Monitor at:**

**Hotline: 1-855-431-3185**

**Email: [growthworkscanadianfundltd@fticonsulting.com](mailto:growthworkscanadianfundltd@fticonsulting.com)**