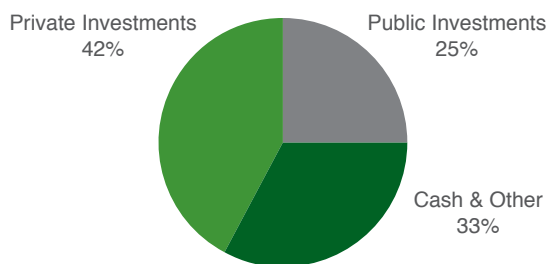


VenGrowth III Diversified Fund

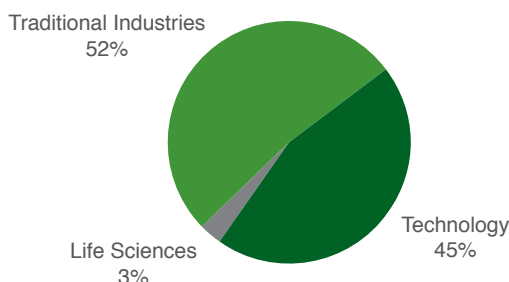
Technology. Traditional Industries. Life Sciences. The complete LSIF solution.

Portfolio Update (as at December 31, 2010)

Net Asset Mix



Sector Diversification



Fund Objective

The Fund's objective is to invest in small- and medium-sized eligible Canadian businesses with the objective of obtaining long-term capital appreciation.

Launch Date

October 4, 2004

NAVPS

\$6.62

Tax Credits

15% Federal
15% Ontario

Fund Codes

VEN 1899 (Classic DSC)
VEN 1997 (Front End)
VEN 1802 (10% Up Front)
VEN 1803 (F Class)

Major Venture Holdings

Company	Amount Invested (\$ millions)	Sector
Bridgewater Systems Corp.	\$1.5	Technology
Great Lakes Fish Corp.	0.8	Traditional Industries
Active Exhaust Corp.	0.7	Traditional Industries
Nakina Systems Inc.	0.6	Technology
BTI Photonic Systems Inc.	0.5	Technology
Party Packagers Inc.	0.5	Traditional Industries
OnCorp Direct Inc.	0.5	Traditional Industries
Ultramatic Sleep of Canada Ltd.	0.5	Traditional Industries
BelAir Networks Inc.	0.4	Technology
Numatech Industries Inc.	0.4	Traditional Industries
Top Holdings at Cost	\$6.3	
Total Investments at Cost	\$7.6	

Portfolio Insight

Private Investments
15

Public Investments
2

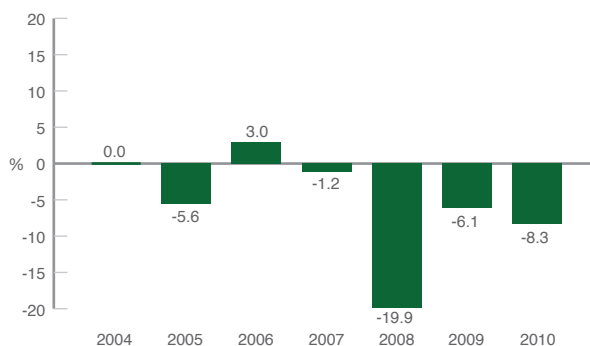
Total Current Investments
17

Number of Companies with VenGrowth Board Status
13

Investments Since Inception
27

Exits Since Inception
10

Calendar Year Returns (Classic DSC)



Compound Returns (Classic DSC)

Year to Date
-8.3%

1 Year
-8.3%

3 Year
-11.7%

5 Year
-6.9%

Since Inception
-6.4%

Please visit www.vengrowth.com for performance of all Classes of the Fund.

"VenGrowth III Diversified Fund" means The VenGrowth III Investment Fund Inc." Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectuses of our Funds before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The indicated rates of return are the historical annual compounded total returns, including changes in unit value and do not take into account sales, redemption or optional charges or income taxes payable by an security holder that would have reduced returns.

VenGrowth
FUNDS