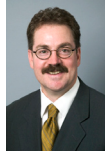


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WELCOME FROM THE CEO



Welcome to Issue 10 of the Investors' Advantage newsletter, and the first in 2007 and the first following our most successful fund-raising year to date - \$13.4 million raised. We would like to take this opportunity to thank our financial partners and all of our investors for helping make this year our best fund-raising year ever. In this edition of the newsletter, we will talk a little about what is going on in the technology sector, and also take a closer look at some of the promising technology companies in our portfolio.

The high technology sector in BC has become the fastest growing contributor to the Province's economy, outpacing the overall economy in terms of GDP growth. The industry has grown to employ roughly 65,000 British Columbians and this number is expected to grow by another 15% in 2007. Wages in high technology industries are far higher than the average for all industries in the Province, and more British Columbians now work in high technology than in the forestry sector.

The Province's impressive technology growth is beginning to extend beyond our borders. The value of high technology commodity exports, led by computers and telecommunications equipment, has begun to climb, outpacing the growth in technology commodity imports. There's no question that high technology represents both a driving force and an exceptional opportunity in our Province's continued economic surge.

Advantage's portfolios currently showcase more than a dozen of BC's most promising, emerging technology companies across the Advantage Venture Fund and the Advantage Technology Fund. In 2006, the Advantage Venture Fund made a number of investments including follow-on investments into Mobidia, Voice Mobility and Recombo. Currently, the Advantage Venture Fund is in the process of completing two follow-on investments, and one new investment. We've selected several of our technology portfolio companies to high-light in this quarter's issue.


The future looks bright for these companies and for the broader technology industry in BC. Indeed, recent polls have indicated that a majority of British Columbians believe that the technology sector represents the future of BC's economy. We are confident that we are well positioned and are looking forward to the continued growth of this vibrant and vital sector of BC's economy.

Frank Holler
CEO, BC Advantage Funds

2006 TAX CREDITS - SOLD OUT!

Advantage has had another successful fund raising season and sold more than its original \$10 million tax credit allocation for 2006. Based on strong demand for its shares, Advantage applied for and received an additional tax credit allocation and raised a total of \$13.4 million by the end of the 2006 RRSP season.

BRIGHTSIDE TECHNOLOGIES

 Brightside Technologies is a Vancouver based developer of High Dynamic Range (HDR) image technology that is focused on enabling the capture, distribution, and display of more vibrant video on mass-market LCD television sets, as well as front-projection and rear-projection televisions. The Dynamic Range of an image is the contrast ratio between its brightest and darkest regions. Conventional technology has difficulty capturing, storing and accurately displaying HDR scenes that include both bright and dark regions. BrightSide has developed a suite of HDR technologies that can be applied over the full imaging pipeline to address this problem.

In February, Brightside signed an agreement to be acquired by Dolby Laboratories. (NYSE: DLB) for cash consideration of approximately USD \$28 million. The transaction is subject to customary closing conditions and is expected to be completed prior to the end of June 2007.

Advantage is Brightside's only institutional investor and the company's sale to Dolby will provide Advantage with an approximate three times return on its investment. Advantage's successful investment in Brightside illustrates our model of investing early in companies with significant growth potential. We congratulate the Brightside team on this successful exit.

MOBIDIA



Mobidia is developing software for telecommunication carriers, such as a Telus, Verizon, Sprint, etc., that analyzes, prioritizes and assigns travelling "packets" of data so that wireless networks can carry them more effectively. The intended result is improved end-user service and more efficient network operation, with cost savings on both infrastructure and bandwidth. Simply put, it allows a carrier to better manage its wireless network and, more importantly from the carrier's perspective, it allows the carrier to charge for differentiated services.

PORTFOLIO UPDATES*

In November of 2006, Mobidia introduced its .wave™ (dot wave) multimedia services product set, an end-to-end solution enabling wireless carriers to offer user-generated content and video while improving the quality of the mobile user's experience. The solution improves performance by having the user's mobile device (ie. a cell phone) cooperate with the carrier's network, rather than by solving service performance management issues on a piecemeal basis and by working only in the carrier network. The goal is to provide the carrier with the ability to prioritize voice, data, audio, video and any other content pushed over its network, and charge the end-user for prioritized services.

Mobidia is led by Gary Tauss, its president and CEO. Gary has more than twenty years of experience in telecommunications, having held executive positions with TollBridge, Ramp Networks, GTE Spacenet Corporation, and BBN Communications Corporation. The company is private and based in Richmond, BC.

NXTGEN EMISSION CONTROLS



NxtGen Emission Controls is commercializing technology that significantly reduces Particulate Matter and Nitrous Oxide (NOx) pollution from diesel engines while enabling the operators to increase fuel economy by up to 10%. The NxtGen system looks much like a catalytic converter, is similar in size and is installed in a similar place in the vehicle as part of the exhaust system. The company's solution uses proprietary "Hydrogen based" technology to solve a key component of the emissions reduction problem. NxtGen is hoping to begin selling its product in late 2007 to emission system manufacturers who serve the retrofit market, and then to diesel engine manufacturers in 2008 or later.

The US Environmental Protection Agency and various US state governments, led by California, have imposed tight requirements on diesel engine manufacturers and operators that require drastic reductions in Particulate Matter and NOx emissions staged in between 2007 and 2010. These requirements have created a significant market opportunity for NxtGen's NOx and Particulate Matter emission reduction technology. NxtGen is in active discussions with leading engine manufacturers and aftertreatment companies and has received funding from the National Research Council of Canada to further develop this urgently needed industrial solution.

NxtGen was founded by former employees of Ballard Power Systems (TSE:BLD) and QuestAir Technologies, both leaders in Hydrogen technology. The Company is leveraging their expertise in fuel reforming and adsorber technology to deliver significant cost and performance advantages for diesel engine emission control. The Company is private and based in Burnaby, BC.

ABOUT ADVANTAGE

Advantage is a life sciences and technology fund that offers everyone in BC the opportunity to participate in returns from some of our Province's most promising emerging technology and life science companies. Investors receive a 30% refundable tax credit from the BC Government on investments of up to \$200,000 per year.

** Information on our portfolio companies is provided to us by the companies. This information should not be considered as a representation by Advantage of the particulars or prospects of those companies.*

PARASUN



Parasun Technologies provides cable system operators with software and support services to deliver high quality Broadband and related products and services. Parasun provides the industry's leading Broadband provisioning and management solutions for small and mid-tier cable network operators, including OSS software that integrates with the leading 3rd party billing providers, Hosted ISP services, VoIP support services, 24/7 Help Desk and Network Operations services. It is a full turn-key system that allows a small to mid-sized cable operator to offer various Broadband services and products to their end-users.

Parasun has customers in nearly every Canadian Province, and in close to half of the US States. Parasun now supports over 200 cable operations across North America. The company has tripled revenues since Advantage first invested, and is very profitable.

Parasun is led by Steven MacDonald, who brings over ten years of IT experience to the company. Steven was responsible for transitioning Parasun from a regional dial-up ISP into a market leader of outsourced Broadband Internet solutions for cable operators. The company is private, located in New Westminster, BC.

VOICE MOBILITY



Voice Mobility designs and markets communications solutions for enterprises and telecommunication service providers in the wireline, wireless and broadband markets. The Voice Mobility UCN solution provides highly scalable VoiceMail, Unified Messaging, Fax Services, Interactive Voice Response, and Auto-Attendant applications, as well as unique features allowing telecommunications providers to lower costs and provide new and enhanced service offerings. The company is partnered with Avaya (NYSE:AV), a billion dollar company and leading provider of IP telephony solutions. Voice Mobility offers its solution to Avaya, to be incorporated into Avaya's products.

In 2006, Voice Mobility added two seasoned telecommunication veterans to its Board of Directors - Gary Donahee, as Chairman, and Gerry Butters. Gary was formerly Executive VP and President of the Americas for Nortel Networks. Gerry was a senior executive at Nortel and Lucent, as well as former Chairman of a GTE and AT&T joint venture and President of NTI, a Nortel subsidiary. These two directors are seen as key additions to an already very strong Board.

Voice Mobility is lead by Randy Buchamer, who previously worked as a senior member of The Pattison Group. The company is public, listed on the Toronto Stock Exchange (TSX:VMY). The company is headquartered in Burnaby BC, with its development team located in Victoria, BC.

FOR MORE INFORMATION

For more information about BC Advantage Funds, contact your Investment Advisor or:

Ray Matthews

Vice President of Sales and Marketing
ray@bcadvantagefunds.com | (604) 818-7778

Please read our Prospectus and consult your investment and other advisors before investing.