

# 2021

ANNUAL REPORT





## INVESTEE HIGHLIGHT VENDASTA

\$6.7 MILLION | CONSUMER DISCRETIONARY

Vendasta is a software company based in Saskatoon, Saskatchewan that employs more than 500 people. About a third of Vendasta's staff work in Research & Development, producing and improving the company's platform and its accompanying in-house built digital products. Vendasta's core purpose is to drive local economies by democratizing technology for small- and medium-sized businesses (SMBs). Their partners use Vendasta's technology to market, sell, bill, fulfill, and deliver digital solutions to their SMB clients. Vendasta has worked with over 5 million local businesses, and partnered with over 60,000 global agencies, managed service providers, and media companies.

An end-to-end commerce platform for local experts who market, sell, fulfill, and deliver digital solutions to small and medium businesses.

## TO OUR VALUED SHAREHOLDERS,

As we bring an end to the Fund's fiscal 2021, we can't help but reflect on the hard work by our partners in stewarding our investee companies through a recovery following the challenges of 2020. The dedication and hard work that we have seen first-hand have strengthened our trust and relationship with our portfolio companies and shown that the Saskatchewan economy and businesses truly are world-class. In a time like this, more than ever, we are extremely proud to have supported Saskatchewan businesses for 20 years. We are grateful for the opportunity to continue our hard work in the province and make a difference to not only the business community, but to our valued shareholders.

We are incredibly humbled by the continued support from our shareholders, resulting in another early sell out in 2021, allowing us to put your investment to work, strengthening our existing portfolio companies and new investees.

Although the effects and implications of Covid-19 are still seen today, our consistent investment strategy has provided the Fund with a strong base to withstand the uncertainty of 2020. Now, we stand ready to benefit from the recovery across the economy as we emerge on the other side of this crisis. We have, for years, provided shareholders with a message of consistency and conservatism, in order to build a sustainable portfolio. The events of the last 2 years have shown the benefit of our strategy, as the Fund has weathered the storm admirably.

The Saskatchewan economy, like our communities, has shown resilience through uncertainty and is now poised for strong growth in the recovery. We believe that Saskatchewan is well-positioned for a period of expansion. It is a testament to the resiliency of our economy that businessowners and the workforce banded together providing goods and services to their communities and the world. It is exactly this commitment to hard work that makes us so proud to support and be part of the Saskatchewan community.

We see strong deal activity within Saskatchewan, and we continue to evaluate investment opportunities with the same consistency and rigour that you've come to trust over the past 20 years. Our investment team has a deep understanding through years of experience in different cycles, puts the Fund in a strong position and capable hands in the years to come.

Additionally, our strong portfolio provides opportunity for the Fund to provide follow-on financing to our existing partners, who have worked tirelessly over the past 24 months to protect their businesses in a time of uncertainty.

Saskatchewan's economy continues to diversify with a new generation of entrepreneurs and managers bringing forward innovative products and companies. SaskWorks continues to support this sector of the economy (across all industries) by partnering with strong management teams as a compliment to our more traditional portfolio.

2021 was a strong year for the Fund as we worked to navigate out of the downturn. Thank you again for your continued support of SaskWorks. We will continue to invest your capital strategically throughout the regions and industries that drive Saskatchewan's economy, aimed at generating consistent returns, while spurring growth, sustainability, and job creation in our Province for years to come. Please remember that the Fund may sell out earlier than it did in previous years. We recommend you invest early to ensure you receive your 2021 tax credit, along with your investment in SaskWorks.

Sincerely,

**Randy Beattie**  
President & CEO

**Terry Schneider**  
Chair

In a time like this, more than ever,  
we are extremely proud to have supported  
Saskatchewan businesses for 20 years.







## INVESTEE HIGHLIGHT ALL-FAB GROUP

\$11.7 MILLION | CONSUMER DISCRETIONARY

All-Fab Group serves a wide range of leading building contractors, regional dealers and building owners with a quality portfolio consisting of roof truss systems, floor systems, wall systems, engineered beams, laminated posts and stairs. The Investment provides SaskWorks with exposure to a stable product in Saskatchewan, and Western Canada with a positive growth outlook. All-Fab Group recently celebrated 50 years dedicated to excellence in all that they do. They want to thank their clients for the opportunity to work with them in building the community for the prosperity of families and businesses and look forward to 50 more years!



# MANAGEMENT REPORT OF FUND PERFORMANCE

This management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. The complete annual financial statements of the Fund are included later in this annual report or can be obtained, at no cost to you, by calling 1-306-791-4833, by writing to us at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan, S4P 0R3, or by visiting our website at [www.saskworks.ca](http://www.saskworks.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or annual report.

The Fund will provide promptly and without charge a Statement of Portfolio Transactions – Short-term, Long-term and Venture Investments (unaudited) upon request by any shareholder of the Fund at 1925 Victoria Avenue, 2nd Floor, Regina, Saskatchewan, S4P 0R3.

The purpose of this section is to summarize the performance of SaskWorks Venture Fund Inc. ("SaskWorks" or "the Fund") for the year ended August 31, 2021.

Unless otherwise indicated, references to amounts at August 31, 2021 or to the year ended August 31, 2021 are specific to the Fund's Class A shares and Class R shares in aggregate.

SaskWorks is a publicly accountable enterprise and investment fund to which the Canadian Securities Administrators' National Instrument 81-106, "Investment Fund Continuous Disclosure" is applicable and International Financial Reporting Standards ("IFRS") apply.

Beginning January 2016, the Fund began offering its Class A and Class R shares in series. Class A Series A and Class R Series A shares have a sales and trailer commission associated with them while Class A Series F and Class R Series F do not.

Net assets attributable to holders of redeemable shares per share for each series is calculated at the end of each week by dividing the net assets attributable to holders of redeemable shares for each series by its outstanding shares. The net assets attributable to holders of redeemable shares of each series of a class is computed by calculating the value of the series-specific assets and the series' proportionate share of the class's common assets less the series-specific liabilities and the series' proportionate share of the class's common liabilities. Income and expenses directly attributable to a series are charged to that series while common class income and expenses and realized and unrealized gains and losses are allocated to each series. A proportionate share of or allocation to each series of a class is based on that series' pro rata share of the total share capital of that class as at the latest weekly net asset valuation.

## COVID-19

At August 31, 2021 the future economic impacts of the COVID-19 pandemic on SaskWorks' investees were not yet known. Venture investment valuations at August 31 reflect the effects to date which in most cases resulted in a reversal of the negative adjustments recorded during the early stages of the pandemic in 2020. However, additional adjustments after August 31, 2021, may be necessary as the full impact becomes known and is better understood. If additional adjustments are required because of COVID-19, it is expected these will have a negative effect on the net assets of both Class A and Class R shares. Any additional negative adjustments may be temporary and could reverse if the economy continues to improve.

Investment activity, both placement and exits, is up in 2021 compared to 2020 when the pandemic negatively influenced activity. Overall investment and divestment activity tends to slow in times on acute uncertainty. Income from venture investments was less impacted with most investees able to maintain their contractual and other payments to the Fund in 2021 and 2020.

## INVESTMENT OBJECTIVE AND STRATEGIES (in thousands of dollars)

The Fund invests in small and medium-sized Saskatchewan eligible businesses, with the objective of achieving long term capital appreciation and/or a recurring income stream. The Fund may also participate in investment groups and consortia in situations where an investment opportunity involves a larger investment than the Fund is allowed or believes prudent to make by itself.

Under *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) ("the Saskatchewan Act"):

- eligible investments for the Fund ("eligible investments") are investments in

eligible businesses, defined as taxable corporations or limited partnerships that carry on business in Saskatchewan, that together with related corporations or limited partnerships, do not have more than 500 employees, and that in the taxation year preceding the investment paid at least 25% of all their wages and salaries to employees of their permanent establishment in Saskatchewan;

- direct investments in public companies with a market capitalization of \$500,000 or more are prohibited. Once an investment has over \$500,000 in capitalization, such investment must be disposed of within five years from the end of the fiscal year of the Fund of such acquisition or merger;
- new investment in agricultural land acquired primarily for rental or leasing purposes is prohibited; and
- the Fund is required to have innovation sector investment exposure of 25% of annual net capitalization defined as annual capital raised within the Fund less annual capital redeemed, multiplied by the Fund's 75% pacing requirement.

The Fund may not invest more than 10% of the net assets attributable to the holders of redeemable Class A and Class R shares of the Fund in any one eligible business and may not invest in an eligible business if the Fund and the eligible business are not at arm's length, within the meaning of the Saskatchewan Act. In respect of any investment, the Fund will take into consideration any anticipated follow-on or subsequent investment, either by way of debt or equity. Such a subsequent investment will typically be made only if the investee meets certain tests, such as timing and performance targets that were fixed at the date of the original investment in the eligible business.

The Fund will seek out eligible investments in both rural and urban centers throughout Saskatchewan.

Desirable investment opportunities for the Fund are businesses that provide an opportunity for a return on investment commensurate with the perceived risk. It is anticipated that investments will be in businesses which are at one of the following stages of development:

- **Expansion Financing.** Investment in businesses that require financing to expand sales, or to launch a new product or service.
- **Management/Employee Buyouts.** Investment where the proceeds of the financing are used to acquire control of a business that has significant expansion potential that can be realized by adding new management and capital.
- **Restructurings or Turnarounds.** Investment in businesses which have the potential to succeed if additional investment is received and/or changes in management, staffing, operations, or marketing strategies are made.
- **Early-Stage Investments.** Investment will be in businesses which have been in operation for a period but have not yet fully developed their product or service. Typically, funding will be required to address limitations or opportunities that have been identified after the initial business plan.

Prospective eligible investments will be expected to demonstrate some or all of the following characteristics:

- a strong and experienced management team which is financially committed to and rewarded by the company's success;
- a strong competitive position because of superior technology, innovative products, comparative cost advantage, established market position, significant barriers to entry and/or dominant distribution in its market;

- with respect to expansion funding, a reasonable expectation of earnings growth based on past financial performance or a strong likelihood of new market success;
- with respect to start up or early-stage funding, a sound business concept or plan which presents a convincing opportunity to establish a comparative business advantage in a growth market;
- with respect to term debt, a reasonable level of unencumbered and disposable net asset security coverage and good interest/ principal coverage being generated from current cash flows;
- with respect to subordinated debt funding, a satisfactory level of current cash flow interest coverage with the likelihood for near term coverage improvement; and,
- with respect to management buyout opportunities, a strong current cash flow position coupled with the opportunity for near term earnings improvement resulting from a competitively enhanced new business or operating environment.

The Fund's Class A shares will attempt to reduce overall risk by diversification of investments in various sectors within Saskatchewan including:

- Value-added agricultural;
- Manufacturing;
- Oil and gas development and related services;
- Industrial minerals;
- Forestry;
- Destination tourism; and,
- Information technology.

The Fund's Class R shares focus on investments in the Province's resources sector - specifically oil and gas development, related services, and mining.

The form of the Fund's investments is selected and negotiated after considering the investment criteria and guidelines of the Fund, the long-term requirements of the investee business, the stage of development

of the investee business, the investee business' requirements, the ability to negotiate down-side protection, and tax considerations. The Fund diversifies its investment portfolio using such instruments, among others, as common shares, convertible debentures, convertible preferred shares, debt with equity participation, secured debt, funded loan guarantees and bridge loans.

Where the Fund makes an investment by way of a loan, such investment is expected to be secured by a charge over the investee business' assets but may be subordinated to other lenders' security.

The Fund may guarantee loans of eligible businesses and in such circumstances the making of such loan would permit the growth and development of the business without the Fund being the primary investor. The aggregate of loan guarantees may not exceed 10% of the Fund's total assets at the time each loan guarantee is provided. The Fund intends to maintain a liquid reserve of 25% of the guaranteed amount on any loan guarantees. The Fund will maintain liquid reserves in term deposits and high-quality government and corporate debt obligations.

To the extent possible, investments are diversified by the expected holding period of the investment. Generally, the average holding period is expected to be five to eight years. The Fund may choose to refinance its investment through an arm's length third party where the expected return can be achieved in a shorter time frame. All investment recommendations will include a strategy for realization on investments made. Possible exit strategies include the following:

- refinancing with conventional lenders or leasing companies;
- sale of the business or investment to a third-party;
- a public offering; and,
- sale of the investment back to the business or its principals through exercise of a put or call contractual provision included within the equity securities arrangement.



MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

RISK  
(in thousands of dollars)

The primary risk related to an investment in the Fund is the fact that the Fund must continually identify and evaluate investment opportunities that meet its eligibility criteria. A further risk is that many of these investments are made in small and medium sized private companies that are by their nature illiquid. In addition, the process of valuing private investments is more complex and subjective than that of valuing publicly traded securities.

Over the course of the year ended August 31, 2021, the Fund continued to demonstrate its ability to identify and close on eligible venture investment opportunities. The Fund's Class A shares purchased \$22,745 (2020 – \$8,389) and the Class R shares purchased \$nil (2020 - \$nil) of venture investments.

In addition, \$6,919 has been committed by the Fund's Class A shares and \$410 by Class R shares to future, but not yet disbursed, transactions.

With respect to liquidity risk, the Fund continues to exit its investments, with \$19,207 (2020 – \$4,819) at cost in dispositions of venture investments from Class A and \$3,130 (2020 – \$899) at cost from Class R shares during the year ended August 31, 2021. These exits resulted in a \$37,074 (2020 – \$12,069) net gain for the Class A shares and a \$nil net gain (2020 – \$nil) for the Class R shares over the life of those investments.

With respect to valuation risk, since inception, the Fund has not exited an investment, whether at a loss or for a gain, at an amount materially less than the carrying value of that investment.

RESULTS OF OPERATIONS  
(in thousands of dollars, except for per share amounts)

The Fund decreased its Class A venture investment portfolio at fair value by \$4,909 (2020 – 24,151) and increased its Class R portfolio by \$14,490 (2020 – decreased \$10,833) over the year ended August 31, 2020.

Venture investments, at cost, made up 51.5% of Class A's and 78.1% of Class R's net assets attributable to holders of redeemable shares at August 31, 2021, as compared to 59.1% of Class A's and 100.7% of Class R's net assets at August 31, 2020. Venture investments at fair value (cost plus/minus unrealized appreciation/depreciation) comprised 68.9% of Class A's and 102.6% of Class R's net assets at August 31, 2021, as compared to 73.2% of Class A's and 78.7% of Class R's net assets at August 31, 2020.

The Fund's cash, long-term, and short-term investments totaled \$152,913 (2020 – \$123,904) in Class A and \$4,855 in Class R (2020 – \$10,736). When the Fund's objective of maintaining a proportion of share capital in investment grade securities and approved but undisbursed transactions are considered, \$101,232 (2020 – \$74,064) for Class A and \$nil (2020 – \$nil) for Class R of these cash, long-term, and short-term investment balances are available for investment in venture transactions. A relatively large cash balance must be maintained to support follow on investments with the Fund's portfolio of investee companies. Lastly, a reserve is maintained to satisfy potential redemption requests related to shares that have matured, but which remain outstanding.

The loan receivable attributable to Class A shares decreased to \$9,073 (2020 – \$9,625) at August 31, 2021 and the loan receivable attributable to Class R shares decreased to \$808 (2020 – \$1,110). The loan receivable is due from Conexus Credit Union which is the party responsible for administering and paying the base and additional commissions to the Fund's agent and subagents. The loan increases as commissions are paid on new share sales and decreases as Conexus makes annual repayments.

The accrued provision for incentive participation amount increased from \$35,046 in Class A and \$2,845 in Class R at August 31, 2020 to \$43,406 in Class A and \$6,543 in Class R at August 31, 2021. These changes are due to the performance of the portfolio over the year ended August 31, 2021, and the payment to the fund manager in September 2020 of a portion of the accrued bonus that pertained to realized gains occurring in the 2020 fiscal year. Of the incentive participation amount at August 31, 2021, \$14,143 (Class A) and \$nil (Class R) relates to profitably exited investments which meet the incentive participation amount criteria. The balance is an accrual amount dependent on the future carrying values and performance of the remaining venture investment portfolio.

Proceeds from the issuance of Class A Series A shares was \$32,933 during the year ending August 31, 2021, an 8.1% increase over the same period in 2020. Proceeds from the issuance of Class R Series A shares was \$982 during the year ending August 31, 2021, a 24.4% decrease over 2020. Proceeds on the issue of Class A Series F shares were \$2,860 (2020 – \$2,080) and proceeds on issue of Class R Series F were \$36 (2020 – \$22) for the same period.

Redemptions of Class A Series A shares were \$56,177 during the year ending August 31, 2021, compared to \$45,544 during the same period in 2020. Redemptions of Class R Series A shares were \$9,064 during the year ending August 31, 2021, as compared to \$12,192 for the same period in 2020. Redemptions of Class A Series F shares were \$49 (2020 – \$12) during the period. The number of shares redeemed are expected to increase over the next several years as shares purchased during the Fund's highest sales years mature. As in past years, a significant portion of the shareholders who redeemed shares during the period re-invested in the Fund.


The Fund's revenues related to Class A shares decreased from \$12,482 for the year ended August 31, 2020, to \$11,324 for the same period in 2021 and the revenues related to Class R shares decreased from \$709 in 2020 to \$195 in 2021. As a component of revenues, income from the Fund's venture investments decreased from \$9,046 to \$8,750 for Class A shares and decreased from \$365 to \$122 for Class R shares over the reporting period. The decrease in income from venture investments in Class A and Class R was a result of a change in the number of income-producing investments in the portfolio as well as the magnitude of payments from some investments that are using cash for other purposes.

The expenses of the Fund, excluding incentive participation amount, related to Class A shares decreased from \$16,430 for the year ended August 31, 2020, to \$15,653

in 2021 and the expenses related to Class R shares decreased from \$2,297 in 2020 to \$1,819 in 2021. Most of the Fund's recurring expenses are a function of amount of net assets throughout the year or the level of share activity during the year. As net assets and/or share activity increase or decrease so to do those recurring expenses increase or decrease.

The net investment loss of the Fund attributable to Class A shares for the year, before gains and losses on dispositions of venture investments, net changes in unrealized appreciation on venture investments and provision for incentive participation amount, was \$5,241 (2020 – \$4,857). Once gains and losses on dispositions of venture investments, the net change in unrealized appreciation on venture investments, and the provision for incentive participation amount is considered, the Class A shares had an increase in net assets from operations for the year of \$36,279 (2020 – decrease \$19,553). The comparative period in 2021 featured significantly more unrealized appreciation gains than the same period in 2020 as the investment portfolio recovered from the pandemic.

The net investment loss of the Fund attributable to Class R shares for the year, before gains and losses on dispositions of venture investments, net changes in unrealized appreciation on venture investments and provision for incentive participation amount, was \$1,643 (2020 – \$1,661). When gains and losses on dispositions of venture investments, the net change in unrealized appreciation on venture investments, and the provision for incentive participation amount are considered, the Class R shares had an increase in net assets attributable to the R shares from operations for the year of \$12,731 (2020 – decrease \$9,895). This increase is attributable to significantly more appreciation on the investment portfolio as investee companies recovered from the pandemic.



INVESTEE HIGHLIGHT

THE WIRELESS AGE

\$833,000 | CONSUMER DISCRETIONARY

IM Wireless Communications Ltd., a SaskTel authorized dealer, is the parent company of The Wireless Age and The Wireless Source, providing cellular and telecommunications solutions, products and services across Saskatchewan with locations in Regina, Saskatoon, Martensville, Humboldt, Yorkton, Esterhazy and Meadow Lake. The company has consistently grown its customer base and is constantly looking for different ways to add new revenue streams to the business model. Since our initial investment, revenue and EBITDA have grown significantly, providing strong, consistent cashflows to shareholders.



MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

RECENT DEVELOPMENTS

(in thousands of dollars)

At the Fund’s Annual General Meeting of Shareholders held on December 18, 2020, the Fund’s sponsor, as the holder of the Class B shares, resolved to re-elect Daryl Schwartz and Kathy Zwick as directors for a three-year term. The holders of Class A and R shares resolved to re-elect Brent Banda and elect Jan McLellan Folk as directors, each for a three-year term.

National Instrument 81-107 (“NI 81-107”) requires an Independent Review Committee to be established which is mandated to review conflict of interest situations which may arise for a fund manager, particularly in cases where management involves different segments within a fund and/or management of related funds.

In accordance with NI 81-107, the initial members of the Independent Review Committee were appointed by SaskWorks by May 1, 2007, and full compliance with NI 81-107 was achieved by November 1, 2007. Effective May 1, 2007, the

Manager established an Independent Review Committee comprised of three independent and unrelated persons, appointed on a rotating term basis. The three members of the Independent Review Committee are Berny Gross, of Regina, Saskatchewan, an entrepreneur, and owner of a mechanical contracting company, (term expires November 2022); William Johnson, Q.C., B.A., LL.B., B.C.L. (OXON), lawyer and partner of the law firm of Gerrand Rath Johnson of Regina, Saskatchewan (term expires November 2023); and Douglas Johnson, CPA, CA, of Regina, Saskatchewan (term expires November 2023).

The Independent Review Committee is responsible to report annually to shareholders and an annual committee report is required to be filed on SEDAR. This annual committee report was made available to shareholders following the August 31, 2020, fiscal year end.

The Provincial Government continues its support for the labour-sponsored program in Saskatchewan, with the provincial tax credit at 17.5% and a maximum annual sales cap of \$35,000. The federal tax credit remains at 15%.

The Provincial Government announced continued support for the labour-sponsored program in Saskatchewan, with the provincial tax credit remaining steady at 17.5% and a maximum annual sales cap of \$35 million. The federal tax credit remains at 15%.

RELATED PARTY TRANSACTIONS

(in thousands of dollars)

PFM Venture Capital Operations Inc., the manager of the Fund, was paid \$9,674 (2020 – \$10,086) in management fees, including applicable taxes, related to Class A shares and \$1,055 (2020 – \$1,278) in management fees, including applicable taxes, related to Class R during the year ended August 31, 2021. In addition, the provision for the incentive participation amount payable to the manager, subject to the fulfillment of specific payment criteria, increased \$8,360 related to Class A shares and \$3,698 related to Class R shares for the 2021 fiscal year, to a total provision, including applicable taxes, of \$43,406 in Class A and \$6,543 in Class R.

FINANCIAL HIGHLIGHTS

(in thousands of dollars except number of shares and per share amounts)

The following tables show selected key financial information about the Fund’s share class series and are intended to help you understand the Fund’s annual (or interim if indicated) financial performance for the past five years. This information is derived from the Fund’s annual audited or interim financial statements.

The Fund’s Net Assets per Class A Shares

Series A	2021	2020	2019	2018	2017
Net Assets, beginning of period <sup>(1)</sup>	\$ 19.99	\$ 21.07	\$ 20.79	\$ 18.24	\$ 15.82
<b>Increase (decrease) from operations: <sup>(2)</sup></b>					
Total revenue	\$ 0.62	\$ 0.67	\$ 0.60	\$ 0.65	\$ 0.57
Total expenses	\$ (1.46)	\$ (0.88)	\$ (1.19)	\$ (1.84)	\$ (1.61)
Realized gains (losses) for the period	\$ 2.02	\$ 0.64	\$ 0.61	\$ 3.97	\$ 1.45
Unrealized gains (losses) for the period	\$ 0.79	\$ (1.48)	\$ 0.26	\$ (0.24)	\$ 2.02
<b>Total increase (decrease) from operations</b>	<b>\$ 1.97</b>	<b>\$ (1.05)</b>	<b>\$ 0.28</b>	<b>\$ 2.54</b>	<b>\$ 2.43</b>
<b>Net Assets, end of period <sup>(1)</sup></b>	<b>\$ 22.03</b>	<b>\$ 19.99</b>	<b>\$ 21.07</b>	<b>\$ 20.79</b>	<b>\$ 18.24</b>

Series F	2021	2020	2019	2018	2017
Net Assets, beginning of period <sup>(1)</sup>	\$ 22.23	\$ 23.04	\$ 22.20	\$ 18.96	\$ 16.01
<b>Increase (decrease) from operations: <sup>(2)</sup></b>					
Total revenue	\$ 0.96	\$ 0.63	\$ 2.21	\$ 0.80	\$ 1.02
Total expenses	\$ (2.26)	\$ (0.83)	\$ (4.43)	\$ (2.26)	\$ (2.84)
Realized gains (losses) for the period	\$ 3.14	\$ 0.61	\$ 2.28	\$ 4.88	\$ 2.56
Unrealized gains (losses) for the period	\$ 1.24	\$ (1.40)	\$ 0.96	\$ (0.29)	\$ 3.57
<b>Total increase (decrease) from operations</b>	<b>\$ 3.08</b>	<b>\$ (0.99)</b>	<b>\$ 1.02</b>	<b>\$ 3.13</b>	<b>\$ 4.31</b>
<b>Net Assets, end of period <sup>(1)</sup></b>	<b>\$ 25.00</b>	<b>\$ 22.23</b>	<b>\$ 23.04</b>	<b>\$ 22.20</b>	<b>\$ 18.96</b>


<sup>(1)</sup> This information is derived from the Fund’s audited annual and unaudited interim (if applicable) financial statements.  
<sup>(2)</sup> Net assets is based on the actual number of shares outstanding at the relevant time. The increase from operations is based on the weighted average number of shares outstanding over the financial period.

INVESTEE EXIT

CALTEX RESOURCES

\$6.9 MILLION | ENERGY

Caltex Resources Ltd. (“Caltex”) is an oil & gas company focused on the exploration, development, and acquisition of heavy oil properties in Saskatchewan and Alberta. SaskWorks initially gained exposure to Caltex through vending in a small heavy oil weighted producer in 2012 and consistently participated in all rounds of subsequent financing and any secondary share transactions when available. On Sept 15th Caltex announced a plan of arrangement with Stathcona Resources which would see it acquire Caltex for \$660 million cash scheduled to close on or around November 30, 2021.





MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

Ratios and Supplemental Data - Class A Shares

Series A	2021	2020	2019	2018	2017
Total net asset value (000's) <sup>(1)</sup>	\$ 368,742	\$ 357,227	\$ 391,481	\$ 395,181	\$ 348,978
Number of shares outstanding <sup>(1)</sup>	16,739,497	17,869,854	18,576,382	19,006,174	19,128,069
Management expense ratio <sup>(2)</sup>	7.27%	4.29%	6.06%	9.29%	9.64%
Management expense ratio excluding IPA <sup>(3)</sup>	4.27%	4.29%	4.22%	4.25%	4.32%
Trading expense ratio <sup>(4)</sup>	0.00%	0.00%	0.01%	0.07%	0.40%
Net asset value per share	\$ 22.03	\$ 19.99	\$ 21.07	\$ 20.79	\$ 18.24

Series F	2021	2020	2019	2018	2017
Total net asset value (000's) <sup>(1)</sup>	\$ 14,142	\$ 9,814	\$ 8,131	\$ 5,756	\$ 2,966
Number of shares outstanding <sup>(1)</sup>	565,649	441,402	352,955	259,165	156,362
Management expense ratio <sup>(2)</sup>	5.81%	3.10%	5.26%	7.82%	7.81%
Management expense ratio excluding IPA <sup>(3)</sup>	3.33%	3.10%	3.64%	3.53%	3.43%
Trading expense ratio <sup>(4)</sup>	0.00%	0.00%	0.01%	0.07%	0.40%
Net asset value per share	\$ 25.00	\$ 22.23	\$ 23.04	\$ 22.20	\$ 18.96

<sup>(1)</sup> This information is provided as at end of fiscal period shown.

<sup>(2)</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

<sup>(3)</sup> Management expense ratio excluding Incentive Participation Amount (IPA) is based on total expenses, less incentive participation amount, for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

<sup>(4)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net asset value during the period.

The Fund's Net Assets per Class R Shares

Series A	2021	2020	2019	2018	2017
Net Assets, beginning of period <sup>(1)</sup>	\$ 9.46	\$ 11.65	\$ 11.57	\$ 11.43	\$ 11.85
Increase (decrease) from operations: <sup>(2)</sup>					
Total revenue	\$ 0.05	\$ 0.14	\$ 0.18	\$ 0.16	\$ 0.17
Total expenses	\$ (1.38)	\$ (0.14)	\$ (0.76)	\$ (0.85)	\$ (0.70)
Realized (losses) gains for the period	\$ (0.48)	\$ -	\$ 1.45	\$ (0.32)	\$ 0.48
Unrealized gains (losses) for the period	\$ 4.99	\$ (2.02)	\$ (0.79)	\$ 1.15	\$ (0.37)
Total increase (decrease) from operations	\$ 3.18	\$ (2.02)	\$ 0.08	\$ 0.14	\$ (0.42)
Net Assets, end of period <sup>(1)</sup>	\$ 12.93	\$ 9.46	\$ 11.65	\$ 11.57	\$ 11.43

Series F	2021	2020	2019	2018	2017
Net Assets, beginning of period <sup>(1)</sup>	\$ 10.45	\$ 12.16	\$ 11.96	\$ 11.73	\$ 12.03
Increase (decrease) from operations: <sup>(2)</sup>					
Total revenue	\$ 0.05	\$ 0.13	\$ 0.54	\$ 0.26	\$ 0.23
Total expenses	\$ (1.53)	\$ (0.13)	\$ (2.29)	\$ (1.40)	\$ (0.94)
Realized (losses) gains for the period	\$ (0.53)	\$ -	\$ 4.34	\$ (0.53)	\$ 0.65
Unrealized gains (losses) for the period	\$ 5.53	\$ (1.82)	\$ (2.35)	\$ 1.89	\$ (0.49)
Total increase (decrease) increase from operations	\$ 3.52	\$ (1.82)	\$ 0.24	\$ 0.22	\$ (0.55)
Net Assets, end of period <sup>(1)</sup>	\$ 13.53	\$ 10.45	\$ 12.16	\$ 11.96	\$ 11.73

<sup>(1)</sup> This information is derived from the Fund's audited annual and unaudited interim (if applicable) financial statements.

<sup>(2)</sup> Net assets is based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period.

Ratios and Supplemental Data - Class R Shares

Series A	2021	2020	2019	2018	2017
Total net asset value (000's) <sup>(1)</sup>	\$ 44,954	\$ 40,354	\$ 61,118	\$ 70,004	\$ 73,411
Number of shares outstanding <sup>(1)</sup>	3,477,145	4,266,594	5,245,264	6,052,222	6,425,411
Management expense ratio <sup>(2)</sup>	13.70%	1.40%	6.82%	7.50%	6.07%
Management expense ratio excluding IPA <sup>(3)</sup>	4.52%	4.71%	4.69%	4.85%	4.79%
Trading expense ratio <sup>(4)</sup>	0.00%	0.00%	0.03%	0.08%	0.00%
Net asset value per share	\$ 12.93	\$ 9.46	\$ 11.65	\$ 11.57	\$ 11.43

Series F	2021	2020	2019	2018	2017
Total net asset value (000's) <sup>(1)</sup>	\$ 218	\$ 135	\$ 135	\$ 78	\$ 50
Number of shares outstanding <sup>(1)</sup>	16,117	12,912	11,072	6,582	4,321
Management expense ratio <sup>(2)</sup>	10.97%	1.00%	5.51%	5.89%	4.49%
Management expense ratio excluding IPA <sup>(3)</sup>	3.49%	3.27%	3.80%	3.81%	3.53%
Trading expense ratio <sup>(4)</sup>	0.00%	0.00%	0.03%	0.08%	0.00%
Net asset value per share	\$ 13.53	\$ 10.45	\$ 12.16	\$ 11.96	\$ 11.73

<sup>(1)</sup> This information is provided as at end of fiscal period shown.

<sup>(2)</sup> Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

<sup>(3)</sup> Management expense ratio excluding Incentive Participation Amount (IPA) is based on total expenses, less incentive participation amount, for the stated period and is expressed as an annualized percentage of average weekly net asset value during the period.

<sup>(4)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net asset value during the period.



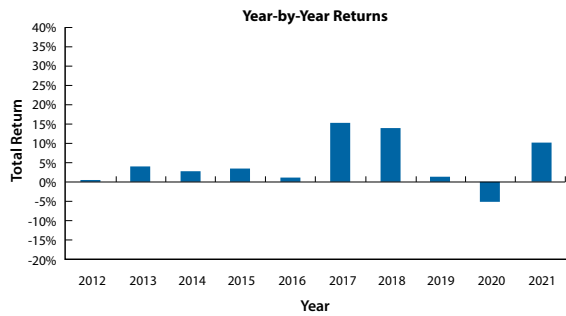
MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

MANAGEMENT FEES

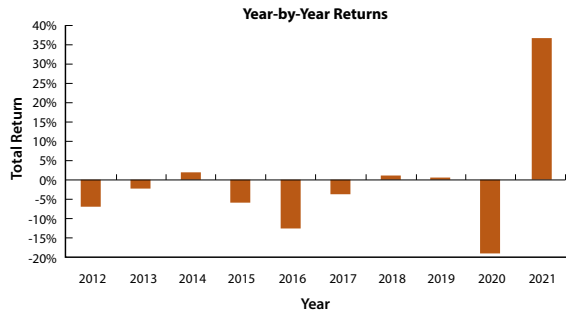
The manager (PFM Venture Capital Operations Inc.), as compensation to manage and administer the business affairs of SaskWorks, including management of its’ venture investment portfolio, receives an annual management fee equal to 2.5% of the aggregate net asset value of the Class A Series A, Class A Series F, Class R Series A and Class R Series F shares, as at each weekly valuation date. The fee is calculated and payable monthly in arrears.

The manager is also entitled to an incentive participation amount, subject to satisfying certain conditions, equal to 20% of the return, before expenses, based on realized gains and cumulative performance of individual venture investments. An incentive participation amount is due only upon realization of an individual venture investment and payable on an annual basis.

Class A Series A Shares



Class R Series A Shares



PAST PERFORMANCE

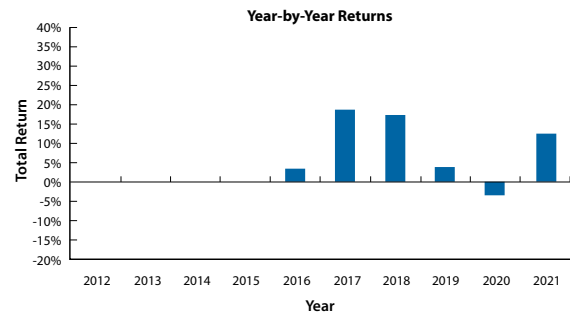
General

The past performance of the Fund does not necessarily indicate how the Fund will perform in the future

The following charts illustrate:

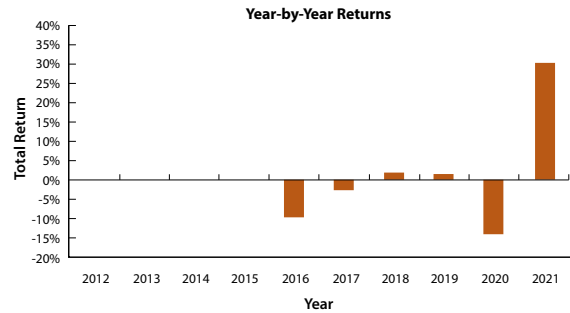
- the annualized performance of each series of class of shares for the periods shown, and how the series’ performance has changed from period to period (September 1 to August 31 or September 1 to February 28/29 for interim); and
- in percentage terms, how much an investment made in each series of shares on the first day of each fiscal period (September 1) would have increased or decreased by the last day of the fiscal period (August 31 or February 28/29 for interim).

Class A Series F Shares



Class A Series F shares were first available for sale beginning January 1, 2016.

Class R Series F Shares



Class R Series F shares were first available for sale beginning January 1, 2016.

ANNUAL COMPOUND RETURNS

The table below shows the annual compound returns of the Fund for varying time periods for each of the years since the inception of the Fund. The Canadian Investment Funds Standards Committee (“CIFSC”) Retail Venture Capital Index is used as a reference. Funds in the Retail Venture Capital Index include but are not limited to Labour Sponsored Investment Funds (LSIF) and other related funds that receive special tax benefits for investing in Canadian venture capital.

Class A Series A	2021	2020	2019	2018	2017
One year	10.19%	(5.14%)	1.36%	13.97%	15.32%
Three year	1.94%	3.09%	10.03%	9.95%	6.47%
Five year	6.84%	5.03%	6.87%	7.17%	5.23%
Ten year	4.54%	4.17%	5.16%	5.02%	5.55%
Since inception	3.83%	3.52%	4.00%	4.15%	3.60%

Class A Series F <sup>(1)</sup>					
One year	12.45%	(3.52%)	3.75%	17.09%	18.45%
Three year	4.04%	5.45%	12.90%	12.34%	
Five year	9.33%	7.26%			

Class R Series A					
One year	36.69%	(18.83%)	0.74%	1.24%	(3.59%)
Three year	3.78%	(6.10%)	(0.56%)	(5.09%)	(7.32%)
Five year	1.76%	(6.91%)	(4.08%)	(3.83%)	(4.48%)
Ten year	(1.74%)	(3.77%)	(0.99%)	(0.75%)	1.58%
Since inception	1.62%	(0.37%)	1.10%	1.13%	1.12%

Class R Series F <sup>(1)</sup>					
One year	29.47%	(14.02%)	1.62%	2.02%	(2.57%)
Three year	4.20%	(3.76%)	0.34%	(2.38%)	
Five year	2.37%	(4.06%)			

CIFSC Retail Venture Capital Index <sup>(2)</sup>					
One year	3.37%	(27.53%)	(9.57%)	(1.67%)	(2.48%)
Three year	(4.85%)	(13.53%)	(5.08%)	(2.88%)	(10.09%)
Five year	(1.88%)	(11.53%)	(8.62%)	(7.14%)	(10.51%)
Ten year	(1.96%)	(7.12%)	(7.60%)	(8.24%)	(8.61%)

<sup>(1)</sup> Class A Series F and Class R Series F were first offered for sale beginning January 1, 2016.

<sup>(2)</sup> Average return of the CIFSC Retail Venture Capital Index combining Retail Venture Capital Funds.



MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

SUMMARY OF INVESTMENT PORTFOLIO

(in thousands of dollars)

The table below summarizes the 25 largest investment holdings of the Fund's Class A Shares.

	Investee	Coupon	Description of Security/Maturity	Investment at cost	% of net asset value
1	Steel Reef Infrastructure Fund		Class A common, voting shares	\$ 39,690	10.37%
2	Auctus Property Fund LP		Partnership units	14,845	3.88%
3	All-Fab Building Components Inc.		Class A common, voting shares	11,685	3.05%
4	Hi-Tec Profiles Inc.		Class A common, voting shares	11,404	2.98%
5	Agco Ag Ventures LP		Partnership units	9,462	2.47%
6	TAM International Inc.		Class A common, voting shares	8,770	2.29%
7	Firesky Energy Inc.		Class A common, voting shares	7,480	1.95%
8	James Hill Road Villa LP		Partnership units	7,208	1.88%
9	Vendasta Technologies Inc.		Preferred shares	6,664	1.74%
10	James Hill Road Villa LP	4.05%	On demand	5,429	1.42%
11	Affinity Credit Union Term Deposit	1.25%	14-Sep-22	5,000	1.31%
12	Concentra Bank Term Deposit	1.35%	26-Oct-22	5,000	1.31%
13	Affinity Credit Union Term Deposit	1.20%	16-Dec-22	5,000	1.31%
14	TCU Financial Group Credit Union Term Deposit	1.40%	9-Apr-23	5,000	1.31%
15	Conexus Credit Union Term Deposit	1.85%	13-Sep-21	5,000	1.31%
16	Concentra Bank Term Deposit	2.99%	25-Oct-21	5,000	1.31%
17	Concentra Bank Term Deposit	1.20%	26-Nov-21	5,000	1.31%
18	Weyburn Credit Union Term Deposit	2.75%	18-Dec-21	5,000	1.31%
19	New Community Credit Union Term Deposit	3.25%	9-Jan-22	5,000	1.31%
20	Concentra Bank Term Deposit	1.57%	18-Feb-22	5,000	1.31%
21	Weyburn Credit Union Term Deposit	1.10%	29-Mar-22	5,000	1.31%
22	Concentra Bank Term Deposit	1.26%	26-Apr-22	5,000	1.31%
23	Conexus Credit Union Term Deposit	2.00%	13-Jun-22	5,000	1.31%
24	Affinity Credit Union Term Deposit	1.15%	16-Aug-22	5,000	1.31%
25	Affinity Credit Union Term Deposit	1.15%	18-Aug-22	5,000	1.31%
				<b>\$ 197,637</b>	<b>51.68%</b>

The following table provides a breakdown of the Fund's Class A Shares venture investment portfolio by industry sector.

Sector	Cost	% of Venture Portfolio
Energy	\$ 74,987	38.04%
Industrials, Information Technology, Telecommunications and Consumer Staples	53,940	27.36%
Financials	40,749	20.67%
Consumer Discretionary	27,456	13.93%
	<b>\$ 197,132</b>	<b>100.00%</b>

The table below summarizes the investment holdings of the Fund's Class R Shares.

	Investee	Coupon	Description of Security/Maturity	Investment at cost	% of net asset value
1	Firesky Energy Inc.		Class A common, voting shares	\$ 9,166	20.29%
2	Avalon Oil & Gas Ltd.		Class A common, voting shares	5,670	12.55%
3	Stampede Drilling Inc.		Class A common, voting shares	4,735	10.48%
4	Steel Reef Infrastructure Fund		Class A common, voting shares	3,735	8.27%
5	Caltex Resources Ltd.		Class A common, voting shares	3,019	6.68%
6	Karve Energy Inc.		Class A common, voting shares	3,000	6.64%
7	Spur Petroleum Ltd.		Class A common, voting shares	1,798	3.98%
8	Chronos Resources Ltd.		Class A common, voting shares	1,474	3.26%
9	Burgess Creek Exploration Inc.		Class A common, voting shares	1,430	3.17%
10	Sun Country Well Servicing Inc.		Class A common, voting shares	1,000	2.21%
11	TAM International Inc.		Class A common, voting shares	186	0.41%
12	Gidon Royalty Corp.		Class A common, voting shares	74	0.16%
				<b>\$ 35,287</b>	<b>78.10%</b>

The following table provides a breakdown of the Fund's Class R Shares venture investment portfolio by industry sector.

Sector	Cost	% of Venture Portfolio
Energy	\$ 35,286	100.00%
	<b>\$ 35,286</b>	<b>100.00%</b>



# MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of **SaskWorks Venture Fund Inc.**:

The accompanying financial statements of **SaskWorks Venture Fund Inc.** (the “Fund”) and other financial information contained in the annual report are the responsibility of management. The financial statements have been prepared by management based on the information available to October 14, 2021, are in accordance with International Financial Reporting Standards, and reflect management’s best estimates and judgments.

Management has established systems of internal controls which are designed to provide reasonable assurance those assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

The Board of Directors discharges its responsibility for the financial statements primarily through the activities of the Audit and Valuation Committee (the “Committee”), which is comprised of members of the Board of Directors.

The Fund determines the value of its Class A Series A, Class A Series F, Class R Series A, and Class R Series F shares on an annual basis by means of a valuation that is reviewed by the Fund’s external auditors.

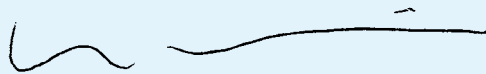
The Committee meets with management and the external auditors to discuss the results of the valuation and the audit examination with respect to the adequacy of internal controls and to review the financial statements of the Fund. The Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or reappointment of the external auditors.

The accompanying financial statements have been approved by the Board of Directors and have been audited by MNP LLP, Chartered Professional Accountants. The auditors’ report outlines the scope of their audit and their opinion on the financial statements.

October 14, 2021



Randy Beattie  
President and Chief Executive Officer



Rob Duguid  
Chief Financial Officer and  
Corporate Secretary

# INDEPENDENT AUDITORS’ REPORT

## Independent Auditors’ Report

To the Shareholders of SaskWorks Ventures Fund Inc.:

We have audited the financial statements of SaskWorks Ventures Fund Inc. (the “Fund”), which comprise, for both Class A and Class R shares, the statements of financial position as at August 31, 2021 and August 31, 2020, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at August 31, 2021 and August 31, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and management report of fund performance, but does not include the financial statements and our auditor’s report thereon. The annual report and management report of fund performance is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund’s financial reporting process.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Regina, Saskatchewan  
October 14, 2021

MNP LLP  
Chartered Professional Accountants

SASKWORKS VENTURE FUND INC.  
(Incorporated under the laws of Saskatchewan)

STATEMENTS OF FINANCIAL POSITION - CLASS A

As at August 31  
(in thousands of dollars except number of shares and per share amounts)

	2021	2020
Assets		
Venture investments (Note 5)	\$ 263,933	\$ 268,842
Loan receivable (Note 6)	9,073	9,625
Long-term investments	20,000	30,000
Short-term investments	55,000	52,000
Other assets	80	80
Accounts receivable and accrued income	3,169	2,787
Cash	77,913	41,904
	429,168	405,238
Liabilities		
Accrued provision for incentive participation amount	43,406	35,046
Accounts payable and accrued liabilities	2,878	3,154
	46,284	38,200
Net assets attributable to holders of redeemable shares	\$ 382,884	\$ 367,038
Redeemable shares outstanding (Note 7)		
Series A	16,739,497	17,869,854
Series F	565,649	441,402
Net assets attributable to holders of redeemable shares		
Series A	\$ 368,742	357,227
Series F	14,142	9,811
Net assets attributable to holders of redeemable shares per share		
Series A	\$ 22.03	19.99
Series F	25.00	22.23

Commitments (Note 15)

See accompanying notes to the financial statements

On behalf of the Board:  Director  Director



STATEMENTS OF COMPREHENSIVE INCOME - CLASS A

For the Years Ended August 31

(in thousands of dollars except per share amounts)

	2021	2020
<b>Income</b>		
Investment income - Dividends and distributions	\$ 6,068	\$ 7,200
Investment income - Interest	2,682	1,846
Interest income - Cash, long-term, and short-term investments	2,548	3,410
Other income	26	26
	<b>11,324</b>	<b>12,482</b>
<b>Expenses</b>		
Management fees (Note 8)	9,674	10,086
Service fees	2,433	2,435
Trailer commissions	1,781	1,878
Provision for incentive participation amount (Note 8)	912	909
Shareholder recordkeeping and marketing	821	884
Professional fees	282	455
Shareholder reporting	239	246
Custodial fees	129	116
Legal fees	105	185
Directors fees and expenses	74	70
Audit fees	66	57
Other	47	16
Independent review committee fees	2	2
	<b>16,565</b>	<b>17,339</b>
<b>Net investment loss</b>	<b>(5,241)</b>	<b>(4,857)</b>
Realized gain on disposition of venture investments	59,161	12,072
Realized loss on disposition of venture investments	(22,087)	(3)
Net change in unrealized appreciation of venture investments	14,577	(27,688)
Provision for incentive participation amount (Note 8)	(10,131)	923
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations</b>	<b>\$ 36,279</b>	<b>\$ (19,553)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations</b>		
Series A	\$ 34,759	(19,165)
Series F	1,520	(388)
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations per average share outstanding</b>		
Series A	\$ 2.01	(1.05)
Series F	3.02	(0.98)

See accompanying notes to the financial statements

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES - CLASS A

For the Years Ended August 31

(in thousands of dollars)

	2021	2020
<b>Series A</b>		
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 34,759	\$ (19,165)
<b>Capital transactions</b>		
Proceeds on issue of shares	32,933	30,455
Redemption of shares	(56,177)	(45,544)
	<b>(23,244)</b>	<b>(15,089)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares</b>	<b>11,515</b>	<b>(34,254)</b>
Net assets attributable to holders of redeemable shares, beginning	357,227	391,481
<b>Net assets attributable to holders of redeemable shares, ending</b>	<b>\$ 368,742</b>	<b>\$ 357,227</b>
<b>Series F</b>		
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 1,520	\$ (388)
<b>Capital transactions</b>		
Proceeds on issue of shares	2,860	2,080
Redemption of shares	(49)	(12)
	<b>2,811</b>	<b>2,068</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>4,331</b>	<b>1,680</b>
Net assets attributable to holders of redeemable shares, beginning	9,811	8,131
<b>Net assets attributable to holders of redeemable shares, ending</b>	<b>\$ 14,142</b>	<b>\$ 9,811</b>

See accompanying notes to the financial statements



STATEMENTS OF CASH FLOWS - CLASS A

For the Years Ended August 31

(in thousands of dollars)

	2021	2020
Cash provided by (used in):		
Operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 36,279	\$ (19,553)
Purchases of venture investments	(22,745)	(8,389)
Repayments from venture investments	202	226
Repayments on disposition of venture investments	19,207	4,819
Purchase of long-term and short-term investments	(45,000)	(75,000)
Matured long-term and short-term investments	52,000	82,605
Items not affecting cash:		
Realized loss on disposition of venture investments	23,074	3
Net amortization of discount/premium on venture investment debt	(252)	(196)
Net change in unrealized appreciation of venture investments	(14,577)	27,688
Net change in balances other than cash and investments (Note 9)	8,254	(2,802)
	56,442	9,401
Financing activities		
Proceeds on issue of shares - Series A	32,933	30,455
Proceeds on issue of shares - Series F	2,860	2,080
Redemption of shares - Series A	(56,177)	(45,544)
Redemption of shares - Series F	(49)	(12)
	(20,433)	(13,021)
Increase (decrease) in cash	36,009	(3,620)
Cash, beginning	41,904	45,524
Cash, ending	\$ 77,913	\$ 41,904

See accompanying notes to the financial statements

Interest received	\$ 1,982	\$ 1,294
Dividends received	1,701	3,900

STATEMENT OF INVESTMENT PORTFOLIO - CLASS A SHARES

As at August 31, 2021 (in thousands of dollars)

Venture Investments					
Investee	Instrument	Interest Rate	Maturity Date	Outstanding at Cost	Fair Value
Energy					
Avalon Oil & Gas Ltd.	Class A common, voting shares			\$ 2,726	
Burgess Creek Exploration Inc.	Class A common, voting shares			1,430	
Caltex Resources Ltd.	Class A common, voting shares			4,349	
Chronos Resources Ltd.	Class A common, voting shares			3,300	
Firesky Energy Inc.	Class A common, voting shares			7,480	
Gidon Royalty Corp.	Class A common, voting shares			151	
Karve Energy Inc.	Class A common, voting shares			3,000	
Stampede Drilling Inc.	Class A common, voting shares			1,729	
Spur Petroleum Ltd.	Class A common, voting shares			2,362	
Steel Reef Infrastructure Fund	Class A common, voting shares			39,690	
TAM International Inc.	Class A common, voting shares			8,770	
				\$ 74,987	\$ 113,471
Real Estate					
255 2nd Ave. North Properties Ltd.	Class A common, voting shares			\$ 590	
	Subordinated loan	8.75%	1-Sep-23	4,050	
Agco Ag Ventures LP	Partnership units			9,462	
Auctus Property Fund LP	Partnership units			14,845	
Foundation Developments Inc.	Class A common, voting shares			1,164	
	Subordinated loan	12.00%	1-Jun-22	3,990	
Parkside Townhomes	Class B preferred, cumulative, non-voting shares			292	
	Class A common, voting shares			2,915	
Urban Heights Inc.	Preferred shares			911	
	Class A common, voting shares			2,530	
				\$ 40,749	\$ 56,917



STATEMENT OF INVESTMENT PORTFOLIO - CLASS A SHARES (CONTINUED)

As at August 31, 2021 (in thousands of dollars)

Venture Investments					
Investee	Instrument	Interest Rate	Maturity Date	Outstanding at Cost	Fair Value
Consumer Discretionary					
Biktrix Enterprises Inc.	Preferred shares			\$ 1,000	
	Subordinated loan	10.00%	7-Feb-26	1,081	
Curbie Cars Inc.	Preferred shares			878	
	Subordinated loan			3,500	
James Hill Road Villa LP	Partnership units			7,208	
	Subordinated loan	15.00%	1-Dec-21	1,751	
	Subordinated loan	2.45%	On demand	175	
	Subordinated loan	15.00%	On demand	196	
	Term loan	4.05%	On demand	5,429	
	Partnership units			2,335	
	Promissory note	0.00%	On demand	35	
	Promissory note	0.00%	On demand	946	
Pines Power Sports & Marine Ltd.	Class A common, voting shares			300	
	Subordinated loan	12.00%	31-Dec-23	1,869	
	Subordinated loan	6.00%	31-Dec-23	718	
Village Care Home Inc.	Class A common, voting shares			35	
				\$ 27,456	\$ 19,735
Industrials, Information Technology, Telecommunications and Consumer Staples					
54e Dev Studios Inc.	SAFE Notes			\$ 287	
7shifts Inc.	Preferred shares			1,680	
All-Fab Building Components Inc.	Class A common, voting shares			11,685	
Coconut Software Inc.	Preferred shares			1,650	
Curatio Networks Inc.	Preferred shares			325	
Hi-Tec Profiles Inc.	Class A common, voting shares			11,404	
Hi-Tec Profiles Limited Partnership	Partnership units			1,282	
	Term loan			3,697	
Hi-Tec Holdings Inc.	Promissory note	4.45%	On demand	421	
IM Wireless Communications Ltd.	Class A common, voting shares			2,663	
	Subordinated loan	7.00%	15-Nov-24	639	
Jobbox Software Inc.	Preferred shares			108	
Lazar Equipment Ltd.	Class A common, voting shares			892	
Moody's Equipment Partnership	Partnership units			617	
Prairie Robotics Inc.	Preferred shares			130	
Prairie Soil Services Inc.	Subordinated loan	12.00%	24-Mar-22	2,790	
	Class A common, voting shares			4,359	
Rivercity Innovations Inc.	Preferred shares			114	
SafetyTek Software Ltd.	Convertible debenture	4.00%	19-Sep-21	217	
SalonScale Technology Inc.	Preferred shares			186	
Switch Power Corp.	Convertible debenture	8.00%	12-Nov-22	2,000	
TaiV Inc.	Convertible debenture	4.00%	13-Nov-23	130	
Vendasta Technologies Inc.	Preferred shares			6,664	
				\$ 53,940	\$ 73,810
Total venture investments				\$ 197,132	\$ 263,933

STATEMENT OF INVESTMENT PORTFOLIO - CLASS A SHARES (CONTINUED)

As at August 31, 2021 (in thousands of dollars)

Long-term Investments				
Issuer	Interest Rate	Maturity Date	Cost	Fair Value
Affinity Credit Union Term Deposit	1.25%	14-Sep-22	\$ 5,000	
Concentra Bank Term Deposit	1.35%	26-Oct-22	5,000	
Affinity Credit Union Term Deposit	1.20%	16-Dec-22	5,000	
TCU Financial Group Credit Union Term Deposit	1.40%	9-Apr-23	5,000	
Total long-term investments			\$ 20,000	\$ 20,000
Short-term Investments				
Issuer	Interest Rate	Maturity Date	Cost	Fair Value
Conexus Credit Union Term Deposit	1.85%	13-Sep-21	\$ 5,000	
Concentra Bank Term Deposit	2.99%	25-Oct-21	5,000	
Concentra Bank Term Deposit	1.20%	26-Nov-21	5,000	
Weyburn Credit Union Term Deposit	2.75%	18-Dec-21	5,000	
New Community Credit Union Term Deposit	3.25%	9-Jan-22	5,000	
Concentra Bank Term Deposit	1.57%	18-Feb-22	5,000	
Weyburn Credit Union Term Deposit	1.10%	28-Mar-22	5,000	
Concentra Bank Term Deposit	1.26%	26-Apr-22	5,000	
Conexus Credit Union Term Deposit	2.00%	13-Jun-22	5,000	
Affinity Credit Union Term Deposit	1.15%	16-Aug-22	5,000	
Affinity Credit Union Term Deposit	1.15%	18-Aug-22	5,000	
Total short-term investments			\$ 55,000	\$ 55,000



STATEMENT OF INVESTMENT PORTFOLIO

As at August 31, 2021 (in thousands of dollars)

The venture investments of the Fund were comprised of the following:

Class A Shares

as at August 31, 2021

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 74,987	\$ 113,471	38.0	43.0
Industrials, Information Technology, Telecommunications and Consumer Staples	53,940	73,810	27.4	27.9
Real Estate	40,749	56,917	20.7	21.6
Consumer Discretionary	27,456	19,735	13.9	7.5
	\$ 197,132	\$ 263,933	100.0	100.0

as at August 31, 2020

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 87,328	\$ 93,160	40.3	34.7
Industrials, Information Technology, Telecommunications and Consumer Staples	55,354	44,744	25.5	16.6
Real Estate	45,734	60,931	21.1	22.7
Consumer Discretionary	28,453	70,007	13.1	26.0
	\$ 216,869	\$ 268,842	100.0	100.0

STATEMENT OF INVESTMENT PORTFOLIO (CONTINUED)

As at August 31, 2021 (in thousands of dollars)

The venture investments of the Fund were comprised of the following:

Class A Shares

as at August 31, 2021

	Cost	Fair Value	% of Cost	% of Fair Value
Private equity securities	\$ 161,768	\$ 232,046	82.1	87.9
Private debt securities	33,635	30,853	17.0	11.7
Publicly traded equity securities	1,729	1,034	0.9	0.4
	\$ 197,132	\$ 263,933	100.0	100.0

as at August 31, 2020

	Cost	Fair Value	% of Cost	% of Fair Value
Private equity securities	\$ 174,188	\$ 186,154	80.3	69.2
Private debt securities	32,117	22,561	14.8	8.4
Publicly traded equity securities	10,564	60,127	4.9	22.4
	\$ 216,869	\$ 268,842	100.0	100.0


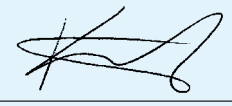


STATEMENTS OF FINANCIAL POSITION - CLASS R

As at August 31  
(in thousands of dollars except number of shares and per share amounts)

	2021	2020
<b>Assets</b>		
Venture investments (Note 5)	\$ 46,360	\$ 31,870
Loan receivable (Note 6)	808	1,110
Other assets	17	17
Cash	4,855	10,736
	<b>52,040</b>	<b>43,733</b>
<b>Liabilities</b>		
Accrued provision for incentive participation amount	6,543	2,845
Accounts payable and accrued liabilities	325	401
	<b>6,868</b>	<b>3,246</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 45,172</b>	<b>\$ 40,487</b>
<b>Redeemable shares outstanding (Note 7)</b>		
Series A	3,477,145	4,266,594
Series F	16,117	12,912
<b>Net assets attributable to holders of redeemable shares</b>		
Series A	\$ 44,954	\$ 40,352
Series F	218	135
<b>Net assets attributable to holders of redeemable shares per share</b>		
Series A	\$ 12.93	\$ 9.46
Series F	13.53	10.45
Commitments (Note 15)		

See accompanying notes to the financial statements

On behalf of the Board:  Director  Director

STATEMENTS OF COMPREHENSIVE INCOME - CLASS R

For the Years Ended August 31  
(in thousands of dollars except per share amounts)

	2021	2020
<b>Income</b>		
Investment income - Dividends and distributions	\$ 122	\$ 365
Interest income - Cash	70	341
Other income	3	3
	<b>195</b>	<b>709</b>
<b>Expenses</b>		
Management fees (Note 8)	1,055	1,278
Service fees	292	411
Trailer commissions	200	245
Shareholder recordkeeping and marketing	141	190
Shareholder reporting	42	53
Custodial fees	24	25
Legal fees	20	27
Provision for incentive participation amount (Note 8)	19	73
Professional fees	15	32
Directors fees and expenses	12	15
Audit fees	10	12
Other	7	8
Independent review committee fees	1	1
	<b>1,838</b>	<b>2,370</b>
<b>Net investment loss</b>	<b>(1,643)</b>	<b>(1,661)</b>
Realized loss on disposition of venture investments	(1,932)	-
Net change in unrealized appreciation of venture investments	19,986	(9,919)
Provision for incentive participation amount (Note 8)	(3,680)	1,685
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations</b>	<b>\$ 12,731</b>	<b>\$ (9,895)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations</b>		
Series A	\$ 12,684	\$ (9,873)
Series F	47	(22)
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations per average share outstanding</b>		
Series A	\$ 3.28	\$ (2.08)
Series F	3.24	(1.83)

See accompanying notes to the financial statements



STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES - CLASS R

For the Years Ended August 31

(in thousands of dollars)

	2021	2020
<b>Series A</b>		
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 12,684	\$ (9,873)
<b>Capital transactions</b>		
Proceeds on issue of shares	982	1,299
Redemption of shares	(9,064)	(12,192)
	<b>(8,082)</b>	<b>(10,893)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares</b>	<b>4,602</b>	<b>(20,766)</b>
Net assets attributable to holders of redeemable shares, beginning	40,352	61,118
<b>Net assets attributable to holders of redeemable shares, ending</b>	<b>\$ 44,954</b>	<b>\$ 40,352</b>
<b>Series F</b>		
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 47	\$ (22)
<b>Capital transactions</b>		
Proceeds on issue of shares	36	22
Redemption of shares	-	-
	<b>36</b>	<b>22</b>
<b>Decrease in net assets attributable to holders of redeemable shares</b>	<b>83</b>	<b>-</b>
Net assets attributable to holders of redeemable shares, beginning	135	135
<b>Net assets attributable to holders of redeemable shares, ending</b>	<b>\$ 218</b>	<b>\$ 135</b>

See accompanying notes to the financial statements

STATEMENTS OF CASH FLOWS - CLASS R

For the Years Ended August 31

(in thousands of dollars)

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 12,731	\$ (9,895)
Purchases of venture investments	-	-
Repayments from venture investments	-	15
Repayments on disposition of venture investments	3,130	899
Items not affecting cash:		
Realized loss on disposition of venture investments	2,366	-
Net change in unrealized appreciation of venture investments	(19,986)	9,919
	3,924	(2,988)
<b>Net change in balances other than cash and investments (Note 9)</b>	<b>2,165</b>	<b>(2,050)</b>
<b>Financing activities</b>		
Proceeds on issue of shares - Series A	982	1,299
Proceeds on issue of shares - Series F	36	22
Redemption of shares - Series A	(9,064)	(12,192)
	<b>(8,046)</b>	<b>(10,871)</b>
<b>Decrease in cash</b>	<b>(5,881)</b>	<b>(12,921)</b>
Cash, beginning	10,736	23,657
<b>Cash, ending</b>	<b>\$ 4,855</b>	<b>\$ 10,736</b>
<i>See accompanying notes to the financial statements</i>		
Dividends received	\$ 91	\$ 347



STATEMENT OF INVESTMENT PORTFOLIO - CLASS R SHARES

As at August 31, 2021 (in thousands of dollars)

Investee	Instrument	Outstanding at Cost	Fair Value
Energy			
Avalon Oil & Gas Ltd.	Class A common, voting shares	\$ 5,670	
Burgess Creek Exploration Inc.	Class A common, voting shares	1,430	
Caltex Resources Ltd.	Class A common, voting shares	3,019	
Chronos Resources Ltd.	Class A common, voting shares	1,474	
Firesky Energy Inc.	Class A common, voting shares	9,166	
Gidon Royalty Coirp.	Class A common, voting shares	74	
Karve Energy Inc.	Class A common, voting shares	3,000	
Stampede Drilling Inc.	Class A common, voting shares	4,735	
Spur Petroleum Ltd.	Class A common, voting shares	1,798	
Steel Reef Infrastructure Fund	Class A common, voting shares	3,735	
Sun Country Well Servicing Inc.	Class A common, voting shares	1,000	
TAM International Inc.	Class A common, voting shares	186	
Total venture investments		\$ 35,287	\$ 46,360

STATEMENT OF INVESTMENT PORTFOLIO

As at August 31, 2021 (in thousands of dollars)

The venture investments of the Fund were comprised of the following

Class R Shares

as at August 31, 2021

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 35,287	\$ 46,360	100.0	100.0

as at August 31, 2020

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 40,783	\$ 31,870	100.0	100.0



STATEMENT OF INVESTMENT PORTFOLIO (CONTINUED)

As at August 31, 2021 (in thousands of dollars)

The venture investments of the Fund were comprised of the following

Class R Shares

as at August 31, 2021

		Cost	Fair Value	% of Cost	% of Fair Value
Private equity securities	\$	30,552	\$ 43,527	86.6	93.9
Publicly traded equity securities		4,735	2,833	13.4	6.1
	\$	35,287	\$ 46,360	100.0	100.0

as at August 31, 2020

		Cost	Fair Value	% of Cost	% of Fair Value
Private equity securities	\$	34,845	\$ 30,737	85.5	96.4
Publicly traded equity securities		4,735	1,133	11.6	3.6
Private debt securities		1,203	-	2.9	-
	\$	40,783	\$ 31,870	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the years ended August 31, 2021 and 2020

(in thousands of dollars except number of shares and per share amounts)

1. Status of the corporation

SaskWorks Venture Fund Inc. (“SaskWorks” or the “Fund”) was incorporated under the laws of the Province of Saskatchewan by articles of incorporation dated September 1, 1999 under the name Prairie Ventures Fund Inc. Effective December 18, 2000 the articles of the Fund were amended to change its corporate designation to Crown Ventures Fund Inc. and effective March 16, 2005 the articles of the Fund were amended to change its corporate designation to SaskWorks Venture Fund Inc. The Fund has received approval for registration as a labour-sponsored venture capital corporation under *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (the “Act”). The Fund commenced active operations on January 29, 2001.

In February 2006, the Fund began offering a second class of redeemable shares, Class R, in addition to its Class A redeemable shares, for sale to the public.

Beginning January 1, 2016, the Fund offered its Class A and Class R redeemable shares in series. The existing Class A and Class R redeemable shares were renamed Class A Series A and Class R Series A redeemable shares, respectively. New redeemable shares, Class A Series F and Class R Series F, began sale to the public. Class A Series A and Class R Series A redeemable shares have a sales and trailer commission associated with them while Class A Series F and Class R Series F redeemable shares do not.

A separate net asset value is calculated for each of the Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares. The holders of Class A Series A, Class A Series F, Class R Series A, and Class R Series F redeemable shares have recourse only to the net assets attributable to the capital raised through the issuance of Class A Series A, Class A Series F, Class R Series A, and Class R Series F redeemable shares, respectively.

The Fund was formed to make debt and equity investments in Saskatchewan small and medium-sized businesses. The objective of the Fund is to realize long-term capital appreciation from its investments. Targeted investment opportunities include early stage and mature businesses with substantial growth prospects as well as restructurings and management buy-out opportunities that offer superior investment return prospects.

PFM Venture Capital Operations Inc. (“PFMV” or the “Manager”) is responsible for the management of the Fund and has engaged PFM Capital (2010) Inc. and TBW Holdings Inc. to assist it to carry out its’ management obligations.

At August 31, 2021 the future economic impacts of the COVID-19 pandemic on SaskWorks’ investees were not yet known. Venture investment valuations at August 31 reflect the effects to date which in most cases resulted in a reversal of the negative adjustments recorded during the early stages of the pandemic in 2020. However, additional adjustments after August 31, 2021 may be necessary as the full impact becomes known and is better understood. If additional adjustments are required because of COVID-19, it is expected these will have a negative effect on the net assets of both Class A and Class R shares. Any additional negative adjustments may be temporary and could reverse if the economy continues to improve.

2. Basis of presentation

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The Fund’s significant accounting policies under IFRS are presented in Note 3.

The financial statements of the Fund were approved by the Board of Directors on October 14, 2021.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investments at fair value through profit or loss (“FVTPL”) which are measured at fair value.

(c) Investment entity

The Fund has determined that it meets the definition of investment entity and as a result, it measures subsidiaries at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgement that the Fund has made in determining that it meets this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of substantially all of its investments.

(d) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Fund’s functional currency, and all values are rounded to the nearest thousand dollars except where otherwise indicated.



(e) Use of judgements and estimates

The preparation of financial statements requires management to use judgement in applying policies and to make estimates and assumptions about the future. The following are the most significant accounting judgements and estimates that the Fund has made in preparing the financial statements:

Fair value of investments not quoted in an active market

The Fund holds financial instruments for which no public market exists (“private companies”). Fair values of such instruments are determined using valuation techniques. Where no market data is available, the Fund will value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used for private companies are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Investment entity

In determining whether the Fund is an investment entity, the Fund may be required to make significant judgments about whether the Fund has the typical characteristics of an investment entity. The Fund primarily obtains funds from investors for the purpose of providing investment management services, commits to its investors that the business purpose is to invest the funds solely for returns from capital appreciation, investment income or both, and measures and evaluates the performance of its investments on a fair value basis.

3. Significant accounting policies

The following policies are considered significant:

(a) Financial instruments

Initial recognition and measurement

The Fund recognizes financial instruments at fair value upon initial recognition. Financial assets are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets are recognized on the date on which they originated. The Fund’s venture investments and other financial assets are measured at FVTPL, including investments in debt instruments which have been designated at FVTPL. All financial liabilities, including redeemable shares, are measured at amortized cost. Under this method, financial liabilities reflect the amount required to be paid, discounted, when appropriate, at the contract’s effective interest rate. The Fund’s accounting policies for measuring the fair value of its venture investments are identical to those used in measuring its net asset value (“NAV”) for transactions with shareholders.

Fair value measurement

The fair values of venture investments in eligible businesses, having quoted market values and being publicly traded on a recognized stock exchange (“publicly traded companies”), are recorded at values based on the closing bid price on the last Thursday of each month, except in August when the last business day of August is used.

The fair value of the Fund’s venture investments for which no public market exists (“private companies”) is determined as at the last business day of each fiscal quarter based on policies and procedures established by the Board for determining the fair value of such investments. These valuations are updated monthly to consider any material changes in the investments of the Fund since the most recent quarterly valuation.

In determining the fair value of equity investments in private companies (“shares”) material changes would include but are not limited to: a subsequent round of financing; an independent valuation; where performance varies adversely relative to the Fund’s expectations; where performance indicates the value of the investment has changed; or, a share transaction by an independent third party. Equity investments are carried at fair value and an estimate of fair value is determined based on the expected realizable value of the shares if they were disposed of in an orderly manner over a reasonable period. Fluctuations in fair value are recorded as unrealized appreciation or depreciation until disposal of the equity investment.

Investments in debt instruments (“loans”) are carried at fair value. For loans an estimate of fair value is determined using a discounted cash flow methodology with fluctuations in the fair value recorded as a premium or discount, through unrealized appreciation, that is amortized to income using the effective interest method. If a loan is impaired because there is no longer reasonable assurance of the timely collection of the full amount of principal a write-down or other provision is established, through unrealized depreciation, to reduce the carrying value to the estimated fair value of the underlying security.

(b) Investments in associates, joint ventures and subsidiaries

An associate is defined as an investee over whom the Fund has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control). Significant influence exists when the Fund owns between 20% and less than a majority of the voting rights of the investee.

Joint control involves contractually agreed sharing of control and arrangements subject to joint control are classified as a joint venture.

A subsidiary is defined as an investee over whom the Fund can control. The Fund controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Control over an investee:

- exists when the Fund owns a majority of the voting rights of the investee; or
- exists when the Fund has a majority position in any borrowings of the investee and the conditions attached to the borrowings confer on it the right to assume control of the investee in the event of default.

The Fund meets the criteria required to be considered an “investment entity” under IFRS 10 – Consolidated Financial Statements and, as such, it accounts for subsidiaries at fair value. Associates and joint ventures have been designated at FVTPL. subsidiaries at fair value. Associates and joint ventures have been designated at FVTPL.

Information about the Fund’s interest in associates or unconsolidated subsidiaries is as follows:

Class A			
Investee	Relationship	Ownership & voting interest %	Senior debt
255 2nd Ave. Properties Ltd.	Associate	50.00%	Yes
All-Fab Building Components Inc.	Associate	33.21%	-
Foundation Developments	Subsidiary	60.80%	Yes
Hi-Tec Profiles Inc.	Subsidiary	56.38%	Yes
IM Wireless Communications Inc.	Associate	33.00%	-
James Hill Road Villa LP	Subsidiary	70.05%	-
Lazar Equipment Ltd.	Subsidiary	53.94%	-
Moody’s Equipment LP	Subsidiary	71.37%	-
Parkside Townhomes	Subsidiary	84.26%	-
Pines Sports & Marine Ltd.	Subsidiary	44.55%	Yes
Prairie Soil Services Inc.	Subsidiary	68.65%	Yes
TAM International Inc.	Associate	43.85%	-
Urban Heights Inc.	Subsidiary	79.93%	-

All investee companies have Canada as their principal place of business and country of incorporation.

All investee companies for which the Fund is a subordinate lender may have restrictions on dividend and loan repayments if the investee is not within covenants imposed on it by its senior lender(s).

With respect to the above associates and unconsolidated subsidiaries:

- subject to senior lender covenants, if any, there are no significant restrictions on the ability of the associates or subsidiaries to transfer funds to the Fund in the form of cash dividends or to repay loans or advances made to the associates or subsidiaries by the Fund;
- there are no current commitments or intentions to provide financial or other support to the subsidiaries, including commitments or intentions to assist them in obtaining financial support;
- the Fund has not, without the contractual obligation do so, provided any financial or other support to the subsidiaries; and
- other than the original amount approved for investment, there are no contractual arrangements that would require the Fund to provide financial support to the subsidiaries..



(c) Cash

Pending venture investments being made, subscription proceeds are invested in interest bearing accounts yielding interest at the rate of prime minus 1.50% to 1.65%.

(d) Redeemable shares

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The shares, which are classified as financial liabilities and measured at redemption amount, provide shareholders with the right to request redemption, subject to available liquidity.

See Note 7 for details of the Fund’s shares.

(e) Net assets attributable to holders of redeemable shares per share

The net assets attributable to shareholders per Class A Series A, Class A Series F, Class R Series A and Class R Series F share is determined by dividing the net assets attributable to shareholders of Class A Series A, Class A Series F, Class R Series A and Class R Series F shares by the number of Class A Series A, Class A Series F, Class R Series A and Class R Series F shares outstanding as at that date.

(f) Increase (decrease) in net assets attributable to holders of redeemable shares from operations per average share outstanding

The increase (decrease) in net assets attributable to holders of redeemable shares from operations per average Class A Series A, Class A Series F, Class R Series A and Class R Series F share outstanding is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable Class A Series A, Class A Series F, Class R Series A and Class R Series F shares from operations by the average number of Class A Series A, Class A Series F, Class R Series A and Class R Series F shares outstanding during the year.

(g) Revenue recognition

Revenue related to the Fund’s productive venture investments is recorded on an accrual basis. Negotiation fees are recognized upon receipt. A loan on which payments are in arrears for 90 days or more is usually classified as income impaired. Recognition of interest income ceases on income impaired loans until interest is received. Recognition of interest income ceases on principal impaired loans with all cash received applied first to principal, until fully recovered, and then as income.

(h) Short-term and long-term investments

Pending venture investments being made, a portion of subscription proceeds are invested in term deposits or other investments permitted under the Act. Purchases and sales of long-term and short-term investments are recorded on a trade date basis. Term deposits are valued at cost, which approximates fair value.

(i) Commissions

A sales commission, based on the value of a subscription, is paid to the selling agent on the sale of Class A Series A and Class R Series A shares.

An annual trailer commission, based on net assets attributable to the holders of redeemable shares, is paid quarterly to the selling agent for each year that a subscription for Class A Series A and Class R Series A shares is maintained.

An annual additional commission, based on the total value of all subscriptions, is paid annually to the agent for the Fund for subscriptions to Class A Series A, Class A series F, Class R Series A, and Class R Series F shares.

(j) Incentive participation amount

As described in Note 8, an incentive participation amount (“IPA”) will accrue on unrealized eligible venture investments and be paid annually only upon realization of the eligible venture investment.

This amount is an estimate and can vary significantly from year to year. It will be paid, subject to the eligible investment and the investment portfolio as a whole meeting certain minimum return thresholds, only on gains that arise on the realization of an eligible venture investment and the income earned from an eligible venture investment over its life.

(k) Income taxes

SaskWorks uses the liability method of tax allocation for accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement and tax bases of assets and liabilities and measured using the tax rates and laws that will be in effect when differences are expected to reverse.

(l) Transaction costs

Transaction costs associated with an investment (incremental costs that are directly attributable to acquisition or disposition) are, in most cases, borne by the investee. In those cases where the Fund pays these costs they are expensed in the Statements of Comprehensive Income.

(m) New and revised International Financial Reporting Standards in issue but not yet effective

The following new and revised standards issued but not yet effective are not considered significant to the Fund:

**Effective for annual periods beginning on or after January 1, 2021:**

- Amendments to IAS 1, *Presentation of Financial Statements*
- Amendments to IFRS 4, *Insurance Contracts*
- Amendments to IFRS 7, *Financial Instruments: Disclosure*
- Amendments to IFRS 9, *Financial Instruments*
- Amendments to IFRS 16, *Leases*
- Amendments to IAS 16, *Property, Plant and Equipment (PPE) – Proceeds before Intended Use*
- Amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*
- Amendments to IAS 39, *Financial Instruments: Recognition and Measurement*
- Annual improvements to IFRS Standards 2018 - 2020

**4. Financial instruments**

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable for the asset or liability.



**Class A – Venture investments**

As at August 31, 2021

		Level 1		Level 2		Level 3		Total
Equity investments	\$	1,034	\$	-	\$	232,046	\$	233,080
Debt investments		-		-		30,853		30,853
	\$	1,034	\$	-	\$	262,899	\$	263,933

As at August 31, 2020

		Level 1		Level 2		Level 3		Total
Equity investments	\$	60,127	\$	-	\$	186,154	\$	246,281
Debt investments		-		-		22,561		22,561
	\$	60,127	\$	-	\$	208,715	\$	268,842

**Class R – Venture investments**

As at August 31, 2021

		Level 1		Level 2		Level 3		Total
Equity investments	\$	2,833	\$	-	\$	43,527	\$	46,360
Debt investments		-		-		-		-
	\$	2,833	\$	-	\$	43,527	\$	46,360

As at August 31, 2020

		Level 1		Level 2		Level 3		Total
Equity investments	\$	1,133	\$	-	\$	30,737	\$	31,870
Debt investments		-		-		-		-
	\$	1,133	\$	-	\$	30,737	\$	31,870

The table below summarizes the changes in Level 3 venture investments at fair value using unobservable inputs.

	2021		2020	
	Class A	Class R	Class A	Class R
Balance, beginning	\$ 208,715	\$ 30,737	\$ 228,531	\$ 39,515
Venture investments purchased	24,897	1,272	7,695	-
Venture investments repaid	(13,713)	(5,086)	(4,351)	(913)
Realized loss on disposition of venture investments	(22,087)	(1,682)	(3)	-
Net change in unrealized appreciation of venture investments	65,087	18,286	(23,157)	(7,865)
<b>Balance, ending</b>	<b>\$ 262,899</b>	<b>\$ 43,527</b>	<b>\$ 208,715</b>	<b>\$ 30,737</b>

For the purposes of the following tables, that disclose Level 3 investment details, debt investments that are current with respect to principal and interest are classified as productive and those that are not current are classified as non-productive. With respect to equity investments, those investments on which the Fund expects to recover the full amount of capital invested are classified as productive while those equity investments on which the Fund does not expect to recover the full amount of capital invested are classified as non-productive.

*For the years ended August 31, 2021 and 2020 • (in thousands of dollars except number of shares and per share amounts)*

**Class A**

As at August 31, 2021

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Productive debt	\$ 23,111	Discounted cash flow	Discounted rate	7.82%	1%	\$ 235/\$ (235)
Non-productive debt	7,742	Estimated realizable value	Impairment provision	25%	25%	438/(1,935)
Productive equity	210,024	Capitalization rate of NOI	NOI cap rate	6.08%	0.25%	1,736/(1,575)
			Cost	% variance	100%	617/(617)
		Multiple of cash flow	Cash flow multiple	3.23x	0.33x	3,125/(3,120)
			Multiple of EBITDA	5.81x	0.50x	10,464/(10,462)
		Multiple of revenue	EV/Revenue	6.70x	0.45x	1,655/(1,640)
			NAV/unit	% variance	100%	2,096/(2,096)
Non-productive equity	22,022	Capitalization rate of NOI	NOI cap rate	6.25%	0.25%	2,183/(2,046)
			Cost	% variance	100%	-/(-)
		Multiple of 2P reserves	EV/boe multiple	\$ .001/boe	\$ .00025/boe	18/(18)
			Multiple of EBITDA	4.69x	0.50x	997/(1,030)
		Multiple of production	EV/boe multiple	\$32/boe/d	\$5/boe/d	503/(480)

*boe = Barrels of oil equivalent*

*EBITDA = Earnings before interest, taxes, depreciation and amortization*

*EV = Enterprise value*

*NAV = Net asset value*

*NOI cap rate = Net operating income capitalization rate*

As at August 31, 2020

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Productive debt	\$ 22,561	Discounted cash flow	Discounted rate	10.78%	1%	\$ 229/\$ (229)
Non-productive debt	-	Estimated realizable value	Impairment provision	25%	25%	2,298/(-)
Productive equity	146,173	% discount to expected value	% discount	25%	10%	14/(14)
		Capitalization rate	NOI cap rate	6.75%	0.25%	1,025/(961)
		Cost	% variance	100%	10%	746/(746)
		Multiple of cash flow	Cash flow multiple	4.3x	0.5x	1,915/(2,164)
		Multiple of EBITDA	EBITDA multiple	6.8x	0.5x	5,051/(5,051)
		Multiple of production	EV/boe multiple	\$30/boe/d	\$5/boe/d	341/(341)
		Multiple of revenue	Revenue multiple	7.2x	0.5x	584/(584)
		NAV/unit	% variance	100%	10%	3,100/(3,100)
		Net asset value	% variance	92% of inventory	5%	156/(157)
Non-productive equity	39,981	% discount to expected value	% variance	0%	10%	-/(62)
		Adjusted NAV	% variance	100%	10%	371/(371)
		Capitalization rate of NOI	NOI cap rate	6.25%	0.25%	2,277/(2,077)
		Multiple of cash flow	Cash flow multiple	5.0x	0.5x	234/(191)
		Multiple of EBITDA	EBITDA multiple	4.5x	0.5x	1,350/(1,349)
		Multiple of production	\$/boe/d multiple	\$22/boe/d	\$5/boe/d	319/(319)
		Multiple of reserves	EV/boe multiple	\$.004	\$.001	35/(-)

*boe = Barrels of oil equivalent*

*boe/d = Barrels of oil equivalent per day*

*EBITDA = Earnings before interest, taxes, depreciation, and amortization*

*EV = Enterprise value*

*NAV = Net asset value*

*NOI = Net operating income*



Class R

As at August 31, 2021

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Productive equity	\$ 38,897	Cost	% variance	100%	10%	\$7/\$(7)
		Multiple of cash flow	Cash flow multiple	3.23x	0.33x	3,090/(3,085)
		Multiple of EBITDA	EBITDA multiple	7.70x	0.50x	915/(915)
Non-productive equity	4,630	Multiple of 2P reserves	EV/boe multiple	\$ .001/boe	\$ .00025/boe	38/(38)
		Multiple of production	EV/boe multiple	\$32/boe/d	\$5/boe/d	594/(576)
		Multiple of TBV	P/TBV multiple	0.3x	0.1x	45/(-)

boe = Barrels of oil equivalent

EBITDA = Earnings before interest, taxes, depreciation, and amortization

EV = Enterprise value

TBV = Tangible book value

As at August 31, 2020

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Non-productive debt	\$ -	Estimated realizable value	Impairment provision	25%	25%	\$ 63/\$ (-)
Productive equity	26,052	Multiple of cash flow	Cash flow multiple	5.1x	0.5x	1,213/(1,356)
		Multiple of EBITDA	EBITDA Multiple	10.0x	0.5x	638/(638)
		Multiple of production	EV/boe multiple	\$30/boe/d	\$5/boe/d	901/(901)
Non-productive equity	4,685	Multiple of cash flow	Cash flow multiple	5.0x	0.5x	320/(262)
		Multiple of production	EV/boe/multiple	\$22/boe/d	\$5/boe/d	190/(190)
		Multiple of reserves	EV/boe multiple	\$ .004/boe	\$ .001/boe	73/(-)
		Multiple of TBV	TBV multiple	0.3x	0.1x	45/(-)

boe = Barrels of oil equivalent

EBITDA = Earnings before interest, taxes, depreciation, and amortization

EV = Enterprise value

TBV = Tangible book value

For the years ended August 31, 2021 and 2020 • (in thousands of dollars except number of shares and per share amounts)

5. Venture investments

Venture investments are comprised of the following:

	2021		2020	
	Class A	Class R	Class A	Class R
Equity instruments at cost	\$ 163,497	\$ 35,287	\$ 184,752	\$ 39,580
Debt instruments at cost	33,635	-	32,117	1,203
<b>Venture investments at cost</b>	<b>197,132</b>	<b>35,287</b>	<b>216,869</b>	<b>40,783</b>
Unrealized appreciation (depreciation)	66,801	11,073	51,973	(8,913)
<b>Venture investments at fair value</b>	<b>\$ 263,933</b>	<b>\$ 46,360</b>	<b>\$ 268,842</b>	<b>\$ 31,870</b>

During the year, venture investments changed as follows:

	2021		2020	
	Class A	Class R	Class A	Class R
Venture investments at fair value, begin	\$ 268,842	\$ 31,870	\$ 292,993	\$ 42,703
Venture investments purchased	25,440	1,272	8,389	-
Venture investments repaid	(23,091)	(5,086)	(5,045)	(914)
Realized loss on disposition of venture investments	(22,087)	(1,682)	(3)	-
Net increase (decrease) in unrealized appreciation of venture investments	14,577	19,986	(27,688)	(9,919)
Amortization of discount on venture investment debt	252	-	196	-
<b>Venture investments at fair value, end</b>	<b>\$ 263,933</b>	<b>\$ 46,360</b>	<b>\$ 268,842</b>	<b>\$ 31,870</b>

6. Loan receivable

Beginning February 1, 2004, the Fund engaged Conexus Credit Union to pay the base commission and additional commission on the sale of shares. The Fund has invested sufficient money in Conexus in the form of non-interest-bearing promissory notes to enable it to pay these commissions.

The loan receivable balance is subject to a maximum total limit of \$21,350 (2020 - \$22,750) and consists of eight non-interest-bearing promissory notes each repayable in eight equal annual instalments, based on the balance of the note on December 31 of the year issued, beginning January 10 of the year following issuance.

Loan receivable at August 31 is comprised of the following:

Note issued	Instalment	2021		2020	
		Class A	Class R	Class A	Class R
January 1, 2013	\$ 485	\$ -	\$ -	\$ 383	\$ 103
January 1, 2014	352	290	62	580	123
January 1, 2015	318	530	106	795	159
January 1, 2016	319	806	152	1,075	203
January 1, 2017	324	1,135	162	1,419	203
January 1, 2018	335	1,560	117	1,871	141
January 1, 2019	314	1,781	101	2,078	118
January 1, 2020	234	1,572	68	1,424	60
January 1, 2021	172	1,399	40	-	-
		<b>\$ 9,073</b>	<b>\$ 808</b>	<b>\$ 9,625</b>	<b>\$ 1,110</b>



As remuneration to Conexus for managing the payment of commissions, the Fund has agreed to pay a service fee equal to an annual percentage-based payment of 0.75% (0.875% prior to January 1, 2021) of the gross proceeds raised in any calendar year on the sale of Class A Series A and Class R Series A shares and 0% (0.125% prior to January 1, 2021) of the gross proceeds raised in any calendar year on the sale of Class A Series F and Class R Series F shares over eight consecutive years.

7. Share capital and net assets

Subscription proceeds from the issuance of Class A and Class R shares will be used to make eligible venture investments of that respective class of shares. Venture investments made by each class of shares are held only within that class of shares. Income or losses attributable to a particular venture investment are allocated only to the specific class of shares within which the venture investment is held.

Net asset value per redeemable share for each series is calculated at the end of each week by dividing the net asset value of each series by its redeemable shares outstanding. The net asset value of each series of a class is computed by calculating the value of the series-specific assets and series’ proportionate share of the class’s common assets less the series-specific liabilities and the series’ proportionate share of the class’s common liabilities. Income and expenses directly attributable to a series are credited to that series while common class income and expenses and realized and unrealized gains and losses are allocated to each series. A proportionate share of or allocation to each series of a class is based on that series’ pro rata share of the total share capital of that class as at the latest available weekly net asset valuation.

Venture investments (Class A and Class R) and share subscription activity (Class A Series A, Class A Series F, Class R Series A, and Class R Series F) have a separate accounting such that the net assets attributable to each of the Class A Series A, Class A Series F, Class R Series A, and Class R Series F shares are reflected individually in these financial statements.

Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares have, in all material respects, the same rights, redemption features, tax credit eligibility, and attributes except for the following:

- The net proceeds from the issuance of Class A redeemable shares will be invested in Saskatchewan eligible businesses in a broad section of the economy whereas the net proceeds from the issuance of Class R redeemable shares will be invested in Saskatchewan eligible businesses in the energy and mining sectors;
- Class A Series A and Class R Series A redeemable shares have sales and trailer commissions associated with them while Class A Series F and Class R Series F redeemable shares do not;
- A separate net asset value is calculated for each of the Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares. The holders of Class A Series A, Class A Series F, Class R Series A, and Class R Series F redeemable shares have recourse only to the net assets attributable to the capital raised through the issuance of Class A Series A, Class A Series F, Class R Series A, and Class R Series F redeemable shares, respectively.

The authorized share capital of the Fund is:

Class A Series A, Class A Series F, Class R Series A and Class R Series F – Unlimited number of Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares. The redeemable shares are voting, entitled to receive non-cumulative dividends at the discretion of the directors, entitled to elect all those directors who are not elected by the holder of the Class B shares and have restrictions on redemption. Such restrictions include a provision that the Fund is not required to redeem Class A Series A, Class A Series F, Class R Series A or Class R Series F shares if total redemptions in the fiscal year exceed 50% of the Class A Series A, Class A Series F, Class A Series A or Class R Series F shares’ net earnings after tax for the previous fiscal year. In the event of a redemption before the eighth anniversary of issue, the Fund is required to withhold and remit to the applicable authorities an amount equal to the Federal tax credit and Saskatchewan tax credit, if any, on the Class A Series A, Class A Series F, Class R Series A or Class R Series F redeemable shares.

Class B – 10 Class B shares. Issuable only to the sponsor of the Fund. The shares are voting, redeemable at the purchase price and entitled to elect a simple majority of the directors of the Fund, including replacing or removing any directors elected by the sponsor.

Class C – Unlimited number of Class C shares. The shares are issuable in series with rights, privileges, restrictions and conditions subject to directors’ resolution. No Class C shares have been issued.

For the years ended August 31, 2021 and 2020 • (in thousands of dollars except number of shares and per share amounts)

Issued share capital at the end of the period is:

	2021		2020	
	Shares	\$	Shares	\$
<b>Class A Series A</b>				
Balance, beginning	17,869,854	292,895	18,576,382	292,131
Issued	1,618,610	32,933	1,440,397	30,455
Redeemed (at cost)	(2,748,967)	(39,133)	(2,146,925)	(29,691)
Balance, ending	<b>16,739,497</b>	286,695	<b>17,869,854</b>	292,895

<b>Class A Series F</b>				
Balance, beginning	441,402	8,898	352,955	6,829
Issued	126,283	2,860	89,022	2,080
Redeemed (at cost)	(2,036)	(40)	(575)	(11)
Balance, ending	<b>565,649</b>	11,718	<b>441,402</b>	8,898

<b>Class R Series A</b>				
Balance, beginning	4,266,594	57,475	5,245,264	72,254
Issued	96,188	982	122,422	1,299
Redeemed (at cost)	(885,637)	(12,667)	(1,101,092)	(16,078)
Balance, ending	<b>3,477,145</b>	45,790	<b>4,266,594</b>	57,475

<b>Class R Series F</b>				
Balance, beginning	12,912	155	11,072	133
Issued	3,211	36	1,845	22
Redeemed (at cost)	(6)	-	(5)	-
Balance, ending	<b>16,117</b>	191	<b>12,912</b>	155

<b>Class B</b>				
Balance	<b>10</b>	1	<b>10</b>	1

At the end of the year the net assets attributable to the holders of the Fund’s Class A Series A redeemable shares consist of issued share capital of \$286,695 (2020 - \$292,895) and retained earnings of \$82,047 (2020 - \$64,332). The net assets attributable to the holders of the Fund’s Class A Series F redeemable shares consist of issued share capital of \$11,718 (2020 - \$8,898) and retained earnings of \$2,424 (2020 - \$913).

At the end of the year the net assets attributable to the holders of the Fund’s Class R Series A redeemable shares consist of issued share capital of \$45,790 (2020 - \$57,475) and deficit of \$836 (2020 - \$17,123). The net assets attributable to the holders of the Fund’s Class R Series F redeemable shares consist of issued share capital of \$191 (2020 - \$155) and retained earnings of \$27 (2020 – \$20).

The value of redeemed shares is treated as a reduction of share capital and adjustment to retained earnings or deficit. The original cost of the shares is a reduction of share capital. The difference between redemption value and original cost of the shares is treated as either a decrease to retained earnings or increase to deficit, if redemption value exceeds original cost, or an increase to retained earnings or decrease to deficit, if redemption value is less than original cost.



8. Related party transactions

The Fund has retained the Manager as the fund manager to manage and administer the business affairs of the Fund, including, among other duties, the management of the Fund's eligible venture investments and short-term and long-term investments and determining the fair value of the Fund's venture investment portfolio. The officers of the Fund are the principals of the Manager and shareholders in the Fund.

The Manager receives an annual management fee, calculated and payable monthly in arrears, equal to 2.5% of the aggregate net assets attributable to holders of redeemable shares of the Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares, as at each weekly valuation date.

With respect to Class A Series A and Series F redeemable shares \$9,213 (2020 - \$9,606) in management fees, plus applicable taxes, was earned, pursuant to the management agreement, by the Fund Manager.

With respect to Class R Series A and Series F redeemable shares \$1,005 (2020 - \$1,217) in management fees, plus applicable taxes, was earned, pursuant to the management agreement, by the Fund Manager.

IPA is a provision for fees payable to the Manager and is based on the realized/unrealized gains and income earned from eligible venture investments and is payable annually only upon disposition of an eligible venture investment. Before any IPA is paid on the realization of an eligible venture investment, the Fund must have:

- (a) earned sufficient income, on all eligible venture investments, to generate a rate of return, before expenses, greater than the five-year average GIC rate plus 1% on an annualized basis. The income on eligible venture investments includes investment gains and losses (realized and unrealized) earned and incurred since the inception of the Fund, and negotiation fees, interest, dividends, royalties, distributions and earnings of any other kind from eligible venture investments;
- (b) earned sufficient income from the eligible venture investment to provide a cumulative investment return, before expenses, at an average annual rate in excess of 10% since investment; and
- (c) fully recouped an amount from the eligible venture investment, through income earned, liquidation of the investment, or otherwise, equal to or greater than the entire principal invested in the eligible investee.

Subject to satisfying all the above conditions, the IPA is equal to 20% of the return derived from the eligible venture investment.

For Class A redeemable shares \$2,555 (2020 - \$3,747), plus applicable taxes, of IPA was paid to the Fund Manager.

For Class R redeemable shares \$nil (2020 - \$1,532), plus applicable taxes, of IPA was paid to the Fund Manager.

For Class A redeemable shares, the accrued provision for incentive participation amount is \$43,406 (2020 - \$35,046), a net increase, after payments, of \$8,360 (2020 – decrease \$3,948). In respect of realized and unrealized gains, the provision for IPA increased by \$10,131 (2020 – decrease \$923) and in respect of income earned, the provision for IPA increased by \$912 (2020 – \$909) during the year.

For Class R redeemable shares, the accrued provision for incentive participation amount is \$6,543 (2020 - \$2,845), a net increase, after payments, of \$3,698 (2020 – decrease \$3,221). In respect of realized and unrealized gains, the provision for IPA increased by \$3,680 (2020 – decrease \$1,685) and in respect of income earned, the provision for IPA increased by \$19 (2020 - \$73) during the year.

Other amounts and transactions due to (from) related parties are described separately in these financial statements.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

For the years ended August 31, 2021 and 2020 • (in thousands of dollars except number of shares and per share amounts)

9. Net change in balances other than cash and investments

	2021		2020	
	Class A	Class R	Class A	Class R
Loan receivable	\$ 552	\$ 302	\$ 432	\$ 441
Accounts receivable and accrued income	(382)	-	1,189	2
Accrued provision for incentive participation amount	8,360	3,698	(3,948)	(3,221)
Accounts payable and accrued liabilities	(276)	(76)	(475)	(210)
	<b>\$ 8,254</b>	<b>\$ 3,924</b>	<b>\$ (2,802)</b>	<b>\$ (2,988)</b>

10. Risks associated with financial instruments

The Fund's financial instruments consist primarily of cash, accounts receivable and accrued income, loan receivable, short-term and long-term investments, venture investments, accrued provision for incentive participation amount, and accounts payable and accrued liabilities. Short-term and long-term investments consist of term deposits. Venture investments in public and private companies consist of equity and debt instruments. The Fund focuses on investing in eligible Saskatchewan businesses with emphasis on expansion financing, management buyouts, restructurings, turnarounds, and early-stage investments. There is no assurance that the Fund will be able to find enough suitable investment opportunities and the Fund may face competition from other funds and investors.

There is no guarantee that an investment in shares of the Fund will earn a specified rate of return or any return in the short or long term. The shares are not eligible for resale and are subject to redemption restrictions resulting in a longer commitment than for freely tradable securities.

SaskWorks' primary business is the raising of capital from Saskatchewan residents and placing these funds in new and expanding Saskatchewan businesses. This entails exposure to market risk, credit risk, interest rate risk and liquidity risk. These risk factors may impact upon SaskWorks' ability to redeem its Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares when required.

Market Risk

The market risk faced by SaskWorks is the risk that the fair value of its venture investments may decline due to a reduction in the anticipated earnings generated by the businesses in which SaskWorks invests or a decrease in the quoted market share price of publicly traded venture investments held by SaskWorks. Class A redeemable shares invest in a diversified portfolio of companies in various sectors of the economy while Class R redeemable shares invest in the oil & gas sector. Some of the companies in which SaskWorks invests are dependent upon a single product or industry. SaskWorks manages these risks through careful due diligence prior to committing funds to the investment, ensuring that the overall portfolio is properly diversified across various industry sectors, and investing no more than 10% of the Class A redeemable shares and Class R redeemable shares total net assets attributable to holders of redeemable shares in any one eligible business.

The Fund's venture investments in publicly traded companies are companies which were private when the Fund made its initial investment, and which became publicly traded shares through initial public offerings, reverse takeovers, or acquisitions by public companies. The fair values of these venture investments in publicly traded companies are based on movements in the stock market and to the success or failure of the companies. In some circumstances, it may prove difficult for the Fund to quickly liquidate investments in restricted or thinly traded publicly traded securities without unduly affecting the market prices of those securities. For these publicly traded companies, the Fund attempts to limit its exposure to fluctuations in market prices through managing the sales of these shares on the open market.

Credit Risk

Credit risk arises from the potential that a venture investment will fail to perform its obligations. SaskWorks conducts a thorough due diligence process prior to committing to the venture investment and actively monitors the financial health of its investments on an on-going basis. Changes in commodity prices and foreign currency exchange rates may significantly affect the financial position of investee companies. SaskWorks manages credit risk by diversifying its investments among industries. Although all investee companies are based primarily in Saskatchewan, most of the companies have significant sales in other provinces and/or international markets thereby mitigating most of the economic risks specific to Saskatchewan.

The maturity of each debt investment is disclosed in the respective share class Statement of Investment Portfolio. Such debt investments represent the main concentration of credit risk for the respective share class and, accordingly, represent the maximum credit risk exposure of the respective share class.

The principal and interest associated with Fund's long-term and short-term investments are 100% guaranteed by the Credit Union Deposit Guarantee Corporation of Saskatchewan.



Interest Rate Risk

Interest rate risk reflects the risk that SaskWorks’ earnings will be affected by fluctuations in interest rates. SaskWorks primary interest rate risk relates to the investment of cash in short-term investments, long-term investments, and venture investment debt instruments.

Based on average cash balances and holdings of long-term and short-term investments held during the year, a 1% increase/decrease in interest rates (with all other variables held constant) would have resulted in an increase/decrease in net assets of \$1,670 (2020 - \$1,305) with respect to Class A shares. The effective of a change in interest rates on venture debt investments is detailed in Note 4.

Based on average cash balances and holdings of long-term and short-term investments held during the year, a 1% increase/decrease in interest rates (with all other variables held constant) would have resulted in an increase/decrease in net assets of \$68 (2020 - \$157) with respect to Class R shares. The effective of a change in interest rates on venture debt investments is detailed in Note 4.

SaskWorks manages the risk of interest rate changes by matching the duration of short-term investments, long-term investments, and venture debt investments to known liquidity requirements.

Liquidity Risk

Liquidity risk is the risk that SaskWorks will encounter difficulty in liquidating its venture investments at an amount close to fair value at the time it requires liquidity to satisfy requests by holders of Class A Series A, Class A Series F, Class R Series A and Class R Series F shares for redemption. There is no assurance that any venture investment will be able to successfully complete its business plan or sustain operations over the short term or an extended period. The Fund manages liquidity risk by becoming, if necessary, actively involved in their venture investments and continually monitoring the value of their investments. In the event of difficulty in liquidating its venture investments, SaskWorks may be required to delay the redemption of Class A Series A, Class A Series F, Class R Series A and Class R Series F shares tendered for redemption.

The financial liabilities of the Fund mature in less than one year except for accrued provision for incentive participation amount. The maturity of accrued provision for incentive participation amount is uncertain and is dependent upon realization of venture investments.

11. Restrictions

Under the Act:

- Eligible businesses for the Fund are investments in businesses, defined as taxable corporations or limited partnerships that carry on business in Saskatchewan, that together with related corporations or limited partnerships, do not have more than 500 employees, and that in the taxation year preceding the investment, paid at least 25% of all their wages and salaries to employees of their permanent establishment in Saskatchewan;
- An amount equal to the tax credits paid by the Saskatchewan government, being 17.5% of the capital raised by the sale and issuance of Class A Series A, Class A Series F, Class R Series A and Class R shares to Saskatchewan residents, must be set aside until the Fund has met its pacing requirement. In 2021 and 2020 the Fund did not set aside any funds as it met the investment requirement throughout the years;
- Direct investments in public companies with a market capitalization of \$500,000 or more are prohibited. If an investment is acquired through acquisitions or mergers and the resulting investment has over \$500,000 in capitalization, such investment must be disposed of within five years from the end of the fiscal year of the Fund of such acquisition or merger;
- New investment in agricultural land acquired primarily for rental or leasing purposes is prohibited; and
- The Fund is required to maintain a level of innovation sector investment exposure of 25% of annual net capitalization defined as annual capital raised within the Fund less annual capital redeemed, multiplied by the Fund’s 75% pacing requirement. The Fund did meet its innovation pacing requirement on August 31, 2021 and August 31, 2020. If the fund does not meet its innovation pacing requirement any new investments will not count towards the Fund’s overall 75% pacing requirement until the Fund is onside with the innovation pacing requirement.

The Fund may not invest more than 10% of the Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares’ total net assets attributable to holders of redeemable shares in any one eligible business and may not invest in an eligible business if the Fund and the eligible business are not at arm’s length.

Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares issued by the Fund can be redeemed at the option of the holder after a specific hold period, or earlier in limited circumstances.

As part of its banking relationship with Conexus Credit Union, the Fund is required to maintain a minimum of \$21,350 (2020 - \$22,750) on deposit.

The Fund is in compliance with all the above restrictions.

For the years ended August 31, 2021 and 2020 • (in thousands of dollars except number of shares and per share amounts)

12. Management expense ratio

The ratios of all fees and other expenses paid or payable by the Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares expressed as a percentage of the average net assets attributable to the holders of Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares respectively during the year are:

	2021		2020	
	IPA included	IPA excluded	IPA included	IPA excluded
Class A Series A	7.27%	4.27%	4.29%	4.29%
Class A Series F	5.81%	3.33%	3.10%	3.10%
Class R Series A	13.70%	4.52%	1.40%	4.71%
Class R Series F	10.97%	3.49%	1.00%	3.27%

13. Income taxes

Under the Income Tax Act (Canada), no income taxes are payable by the Fund on dividends received from Canadian corporations, and income taxes payable on capital gains will be fully refundable on a formula basis when Class A Series A, Class A Series F, Class R Series A or Class R Series F redeemable shares of the Fund are redeemed or capital gains dividends are paid or deemed to be paid by the Fund to its Class A Series A, Class A Series F, Class R Series A or Class R Series F shareholders. Income taxes payable on investment income are partially refundable upon the payment or deemed payment of taxable dividends.

The Fund’s Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares record the refundable portion of their income taxes as an asset, as they intend to recover all of the refundable income taxes through the deemed payment of a dividend by capitalizing the appropriate amount of its income or realized capital gains pro-rata to the stated capital account for its Class A Series A, Class A Series F, Class R Series A or Class R Series F redeemable shares. If the Fund increases the stated capital of the Class A Series A, Class A Series F, Class R Series A or Class R Series F redeemable shares, the holder of the Class A Series A, Class A Series F, Class R Series A or Class R Series F redeemable shares will be deemed to have received a dividend or a realized capital gain and the adjusted cost base of the shareholders’ Class A Series A, Class A Series F, Class R Series A or Class R Series F redeemable shares will be increased by the amount of any deemed dividend.

The Fund’s Class A and Class R redeemable shares have estimated non-capital losses that may be carried forward and used to reduce taxable income in future years. These losses, if not utilized, expire as follows:

	Class A		Class R	
2031	\$	-	\$	806
2032		-		1,786
2033		-		3,282
2034		-		2,677
2035		-		7,234
2036		-		7,728
2039		10,293		-
2040		11,842		1,966
2041		3,004		2,720
	\$	25,139	\$	28,199

The potential income tax benefit of these losses has not been recognized in the financial statements.



14. Non-monetary transactions

The Fund, as part of regular purchases and dispositions of venture investments, will at times receive non-monetary consideration on the disposition of some venture investments. The non-monetary consideration can be debt instruments, shares in a publicly traded company, shares in a private company, or, on occasion, a combination of them. Non-monetary transactions are measured at the fair value of the asset received unless the fair value of the item given up is more clearly measurable. During the year the following non-monetary transactions occurred:

	2021		2020	
	Class A	Class R	Class A	Class R
Non-monetary purchases of ventures investments	\$ 2,695	\$ 1,272	\$ -	\$ -
Non-monetary repayments on disposition of venture investments	3,682	1,706	-	-

15. Commitments

The Fund has committed to advance \$6,919 (2020 - \$4,571) of additional financing to existing Class A investees, to fund, for example, working capital requirements or suitable acquisition opportunities.

The Fund has committed to advance \$410 (2020 - \$537) of additional financing to Class R existing investees, to fund, for example, working capital requirements or suitable acquisition opportunities.

As described in Note 6, the Fund has committed to pay Conexus, subject to the performance of certain duties, a \$2,300 average annual service fee based on past subscriptions to the Fund.

16. Capital management

Share capital is the source of capital for the Fund. The Province of Saskatchewan has authorized the Fund to issue up to \$35,000 (2020 - \$35,000) of share capital during the period from April 1, 2021 to March 31, 2022 and annually thereafter.

The Fund's capital management objectives are to enhance the net assets of the Fund through managing its funds to maximize cash flows from investments and for sufficient liquidity to:

- fund venture investments in new eligible companies and follow-on investments in existing companies;
- meet the annual investment obligations required in The Labour-sponsored Venture Capital Corporations Act (Saskatchewan);
- fund the redemption of shares requested by shareholders; and
- fund ongoing operations.

The Fund actively monitors the cash position and financial performance of the Fund to ensure there are sufficient resources to meet venture investment requirements and shareholder redemptions. However, in the event of insufficient resources, SaskWorks may be required to delay the redemption of Class A Series A, Class A Series F, Class R Series A and Class R Series F redeemable shares.

There were no changes in capital management policies during the year.

17. Net assets of the Fund

In 2021 and 2020, the Fund's auditors, MNP LLP, Chartered Professional Accountants, as an integral part of their audit procedures, reviewed the fair value of the Fund's portfolio in the aggregate, as presented in the Statements of Investment Portfolio, to determine that such fair value is, in all material respects, reasonable. The auditors employ a Chartered Business Valuator as a member of the audit team.



# CORPORATE INFORMATION

## DIRECTORS

- Terry Schneider  
*Chair*
- Brent Banda <sup>2</sup>  
*Vice-Chair*
- Ron Carlson <sup>2, 3</sup>
- Doug Frondall <sup>1, 3</sup>
- Jan McLellan Folk <sup>1</sup>
- David Meyers
- Daryl Schwartz <sup>2</sup>
- Kevin Stangeland <sup>1, 2</sup>
- Kathy Zwick <sup>3</sup>

<sup>1</sup> Audit/Valuation Committee  
<sup>2</sup> Investment Committee  
<sup>3</sup> Governance and Nominating Committee

## OFFICERS

- Randy Beattie  
*President & Chief Executive Officer*
- Rob Duguid  
*Vice President, Chief Financial Officer & Corporate Secretary*
- Chris Selness  
*Vice President*
- Mike Merth  
*Chief Compliance Officer*
- Jeff Linner  
*Chief Investment Officer*

## AGENT

- iA Private Wealth Inc.  
*Saskatoon, Saskatchewan*

## AUDITORS

- MNP LLP  
*Regina, Saskatchewan*

## LEGAL COUNSEL

- MLT Aikins LLP  
*Regina, Saskatchewan*

## REGISTRAR & TRANSFER AGENT

- Prometa Fund Support Services Inc.  
*Winnipeg, Manitoba*

## CUSTODIAN

- Concentra Trust  
*Saskatoon, Saskatchewan*

## SPONSOR



- SaskWorks Federation of Unions  
*Regina, Saskatchewan*



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