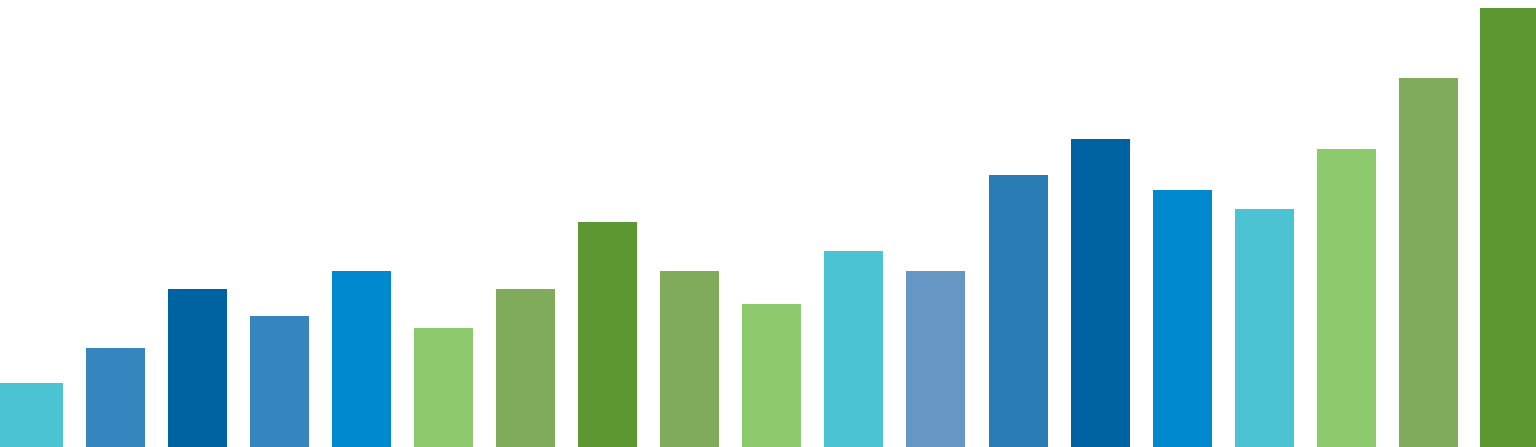


2019

SEMI-ANNUAL REPORT





INVESTEE HIGHLIGHT TAM INTERNATIONAL LP

\$8.9 MILLION | NEW INVESTMENT

TAM International is a global freight forwarder, focused on providing a full scope of logistics solutions for specialized material around the world. The Company was founded in 2004 and is headquartered in Saskatoon with satellite offices in Whitby, Ontario; Vancouver, British Columbia; Paducah, Kentucky; Chester, England; and New Delhi, India. In December, SaskWorks partnered with the existing senior management team to allow the founding shareholders to exit and the current management shareholders to strategically increase their equity position. SaskWorks' investment will help position the Company to continue to grow and maintain the highest standards of customer service.

DEAR SHAREHOLDER

THANK YOU FOR YOUR CONTINUED SUPPORT OF THE SASKWORKS VENTURE FUND.

Since inception, SaskWorks' board and management team have sought to identify, invest in and enhance the value of Saskatchewan companies in the interest of generating positive returns for our shareholders. This approach has earned SaskWorks recognition as the top-performing provincial retail mutual fund* and the confidence of Saskatchewan's investment community: in the 2018 sales year, Saskatchewan residents invested \$35 million into the SaskWorks Fund at a record pace, causing the Fund to become fully-subscribed for 2018 tax credit investment on February 4, 2019.

SaskWorks now has over 28,000 Saskatchewan residents invested in the Fund. Over the past year, our existing shareholders reaffirmed their support of the Fund with more than 65% of mature units either staying invested with SaskWorks or being reinvested and generating another 32.5% tax credit for the shareholder.

Your support of the SaskWorks Venture Fund has allowed our management team to deploy significant capital into Saskatchewan's private business community. Since 2001 and through February 28, 2019, SaskWorks has made 249 investments in Saskatchewan's most-promising sectors, with dollars approved for investment totaling \$521 million.

From the start, SaskWorks has taken a consistent approach to private equity investment with a focus on the traditional sectors that have led the province's economic growth. SaskWorks typically invests into established mid-market companies in proven industries such as oil and gas, manufacturing and value-added agriculture.

Regardless of sector, the capital is deployed to businesses that hold a dominant market position, demonstrate a track record of profitability or offer clear prospects for growth.

SaskWorks' investees represent some of Saskatchewan's most dynamic businesses. We aim to provide portfolio companies with the capital required to execute their strategic goals while adding long-term value to the benefit of all stakeholders. Helping to drive SaskWorks' value creation efforts is our highly-focused investment team; holding directorships in many of the Fund's portfolio companies, the team's integrative approach provides value to both our investees and our Fund.

Many of SaskWorks' investments represent management buyouts (MBO's), a type of investment where capital is placed to assist a management team in financing the purchase of the company from its existing owners. MBOs capitalize on both the management team's understanding of their company's operations and their interest in achieving long-term growth. In December, SaskWorks partnered with the existing senior management team of TAM International to allow the founding shareholders to exit and the current management shareholders to strategically increase their equity position. TAM International is a global freight forwarder, focused on providing a full scope of logistics solutions for specialized material around the world. The Company was founded in 2004 and is headquartered in Saskatoon with satellite offices in Whitby, Ontario; Vancouver, British Columbia; Paducah, Kentucky; Chester, England; and New Delhi, India. SaskWorks' investment will help position the Company to continue to grow and maintain the highest standards of customer service.

Over the past year, SaskWorks' existing shareholders reaffirmed their support of the Fund with more than **65%** of mature units either staying invested in SaskWorks or being reinvested and generating another **32.5%** tax credit for the shareholder.

* Based on 3 year, 5 year, 10 year and since inception returns in Diversified share class and 1 year, 3 year, 5 year, 10 year and since inception returns in Resources share class per Morningstar.com as at February 28, 2019.

**SaskWorks' Payroll
Investment Plan**
is an investment
strategy that allows
Saskatchewan
residents to purchase
shares of SaskWorks
with a lower initial
cash outlay.

SaskWorks actively seeks out investee companies that represent Saskatchewan and have large growth potential. Our recent investment in Steel Reef Infrastructure Corp. is an example of how SaskWorks will support a business through various stages of growth. Steel Reef is a privately held company that acquires and builds midstream assets involved in gathering, transporting, processing and storage of petroleum products across the Western Canadian Sedimentary Basin. In 2013, SaskWorks made its inaugural investment in Steel Reef which allowed the Company to grow in ways they wouldn't have otherwise been able to. In 2019, Steel Reef is now a more mature company that continues to grow throughout western Canada, resulting in the Fund making a follow-on investment to further support the business. Since the first investment in Steel Reef, the Company has invested more than \$350 million into gathering and processing capacity in Saskatchewan and across western Canada.

SaskWorks' network of investment advisors is instrumental in every aspect of the Fund's operations; facilitating lump-sum, pre-authorized debit, and payroll investments and contributing to SaskWorks' deal flow. In SaskWorks' first year, the Fund was supported by a small group of committed financial advisors. Today, over 1,400 advisors have recommended SaskWorks to their clients.

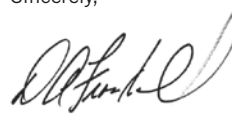
SaskWorks' advisors are actively recommending the Fund's Payroll Investment Plan (PIP), an investment strategy that allows Saskatchewan

residents to purchase shares of SaskWorks with a lower initial cash outlay. PIP participants have a pre-determined amount deducted from their paycheque each pay period and redirected to their SaskWorks investment. Since the 32.5% tax credit, as well as the RRSP tax deferral, are received at source – that is, deducted from the income tax paid each pay period – participants pay less tax while investing in our province. As at February 28, 2019, more than 1,300 investors were participating in the PIP at over 160 companies.

SaskWorks saw success in 2018 and we are excited about the potential for 2019. If your shares have matured and you plan to reinvest, we encourage you to utilize an early rollover as to not risk missing out on a fully-subscribed fund come January 2020.

With solid performance, strong deal flow and a growing network of supporters in Saskatchewan, SaskWorks is poised to maintain positive momentum into the Fund's second decade. We're committed to our investment strategy, to the province of Saskatchewan, and to you: our shareholders. Again, thank you for your confidence in the SaskWorks Venture Fund and for making 2018 such a tremendous success.


Sincerely,



Doug Frondall
Chairman



Randy Beattie
President & CEO



INVESTEE HIGHLIGHT
STEEL REEF
INFRASTRUCTURE CORP.

\$20 MILLION | FOLLOW-ON

Steel Reef is a privately held company that acquires and builds midstream assets involved in gathering/transportation, processing and storage of petroleum products across the Western Canadian Sedimentary Basin but has been primarily focused in Saskatchewan. The Company was initially capitalized in early 2013 through a \$66 MM equity raise, led by SaskWorks, and has completed a number of subsequent equity raises since that time. SaskWorks completed a follow-on investment of \$20 MM in early 2019 which coincides with the closing of a \$90.5 MM equity raise to fund existing and prospective business development initiatives throughout the Williston Basin and into North Dakota while allowing the Company to maintain a leverage ratio lower than industry peers.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements of the Fund. The complete semi-annual financial statements of the Fund are included later in this semi-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 or SEDAR at 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 purpose of this section is to summarize the performance of SaskWorks Venture Fund Inc. ("SaskWorks" or "the Fund") for the six months ended February 28, 2019.

Unless otherwise indicated, references to amounts at February 28, 2019 or to the six-month period ended February 28, 2019 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 1, 2016, the Fund offered 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 series' proportionate share of the class' common assets less the series-specific liabilities and the series' proportionate share of the class' 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.

INVESTMENT OBJECTIVE AND STRATEGIES

The Fund invests in small and medium-sized Saskatchewan eligible businesses, with the objective of achieving long term capital appreciation. In addition, the Fund may participate in investment groups and consortia in situations where the 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. 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 two 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.** Investments in businesses that require financing to expand sales, or to launch a new product or service.
- ▶ **Management/Employee Buyouts.** Investments 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.** Investments 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 subsequent to 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 as follows:

- › 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 high-quality government and corporate debt obligations and term deposits.

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 an exit 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.

SaskWorks' consistent investment philosophy and underwriting standards have created a strong portfolio that includes some of Saskatchewan's best companies.

Rob Duguid
Vice President, CFO, Corporate Secretary
SaskWorks Venture Fund

INTERIM 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 which are valued using available market prices.

During the six months ended February 28, 2019, the Fund continued to demonstrate its ability to identify and close on eligible venture investment opportunities. The Fund's Class A shares purchased \$35,939 (2018 -

\$26,623) and the Class R shares purchased \$388 (2018 - \$5,526) of venture investments over the period. In addition, \$2,002 has been committed by the Fund's Class A shares and \$539 by Class R shares to approved, but not yet disbursed, transactions.

With respect to liquidity risk, the Fund continues to demonstrate its ability to exit its investments, with \$13,611 (2018 - \$11,029) at cost dispositions of venture investments from Class A and \$7,185 (2017 - \$1,409) at cost from Class R shares over the six-month period ended February 28.

Regarding 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)

The Fund increased its venture investment portfolio at fair value by \$13,086 (Class A) and decreased \$13,633 (Class R) over the six months ended February 28, 2019.

Venture investments, at cost, made up 51.4% of Class A's and 66.1% of Class R's net assets at February 28, 2019, as compared to 45.3% of Class A's and 73.4% of Class R's net assets at August 31, 2018. Venture investments at fair value (cost plus/minus unrealized appreciation/depreciation) comprised 67.7% of Class A's and 64.2% of Class R's net assets at February 28, 2019, as compared to 63.8% of Class A's and 77.7% of Class R's net assets at August 31, 2018.



INVESTEE HIGHLIGHT
VENDASTA

\$5 MILLION | NEW INVESTMENT

Vendasta is a Saskatoon-based software developer and provider of white-label digital and non-digital marketing solutions, tools and platforms. Direct customers include marketing/advertising agencies, other software providers, telecommunication providers, multi-location franchise management companies, media companies and business directories such as yellow pages. The investment provides SaskWorks with exposure to a high-growth software subsector with a large addressable global market and strong recurring revenue base while also presenting a unique opportunity to partner with a company that is committed to growing the innovative ecosystem in Saskatchewan.

The Fund's cash, long-term, and short-term investments totaled \$151,601 in Class A and \$26,799 in Class R (August 31, 2018 - \$185,063 in Class A and \$19,186 in Class R). When the Fund's objective of maintaining a proportion of share capital in investment grade securities and approved but undisbursed transactions are considered, \$104,602 (Class A) and \$14,864 (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. In addition, the end of the reporting period coincides with the Fund's primary fund-raising cycle. 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 from \$10,366 at August 31, 2018 to \$8,883 at February 28, 2019 and the loan receivable attributable to Class R shares decreased from \$2,107 to \$1,475 over the same period. The loan receivable is due from Conexus 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 in Class A decreased from \$49,558 and at August 31, 2018 to \$33,693 in Class A and increased from \$5,047 to \$5,216 in Class R at February 28, 2019. These changes are due to the performance of the portfolio over the six-month period ended February 28, 2019 and payment to the fund manager in September 2018 of a portion of the accrued bonus pertaining to realized gains that had occurred in the 2018 fiscal year. Of the total incentive participation amount as at February 28, 2019, \$3,696 (Class A) and \$1,532 (Class R) relates to profitably exited investments

which meet the incentive participation amount criteria, whereas the balance is an accrual amount which may change based on the future carrying values and performance of the venture investment portfolio.

Proceeds on the issue of Class A Series A shares were \$25,569 during the six-month period ending February 28, 2019, a 7.6% increase over the same period in 2018. Proceeds on the issue of Class R Series A shares were \$1,370 during the six-month period ending February 28, 2019, a 23.5% decrease over 2018. Proceeds on issue of Class A Series F shares were \$1,920 (2018 - \$1,587) and proceeds on issue of Class R Series F were \$47 (2018 - \$24) for the same period.

Redemptions of Class A Series A shares were \$29,306 during the six-month period ending February 28, 2019 compared to \$25,520 during the same period in 2018. Redemptions of Class R Series A shares were \$7,910 during the six-month period ending February 28, 2019, as compared to \$4,598 for the same period in 2018. 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 increased from \$5,344 for the six months ended February 28, 2018 to \$5,841 for the same period in 2019 and the revenues related to Class R shares increased from \$499 in 2018 to \$592 in 2019. As a component of revenues, income from the Fund's venture investments decreased from \$4,351 to \$3,597 for Class A shares and increased from \$311 to \$356 for Class R shares over the reporting period. The increase/decrease in income from venture investments in Class A shares was a result of a change in the number of income-producing investments in the portfolio.

The expenses of the Fund, excluding provision for incentive participation amount, related to Class A shares increased from \$7,893 for the six months ended February 28, 2018 to \$8,378 in 2019 and the expenses of the

Fund related to Class R shares decreased from \$1,799 in 2018 to \$1,622 in 2019. Most of the recurring expenses of the Fund are a function of net assets or share activity. As the Fund's net assets or share activity increase/decrease so do expenses increase/decrease. Professional fees in both Class A and Class R shares increased from 2018 to 2019 because of work on investments. Legal fees decreased in 2019 due to less work associated with several investees.

The net investment loss of the Fund attributable to Class A shares for the six-month period, before gains and losses on dispositions of venture investments, net changes in unrealized appreciation on venture investments and provision for incentive participation amount, was \$3,406 (2018 - \$1,870). 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 are considered, the Class A shares had a decrease in net assets from operations for the first six months of 2019 to \$1,836 (2018 - increase \$44,200). The comparative period in 2018 featured significantly more unrealized gains, than the same period in 2019, primarily attributable to two investees.

The net investment loss of the Fund attributable to Class R shares for the six-month period, before gains and losses on dispositions of venture investments, net changes in unrealized appreciation on venture investments and provision for incentive participation amount, was \$1,105 (2018 - \$1,365). 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 factored in, the Class R shares had an increase in net assets attributable to the R shares from operations for the first six months of 2019 of \$53 (2018 - \$541). The change is a result of decreased unrealized appreciation due to a less favorable outlook for the energy sector.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

RECENT DEVELOPMENTS

(in thousands of dollars)

At the Fund's Annual General Meeting of Shareholders held on December 14, 2018, the Fund's sponsor, as the holder of the Class B shares, resolved to re-elect Ron Carlson and Dave Meyers as directors for three-year terms. The holders of Class A and R shares resolved to re-elect Doug Frondall as a director 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 December 2019); William Johnson, Q.C., B.A., LL.B., B.C.L. (OXON), lawyer and partner of the law firm of Gerrard Rath Johnson of Regina, Saskatchewan (term expires November 2020); and Douglas Johnson, CPA, CA, of Regina, Saskatchewan (term expires November 2020).

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, 2018 fiscal year end.

The Provincial Government announced, beginning with the 2019 sales year (April 1, 2018 to March 31, 2019) and annually thereafter, a decrease in the provincial tax credit to 17.5% and a decrease in the maximum annual sales to \$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 \$5,021 (2018 - \$4,839) in management fees related to Class A shares and \$870 (2018 - \$958) related to Class R in the six months ended February 28, 2019. In addition, the provision for the incentive participation amount payable to the manager, subject to the fulfillment of specific payment criteria, decreased by \$15,865 related to Class A shares and increased \$169 related to Class R shares for the first six months of the 2019 fiscal year, to a total provision of \$33,693 related to Class A shares and \$5,216 related to Class R shares.

INVESTEE HIGHLIGHT TURNSTONE ENERGY INC.

\$700,000 | FOLLOW-ON INVESTMENT

Turnstone Energy Inc. is an oil & gas producer operating in southeast and southwest Saskatchewan. The Company was capitalized in late 2015 and is led by a strong management team with a history of creating shareholder value. SaskWorks made its first investment in early 2017 and continues to add to its position as we believe this Company has strong growth potential and is well positioned to succeed in the current energy market.

FINANCIAL HIGHLIGHTS

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

The following tables show select key financial information about the Fund's share class series and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's unaudited semi-annual and audited annual financial statements.

The Fund's Net Assets per Class A Shares

Series A	2019 interim	2018	2017	2016	2015
Net Assets, beginning of period ⁽¹⁾	\$ 20.79	\$ 18.24	\$ 15.82	\$ 15.64	\$ 15.12
Increase from operations: ⁽²⁾					
Total revenue	\$ 0.30	\$ 0.65	\$ 0.57	\$ 0.57	\$ 0.55
Total expenses	\$ (0.54)	\$ (1.84)	\$ (1.61)	\$ (1.09)	\$ (0.89)
Realized gains (losses) for the period	\$ 0.63	\$ 3.97	\$ 1.45	\$ 0.58	\$ (0.04)
Unrealized (losses) gains for the period	\$ (0.49)	\$ (0.24)	\$ 2.02	\$ 0.13	\$ 0.93
Total increase from operations	\$ (0.10)	\$ 2.54	\$ 2.43	\$ 0.19	\$ 0.55
Net Assets, end of period ⁽¹⁾	\$ 20.69	\$ 20.79	\$ 18.24	\$ 15.82	\$ 15.64

Series F	2019 interim	2018	2017	2016	2015
Net Assets, beginning of period ⁽¹⁾	\$ 22.20	\$ 18.96	\$ 16.01	\$ -	\$ -
Increase from operations: ⁽²⁾					
Total revenue	\$ 0.45	\$ 0.80	\$ 1.02	\$ 0.54	\$ -
Total expenses	\$ (0.52)	\$ (2.26)	\$ (2.84)	\$ (0.73)	\$ -
Realized gains (losses) for the period	\$ 0.65	\$ 4.88	\$ 2.56	\$ (0.19)	\$ -
Unrealized (losses) gains for the period	\$ (0.38)	\$ (0.29)	\$ 3.57	\$ 1.00	\$ -
Total increase from operations	\$ 0.20	\$ 3.13	\$ 4.31	\$ 0.62	\$ -
Net Assets, end of period ⁽¹⁾	\$ 22.27	\$ 22.20	\$ 18.96	\$ 16.01	\$ -

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

⁽²⁾ 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.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

Ratios and Supplemental Data - Class A Shares

Series A	2019 interim	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$ 389,575	\$ 395,181	\$ 348,978	\$ 301,374	\$ 287,668
Number of shares outstanding ⁽¹⁾	18,826,350	19,006,174	19,128,069	19,049,874	18,388,551
Management expense ratio ⁽²⁾	5.24%	9.29%	9.64%	6.89%	5.78%
Management expense ratio excluding IPA ⁽³⁾	4.25%	4.25%	4.32%	4.33%	4.38%
Trading expense ratio ⁽⁴⁾	0.00%	0.07%	0.40%	0.00%	0.00%
Net asset value per share	\$ 20.69	\$ 20.79	\$ 18.24	\$ 15.82	\$ 15.64

Series F	2019 interim	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$ 7,687	\$ 5,756	\$ 2,966	\$ 900	\$ -
Number of shares outstanding ⁽¹⁾	345,207	259,165	156,362	56,221	-
Management expense ratio ⁽²⁾	4.46%	7.82%	7.81%	5.79%	-
Management expense ratio excluding IPA ⁽³⁾	3.59%	3.53%	3.43%	3.13%	-
Trading expense ratio ⁽⁴⁾	0.00%	0.07%	0.40%	0.00%	-
Net asset value per share	\$ 22.27	\$ 22.20	\$ 18.96	\$ 16.01	\$ -

⁽¹⁾ This information is provided as at end of fiscal period shown. Series F was first offered for sale January 1, 2016.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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	2019 interim	2018	2017	2016	2015
Net Assets, beginning of period ⁽¹⁾	\$ 11.57	\$ 11.43	\$ 11.85	\$ 13.53	\$ 14.35
Increase (decrease) from operations: ⁽²⁾					
Total revenue	\$ 0.10	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.18
Total expenses	\$ (0.35)	\$ (0.85)	\$ (0.70)	\$ (0.62)	\$ (0.74)
Realized (losses) gains for the period	\$ 1.38	\$ (0.32)	\$ 0.48	\$ (0.09)	\$ (0.46)
Unrealized gains (losses) for the period	\$ (1.12)	\$ 1.15	\$ (0.37)	\$ (1.14)	\$ 0.19
Total increase (decrease) from operations	\$ 0.01	\$ 0.14	\$ (0.42)	\$ (1.67)	\$ (0.83)
Net Assets, end of period ⁽¹⁾	\$ 11.57	\$ 11.57	\$ 11.43	\$ 11.85	\$ 13.53

Series F	2019 interim	2018	2017	2016	2015
Net Assets, beginning of period ⁽¹⁾	\$ 11.96	\$ 11.73	\$ 12.03	\$ -	\$ -
Increase (decrease) from operations: ⁽²⁾					
Total revenue	\$ 1.42	\$ 0.26	\$ 0.23	\$ 0.15	\$ -
Total expenses	\$ (5.21)	\$ (1.40)	\$ (0.94)	\$ (0.33)	\$ -
Realized (losses) gains for the period	\$ 20.36	\$ (0.53)	\$ 0.65	\$ -	\$ -
Unrealized gains (losses) for the period	\$ (16.45)	\$ 1.89	\$ (0.49)	\$ (0.69)	\$ -
Total increase (decrease) from operations	\$ 0.12	\$ 0.22	\$ (0.55)	\$ (0.87)	\$ -
Net Assets, end of period ⁽¹⁾	\$ 12.07	\$ 11.96	\$ 11.73	\$ 12.03	\$ -

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

⁽²⁾ 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	2019 interim	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$ 63,515	\$ 70,004	\$ 73,411	\$ 78,051	\$ 89,610
Number of shares outstanding ⁽¹⁾	5,488,600	6,052,222	6,425,411	6,587,598	6,624,193
Management expense ratio ⁽²⁾	6.34%	7.50%	6.07%	4.85%	5.27%
Management expense ratio excluding IPA ⁽³⁾	4.75%	4.85%	4.79%	4.62%	4.53%
Trading expense ratio ⁽⁴⁾	0.02%	0.08%	0.00%	0.00%	0.00%
Net asset value per share	\$ 11.57	\$ 11.57	\$ 11.43	\$ 11.85	\$ 13.53

Series F	2019 interim	2018	2017	2016	2015
Total net asset value (000's) ⁽¹⁾	\$ 127	\$ 78	\$ 50	\$ 12	\$ -
Number of shares outstanding ⁽¹⁾	10,518	6,582	4,321	1,000	-
Management expense ratio ⁽²⁾	5.06%	5.89%	4.49%	3.42%	-
Management expense ratio excluding IPA ⁽³⁾	3.79%	3.81%	3.53%	3.20%	-
Trading expense ratio ⁽⁴⁾	0.02%	0.08%	0.00%	0.00%	-
Net asset value per share	\$ 12.07	\$ 11.96	\$ 11.73	\$ 12.03	\$ -

⁽¹⁾ This information is provided as at end of fiscal period shown. Series F was first offered for sale January 1, 2016.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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.

INTERIM 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.

PAST PERFORMANCE

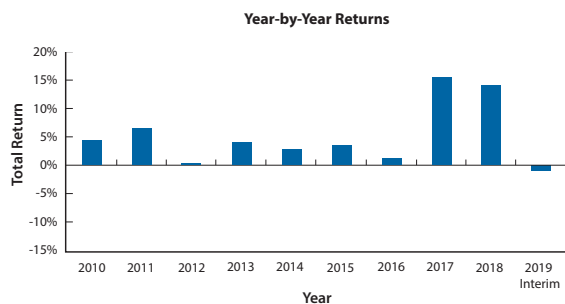
General

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

The charts below illustrate:

- ▶ the annualized performance of each series 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 A Shares

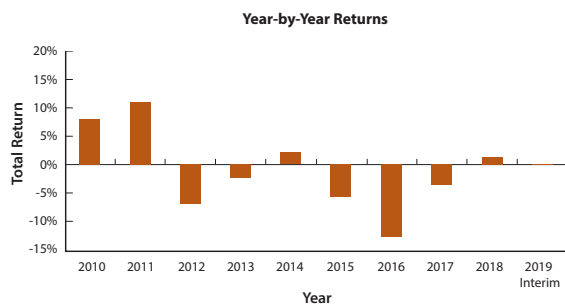


Class A Series F Shares

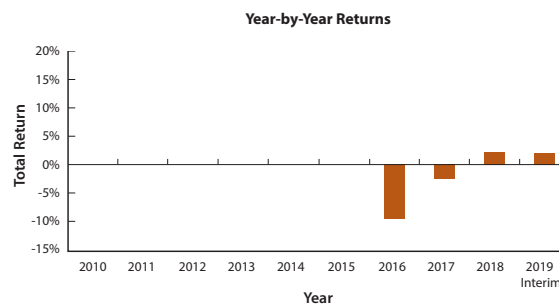


Class A Series F shares were first available for sale beginning January 1, 2016.

Class R Series A Shares



Class R Series F Shares



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

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	\$ 39,691	9.90%
2 Conexus Credit Union Term Deposit	3.25%	13-Jun-20	25,000	6.24%
3 Auctus Property Fund LP		Partnership units	14,845	3.70%
4 Moody's Equipment Partnership		Partnership units	14,551	3.63%
5 Agco Ag Ventures LP		Partnership units	12,605	3.14%
6 Cornerstone Credit Union Term Deposit	2.90%	10-Aug-19	10,599	2.64%
7 Conexus Credit Union Term Deposit	2.70%	3-Apr-20	10,000	2.49%
8 Affinity Credit Union Term Deposit	2.82%	4-Apr-20	10,000	2.49%
9 Al-Fab Building Components Inc.		Class A common, voting shares	9,726	2.43%
10 StorageVault Canada Inc.		Class A common, voting shares	8,835	2.20%
11 TAM International Inc.		Class A common, voting shares	8,770	2.19%
12 Caltex Resources Ltd.		Class A common, voting shares	8,313	2.07%
13 Hi-Tec Profiles Inc.		Class A common, voting shares	8,126	2.03%
14 Firesky Energy Inc.		Class A common, voting shares	7,480	1.87%
15 Affinity Credit Union Term Deposit	3.15%	28-Nov-19	7,006	1.75%
16 James Hill Road Villa LP		Partnership units	6,998	1.75%
17 Affinity Credit Union Term Deposit	2.97%	2-Sep-19	6,773	1.69%
18 Affinity Credit Union Term Deposit	2.75%	15-May-19	5,306	1.32%
19 Vendasta Technologies Inc.		Subordinated loan	5,000	1.25%
20 Weyburn Credit Union Term Deposit	3.29%	28-Feb-20	5,000	1.25%
21 Prairie Soil Services Inc.		Class A common, voting shares	4,359	1.09%
22 Foundation Developments Inc.	12.00%	Subordinated loan	4,206	1.05%
23 Affinity Credit Union Term Deposit	2.71%	10-Jul-19	4,200	1.05%
24 Conexus Credit Union Term Deposit	2.60%	9-Jul-19	4,167	1.04%
25 Conexus Credit Union Term Deposit	2.35%	8-Apr-19	4,062	1.01%
			\$ 245,618	61.26%

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	\$ 87,731	42.94%
Industrials, Telecommunications and Consumer Staples	48,560	23.77%
Financials	46,318	22.67%
Consumer discretionary	21,703	10.62%
	\$ 204,312	100.00%

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE (CONTINUED)

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	13.08%
2 Caltex Resources Ltd.		Class A common, voting shares	6,951	9.92%
3 Avalon Oil & Gas Ltd.		Class A common, voting shares	5,670	8.09%
4 Matrix Energy Technologies Inc.		Class A common, voting shares	4,735	6.76%
5 Steel Reef Infrastructure Fund		Class A common, voting shares	3,736	5.33%
6 Karve Energy Inc.		Class A common, voting shares	3,000	4.28%
7 Spur Petroleum Ltd.		Class A common, voting shares	1,801	2.57%
8 Chronos Resources Ltd.		Class A common, voting shares	1,474	2.10%
9 Burgess Creek Exploration Inc.		Class A common, voting shares	1,430	2.04%
10 Turnstone Energy Inc.		Class A common, voting shares	1,422	2.03%
11 Sun Country Well Servicing Inc.		Class A common, voting shares	1,000	1.43%
12 Plains Environmental Inc.		Class A common, voting shares	714	1.02%
13 Plains Environmental Inc.	10.50%	Subordinated loan	296	0.42%
14 Terra Grain Fuels Inc.	12.00%	Subordinated loan	279	0.40%
15 Plains Environmental Inc.	13.00%	Subordinated loan	237	0.34%
16 TAM International Inc.		Class A common, voting shares	186	0.27%
17 Terra Grain Fuels Inc.		Class A common, voting shares	1	0.00%
			\$ 42,098	60.07%

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	\$ 42,098	100.00%
	\$ 42,098	100.00%

SASKWORKS VENTURE FUND INC.

INTERIM FINANCIAL STATEMENTS

As at February 28, 2019 and for the six-month period ended February 28, 2019

To the Shareholders of SaskWorks Venture Fund Inc.:

The attached statement of financial position of SaskWorks Venture Fund Inc. (the "Fund") as at February 28, 2019, statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the periods ended February 28, 2019 and February 28, 2018 and statements of investment portfolio as at February 28, 2019 were not audited. The Fund's auditor has not performed a review of these interim financial statements.

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

STATEMENT OF FINANCIAL POSITION

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

Unaudited

	February 28, 2019			August 31, 2018		
	Class A	Class R	Total	Class A	Class R	Total
Assets						
Venture investments (Note 5)	\$ 269,056	\$ 40,850	\$ 309,906	\$ 255,970	\$ 54,483	\$ 310,453
Loan receivable (Note 6)	8,883	1,475	10,358	10,366	2,107	12,473
Long-term investments	45,000	-	45,000	50,431	-	50,431
Short-term investments	51,264	-	51,264	58,551	4,566	63,117
Other assets	91	17	108	80	17	97
Accounts receivable and accrued income	3,539	65	3,604	2,591	89	2,680
Cash	55,337	26,799	82,136	76,081	14,620	90,701
	<u>433,170</u>	<u>69,206</u>	<u>502,376</u>	<u>454,070</u>	<u>75,882</u>	<u>529,952</u>
Liabilities						
Accrued provision for incentive participation amount	33,693	5,216	38,909	49,558	5,047	54,605
Accounts payable and accrued liabilities	2,215	348	2,563	3,575	753	4,328
	<u>35,908</u>	<u>5,564</u>	<u>41,472</u>	<u>53,133</u>	<u>5,800</u>	<u>58,933</u>
Net assets attributable to holders of redeemable shares	<u>\$ 397,262</u>	<u>\$ 63,642</u>	<u>\$ 460,904</u>	<u>\$ 400,937</u>	<u>\$ 70,082</u>	<u>\$ 471,019</u>
Shares outstanding (Note 7)						
Series A	\$ 18,826,350	\$ 5,488,600		\$ 19,006,174	\$ 6,052,222	
Series F	345,207	10,518		259,165	6,582	
Net assets attributable to holders of redeemable shares						
Series A	\$ 389,575	\$ 63,515		\$ 395,181	\$ 70,004	
Series F	7,687	127		5,756	78	
Net assets attributable to holders of redeemable shares per share						
Series A	\$ 20.69	\$ 11.57		\$ 20.79	\$ 11.57	
Series F	22.27	12.07		22.20	11.96	

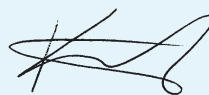
Commitments (Note 15)

See accompanying notes to the financial statements

On behalf of the Board:



Director



Director

STATEMENT OF COMPREHENSIVE INCOME

For the Six-Month Period Ended

(in thousands of dollars except per share amounts)

Unaudited

	February 28, 2019			February 28, 2018		
	Class A	Class R	Total	Class A	Class R	Total
Income						
Investment income - Dividends, royalties and distributions	\$ 2,214	\$ 356	\$ 2,570	\$ 2,246	\$ 311	\$ 2,557
Investment income - Interest	1,383	-	1,383	2,105	-	2,105
Interest income - Cash and term investments	2,234	233	2,467	964	185	1,149
Other income	10	3	13	29	3	32
	<u>5,841</u>	<u>592</u>	<u>6,433</u>	<u>5,344</u>	<u>499</u>	<u>5,843</u>
Expenses						
Management fees (Note 8)	5,021	870	5,891	4,839	958	5,797
Service fees	1,250	317	1,567	1,153	354	1,507
Trailer commissions	981	173	1,154	876	176	1,052
Provision for incentive participation amount (Note 8)	869	75	944	(679)	65	(614)
Shareholder recordkeeping and marketing	494	139	633	505	170	675
Professional fees	236	26	262	126	45	171
Shareholder reporting	169	47	216	143	45	188
Legal fees	92	22	114	165	26	191
Other	70	10	80	26	6	32
Audit fees	27	7	34	28	9	37
Custodial fees	22	6	28	7	2	9
Directors fees and expenses	15	4	19	24	7	31
Independent review committee fees	1	1	2	1	1	2
	<u>9,247</u>	<u>1,697</u>	<u>10,944</u>	<u>7,214</u>	<u>1,864</u>	<u>9,078</u>
Net investment loss	(3,406)	(1,105)	(4,511)	(1,870)	(1,365)	(3,235)
Realized gain on disposition of venture investments	12,081	8,463	20,544	14	-	14
Realized loss on disposition of venture investments	(5)	-	(5)	(989)	(1,330)	(2,319)
Net change in unrealized appreciation of venture investments	(9,422)	(6,836)	(16,258)	60,351	3,867	64,218
Provision for incentive participation amount (Note 8)	(1,084)	(469)	(1,553)	(13,306)	(631)	(13,937)
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	\$ (1,836)	\$ 53	\$ (1,783)	\$ 44,200	\$ 541	\$ 44,741
(Decrease) increase in net assets attributable to holders of redeemable shares from operations						
Series A	\$ (1,869)	\$ 52		\$ 43,724	\$ 539	
Series F	33	1		476	2	
(Decrease) increase in net assets attributable to holders of redeemable shares from operations per average share outstanding						
Series A	\$ (0.10)	\$ 0.01		\$ 2.29	\$ 0.09	
Series F	0.11	0.03		2.46	0.05	

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the Six-Month Period Ended

(in thousands of dollars)

Unaudited

	February 28, 2019			February 28, 2018		
	Class A	Class R	Total	Class A	Class R	Total
Series A						
Operating activities						
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	\$ (1,869)	\$ 52	\$ (1,817)	\$ 43,724	\$ 539	\$ 44,263
Capital transactions						
Proceeds on issue of shares	25,569	1,370	26,939	23,759	1,790	25,549
Redemption of shares	(29,306)	(7,910)	(37,216)	(25,520)	(4,598)	(30,118)
	<u>(3,737)</u>	<u>(6,540)</u>	<u>(10,277)</u>	<u>(1,761)</u>	<u>(2,808)</u>	<u>(4,569)</u>
(Decrease) increase in net assets attributable to holders of redeemable shares	(5,606)	(6,488)	(12,094)	41,963	(2,269)	39,694
Net assets attributable to holders of redeemable shares, beginning	395,181	70,003	465,184	348,978	73,410	422,388
Net assets attributable to holders of redeemable shares, ending	<u>\$ 389,575</u>	<u>\$ 63,515</u>	<u>\$ 453,090</u>	<u>\$ 390,941</u>	<u>\$ 71,141</u>	<u>\$ 462,082</u>
Series F						
Operating activities						
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	\$ 33	\$ 1	\$ 34	\$ 476	\$ 2	\$ 478
Capital transactions						
Proceeds on issue of shares	1,920	47	1,967	1,587	24	1,611
Redemption of shares	(19)	-	(19)	(7)	-	(7)
	<u>1,901</u>	<u>47</u>	<u>1,948</u>	<u>1,580</u>	<u>24</u>	<u>1,604</u>
Increase in net assets attributable to holders of redeemable shares	1,934	48	1,982	2,056	26	2,082
Net assets attributable to holders of redeemable shares, beginning	5,753	79	5,832	2,964	51	3,015
Net assets attributable to holders of redeemable shares, ending	<u>\$ 7,687</u>	<u>\$ 127</u>	<u>\$ 7,814</u>	<u>\$ 5,020</u>	<u>\$ 77</u>	<u>\$ 5,097</u>

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

For the Six-Month Period Ended

(in thousands of dollars)

Unaudited

	February 28, 2019			February 28, 2018		
	Class A	Class R	Total	Class A	Class R	Total
Cash provided by (used in):						
Operating activities						
(Decrease) increase in net assets attributable to holders of redeemable shares from operations	\$ (1,836)	\$ 53	\$ (1,783)	\$ 44,200	\$ 541	\$ 44,741
Purchases of venture investments	(35,939)	(388)	(36,327)	(26,623)	(5,526)	(32,149)
Repayments from venture investments	9	-	9	192	-	192
Repayments on disposition of venture investments	13,602	7,185	20,787	10,837	1,409	12,246
Purchase of long-term and short-term investments	(16,647)	-	(16,647)	(29,753)	(4,566)	(34,319)
Matured long-term and short-term investments	29,365	4,566	33,931	29,187	4,473	33,660
Items not affecting cash:						
Realized loss on disposition of venture investments	5	-	5	989	1,330	2,319
Net amortization of discount/premium on venture investment debt	(188)	-	(188)	(267)	-	(267)
Net change in unrealized appreciation of venture investments	9,422	6,836	16,258	(60,351)	(3,867)	(64,218)
Net change in balances other than cash and investments (Note 9)	(16,701)	420	(16,281)	9,822	291	10,113
	(18,908)	18,672	(236)	(21,767)	(5,915)	(27,682)
Financing activities						
Proceeds on issue of shares	27,489	1,417	28,906	25,346	1,814	27,160
Redemption of shares	(29,325)	(7,910)	(37,235)	(25,527)	(4,598)	(30,125)
	(1,836)	(6,493)	(8,329)	(181)	(2,784)	(2,965)
(Decrease) increase in cash	(20,744)	12,179	(8,565)	(21,948)	(8,699)	(30,647)
Cash, beginning	76,081	14,620	90,701	56,283	21,150	77,433
Cash, ending	\$ 55,337	\$ 26,799	\$ 82,136	\$ 34,335	\$ 12,451	\$ 46,786
<i>See accompanying notes to the financial statements</i>						
Interest received	\$ 776	\$ -	\$ 776	\$ 1,898	\$ -	\$ 1,898
Dividends received	1,014	356	1,370	1,410	311	1,721

STATEMENT OF INVESTMENT PORTFOLIO - CLASS A SHARES

As at February 28, 2019 (in thousands of dollars)

Unaudited

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			8,313	
Chronos Resources Ltd.	Class A common, voting shares			3,300	
Firesky Energy Inc.	Class A common, voting shares			7,480	
Karve Energy Inc.	Class A common, voting shares			3,000	
Matrix Energy Technologies Inc.	Class A common, voting shares			1,729	
Plains Environmental Inc.	Class A common, voting shares			1,009	
	Subordinated loan	13.00%	1-May-19	2,430	
	Subordinated loan	10.50%	1-May-19	806	
Spur Petroleum Ltd.	Class A common, voting shares			683	
Steel Reef Infrastructure Fund	Class A common, voting shares			39,691	
Terra Grain Fuels Inc.	Subordinated loan	12.00%	1-Jan-20	3,801	
TAM International Inc.	Class A common, voting shares			8,770	
Turnstone Energy Inc.	Class A common, voting shares			2,563	
				\$ 87,731	\$ 99,896

Financials

255 2nd Ave. North Properties Ltd.	Class A common, voting shares			\$ 590	
	Subordinated loan	8.75%	1-Sep-21	4,050	
Agco Ag Ventures LP	Partnership units			12,605	
Auctus Property Fund LP	Partnership units			14,845	
Elgin Development GP Inc.	Subordinated loan	14.00%	23-Nov-19	770	
	Class A common, voting shares			28	
Elgin Development LP	Partnership units			176	
Foundation Developments Inc.	Class A common, voting shares			1,236	
	Subordinated loan	12.00%	1-Jun-22	4,206	
Innovative Residential Investment Inc.	Subordinated loan	12.00%	30-Apr-19	1,500	
Kensington Flats Developments LP	Partnership units			48	
Parkside Townhomes	Class B preferred, cumulative, non-voting shares			707	
	Class A common, voting shares			2,915	
Saskatchewan Entrepreneurial Fund Inc.	Joint venture units			20	
Urban Heights Inc.	Preferred shares			1,140	
	Class A common, voting shares			1,257	
Yorkterra Development LP	Partnership units			225	
				\$ 46,318	\$ 58,044

STATEMENT OF INVESTMENT PORTFOLIO - CLASS A SHARES (CONTINUED)

As at February 28, 2019 (in thousands of dollars)

Unaudited

Venture Investments

Investee	Instrument	Interest Rate	Maturity Date	Outstanding at Cost	Fair Value
Consumer Discretionary					
Factory Optical Holdings Inc.	Class B common, voting shares			\$ 206	
James Hill Road Villa LP	Partnership units			6,998	
	Subordinated loan	15.00%	1-Dec-21	1,751	
Pines Power Sports & Marine Ltd.	Class A common, voting shares			300	
	Subordinated loan	12.00%	1-Jul-19	1,869	
	Subordinated loan	6.00%	1-Jul-19	718	
StorageVault Canada Inc.	Class A common, voting shares			8,835	
Visima Holdings Inc.	Class A common, voting shares			293	
	Class C preferred, convertible, non voting shares			733	
Visima Optical Inc.	Class A common, voting shares			-	
				\$ 21,703	\$ 64,258
Industrials, Telecommunications and Consumer Staples					
AI-Fab Building Components Inc.	Class A common, voting shares			\$ 9,726	
Community Electric Ltd.	Subordinated loan	11.50%	12-Jul-19	2,000	
Crestline Coach Ltd.	Class B convertible, redeemable preferred shares			-	
Hi-Tec Profiles Inc.	Class A common, voting shares			8,126	
Hi-Tec Profiles Limited Partnership	Partnership units			445	
Hi-Tec Holdings Inc.	Class A common, voting shares			477	
IM Wireless Communications Ltd.	Class A common, voting shares			194	
Lazar Equipment Ltd.	Class A common, voting shares			892	
Moody's Equipment Partnership	Partnership units			14,551	
Prairie Soil Services Inc.	Subordinated loan	12.00%	24-Mar-20	2,790	
	Class A common, voting shares			4,359	
Vendasta Technologies Inc.	Subordinated loan			5,000	
				\$ 48,560	\$ 46,858
	Total venture investments			\$ 204,312	\$ 269,056

STATEMENT OF INVESTMENT PORTFOLIO - CLASS R SHARES

As at February 28, 2019 (in thousands of dollars)

Unaudited

Venture Investments

Investee	Instrument	Interest Rate	Maturity Date	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			6,951	
Chronos Resources Ltd.	Class A common, voting shares			1,474	
Firesky Energy Inc.	Class A common, voting shares			9,166	
Karve Energy Inc.	Class A common, voting shares			3,000	
Matrix Energy Technologies Inc.	Class A common, voting shares			4,735	
Plains Environmental Inc.	Class A common, voting shares			714	
	Subordinated loan	13.00%	1-May-19	237	
	Subordinated loan	10.50%	1-May-19	296	
Spur Petroleum Ltd.	Class A common, voting shares			1,801	
Steel Reef Infrastructure Fund	Class A common, voting shares			3,736	
Sun Country Well Servicing Inc.	Class A common, voting shares			1,000	
TAM International Inc.	Class A common, voting shares			186	
Terra Grain Fuels Inc.	Class A common, voting shares			1	
	Subordinated loan	12.00%	1-Jan-20	279	
Turnstone Energy Inc.	Class A common, voting shares			1,422	
Total venture investments				\$ 42,098	\$ 40,850

STATEMENT OF INVESTMENT PORTFOLIO

As at February 28, 2019 (in thousands of dollars)

Unaudited

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

Class A Shares

as at February 28, 2019

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 87,731	\$ 99,896	42.9	37.1
Financials	46,318	58,044	22.7	21.6
Industrials, Telecommunications and Consumer Staples	48,560	46,858	23.8	17.4
Consumer Discretionary	21,703	64,258	10.6	24.0
	\$ 204,312	\$ 269,056	100.0	100.1

as at August 31, 2017

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 62,856	\$ 65,438	34.1	24.9
Financials	54,087	59,249	29.4	22.6
Consumer Discretionary	35,164	104,837	19.1	40.0
Industrials, Telecommunications and Consumer Staples	32,096	32,862	17.4	12.5
	\$ 184,203	\$ 262,386	100.0	100.0

Class R Shares

as at February 28, 2019

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 42,098	\$ 40,850	100.0	100.0

as at August 31, 2017

Industry sector	Cost	Fair Value	% of Cost	% of Fair Value
Energy	\$ 51,433	\$ 49,746	100.0	100.0

STATEMENT OF INVESTMENT PORTFOLIO (CONTINUED)

As at February 28, 2019 (in thousands of dollars)

Unaudited

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

Class A Shares

as at February 28, 2019

	Cost	Fair Value	% of Cost	% of Fair Value
Private debt securities	\$ 32,168	\$ 25,093	15.7	9.3
Private equity securities	170,415	242,980	83.5	90.3
Publicly traded equity securities	1,729	983	0.8	0.4
	\$ 204,312	\$ 269,056	100.0	100.0

as at August 31, 2017

	Cost	Fair Value	% of Cost	% of Fair Value
Private debt securities	\$ 40,949	\$ 33,810	22.2	12.9
Private equity securities	124,007	150,551	67.4	57.4
Publicly traded equity securities	19,247	78,025	10.4	29.7
	\$ 184,203	\$ 262,386	100.0	100.0

Class R Shares

as at February 28, 2019

	Cost	Fair Value	% of Cost	% of Fair Value
Private debt securities	\$ 1,230	\$ 74	2.9	0.2
Private equity securities	36,133	38,084	85.9	93.2
Publicly traded equity securities	4,735	2,692	11.2	6.6
	\$ 42,098	\$ 40,850	100.0	100.0

as at August 31, 2017

	Cost	Fair Value	% of Cost	% of Fair Value
Private debt securities	\$ 1,217	\$ 322	2.4	0.6
Private equity securities	43,906	45,242	85.3	91.0
Publicly traded equity securities	6,310	4,182	12.3	8.4
	\$ 51,433	\$ 49,746	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

As at February 28, 2019 and for the six-month period ended February 28, 2019

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

Unaudited

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 shares, Class R, in addition to its Class A shares, for sale to the public.

Beginning January 1, 2016, the Fund offered its Class A and Class R shares in series. The existing Class A and Class R shares were renamed Class A Series A and Class R Series A shares respectively. New shares, Class A Series F and Class R Series F, began sale to the public. Class A Series A and Class R Series A have a sales and trailer commission associated with them while Class A Series F and Class R Series F 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 shares. The holders of Class A Series A, Class A Series F, Class R Series A, and Class R Series F 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 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 TBW Holdings Inc. and PFM Capital (2010) Inc. to assist it to carry out its management obligations.

2. Basis of presentation and adoption of IFRS

(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 April 4, 2019.

(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, plus transaction costs in the case of financial instruments measured at amortized cost. 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 are measured at FVTPL, including investments in debt instruments which have been designated at FVTPL. All other financial assets and liabilities, including redeemable shares, are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or 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 August, and on the last business day of August.

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 take into account 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 on the basis of 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 productive 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.

A loan is considered impaired if, because of deterioration in credit quality, there is no longer reasonable assurance of the timely collection of the full amount of outstanding principal and interest. On principal impaired loans a write-down or other provision is established, through unrealized depreciation, to reduce their 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 has the ability to control. The Fund controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to 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.

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
Al-Fab Building Components Inc.	Subsidiary	60.04%	-
Elgin Development	Associate	25.81%	Yes
Foundation Developments Inc.	Associate	30.40%	Yes
Hi-Tec Profiles Inc.	Associate	39.56%	-
James Hill Road Villa LP	Subsidiary	56.83%	Yes
Lazar Equipment Ltd.	Subsidiary	53.94%	-
Moody’s Equipment LP	Subsidiary	71.37%	-
Parkside Townhomes	Subsidiary	84.26%	-
Pines Sports & Marine Ltd.	Subsidiary	54.55%	Yes
Prairie Soil Services Inc.	Subsidiary	68.65%	Yes
Terra Grain Fuels Inc.	Associate	33.25%	Yes
Urban Heights Inc.	Associate	34.93%	-
Visima Holdings Inc.	Associate	28.72%	Yes
YorkTerra Development LP	Associate	32.37%	Yes

Class R

Investee	Relationship	Ownership & voting interest %	Senior debt
None			

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 1.60% to 1.75%.

(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 share

The increase (decrease) in net assets attributable to holders of redeemable shares from operations per Class A Series A, Class A Series F, Class R Series A and Class R Series F share 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 period.

(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, subscription proceeds are invested in high-quality government and corporate debt obligations or other investments permitted under the Act. Purchases and sales of short-term and long-term investments are recorded on a trade date basis. Term deposits are valued at cost, which approximates fair value.

(i) Commissions

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.

(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 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) Application of new and revised International Financial Reporting Standards

The following new and revised standards are not considered significant to the Fund:

- New IFRS 15 Revenue from *Contracts with Customers*
- New IFRS 16 *Leases*
- Amendments to IAS 1 Presentation of Financial Statements re: *Disclosure Initiative*
- Annual Improvements (2012 – 2014 Cycle)

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.

As at February 28, 2019 and for the six-month period ended February 28, 2019 • (in thousands of dollars except number of shares and per share amounts)

Class A

As at February 28, 2019

	Level 1	Level 2	Level 3	Total
Equity investments	\$ 56,514	\$ -	\$ 187,449	\$ 243,963
Debt investments	-	-	25,093	25,093
	\$ 56,514	\$ -	\$ 212,542	\$ 269,056

As at August 31, 2018

	Level 1	Level 2	Level 3	Total
Equity investments	\$ 54,813	\$ -	\$ 175,801	\$ 230,614
Debt investments	-	-	25,356	25,356
	\$ 54,813	\$ -	\$ 201,157	\$ 255,970

Class R

As at February 28, 2019

	Level 1	Level 2	Level 3	Total
Equity investments	\$ 2,692	\$ -	\$ 38,084	\$ 40,776
Debt investments	-	-	74	74
	\$ 2,692	\$ -	\$ 38,158	\$ 40,850

As at August 31, 2018

	Level 1	Level 2	Level 3	Total
Equity investments	\$ 6,103	\$ -	\$ 48,281	\$ 54,384
Debt investments	-	-	99	99
	\$ 6,103	\$ -	\$ 48,380	\$ 54,483

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

	2019		August 31, 2018	
	Class A	Class R	Class A	Class R
Balance, beginning	\$ 201,157	\$ 48,380	\$ 184,361	\$ 45,564
Venture investments purchased	35,245	388	27,728	2,048
Venture investments repaid	(12,260)	(5,465)	(17,507)	(2,091)
Realized loss on disposition of venture investments	(5)	-	(4,409)	(2,640)
Net change in unrealized appreciation of venture investments	(11,595)	(5,145)	10,984	5,499
Balance, ending	\$ 212,542	\$ 38,158	\$ 201,157	\$ 48,380

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.

Class A

As at February 28, 2019

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Productive debt	\$24,079	Discounted cash flow	Discounted rate	9.84%	1%	\$241/\$(241)
Non-productive debt	1,014	Estimated realizable value	Impairment provision	25.00%	25.00%	253/(253)
Productive equity	159,161	Capitalization rate	NOI cap rate	6.60%	0.50%	2,906/(2,503)
		Cost	% variance	100%	10%	2,034/(2,034)
		Equity raise	Cost	100%	10%	5,894/(5,894)
		Multiple of cash flow	Cash flow multiple	5.0x	0.5x	431/(431)
		Multiple of EBITDA	EBITDA multiple	5.10x	0.50x	1,833/(1,812)
		Multiple of production	EV/boe multiple	\$47	\$5	2,070/(2,276)
		NAV/unit	% variance	100%	10%	2,623/(2,623)
		Net asset value	% variance	91%	5%	114/(137)
		Put value	% variance	100%	10%	32/(32)
		Secondary market pricing	% variance	100%	10%	305/(305)
Non-productive equity	28,288	Capitalization rate	NOI cap rate	6.25%	0.40%	3,259/(2,901)
		Cost	% variance	100%	10%	9/(9)
		Equity raise	Cost	100%	10%	-/(-)
		Multiple of EBITDA	EBITDA multiple	3.88x	0.50x	-/(-)
		Multiple of production	\$/boe/d multiple	\$30	\$5	517/(517)
		Net asset value	% variance	100%	10%	1,093/(1,093)

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

TBV = Tangible book value

As at August 31, 2018

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-		
Productive debt	\$22,253	Discounted cash flow	Discounted rate	9.4%	1%	\$227/\$(227)		
Non-productive debt	3,103	Estimated realizable value	Impairment provision	25%	25%	776/(776)		
Productive equity	144,948	Asset value	% variance	94.5%	7.5%	78/(155)		
		Capitalization rate	NOI cap rate	7.49%	0.5%	3,060/(2,633)		
		Cost	% variance	100%	10%	1,462/(1,462)		
		Equity raise	Cost	100%	10%	139/(139)		
		Multiple of EBITDA	EBITDA multiple	5.67x	0.5x	4,508/(3,657)		
		Multiple of production	EV/boe multiple	\$48/boe/d	\$5/boe/d	2,466/(2,685)		
		NAV/unit	% variance	100%	10%	2,434/(2,434)		
		Transaction value	% variance	100%	10%	2,335/(2,335)		
		Non-productive equity	30,853	Capitalization rate	NOI cap rate	6.38%	0.42%	2,981/(2,667)
				Cost	% variance	100%	10%	9/(9)
Equity raise	Cost			100%	10%	-/(-)		
Multiple of EBITDA	EBITDA multiple			4.79x	0.5x	1,454/(1,454)		
Multiple of production	\$/boe/d multiple			\$29/boe/d	\$5/boe/d	222/(165)		
Multiple of reserves	\$/boe multiple			\$12/boe	\$5/boe	658/(658)		

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 cap rate = Net operating income capitalization rate

As at February 28, 2019 and for the six-month period ended February 28, 2019 • (in thousands of dollars except number of shares and per share amounts)

Class R

As at February 28, 2019

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Non-productive debt	\$74	Estimated realizable value	Impairment provision	25%	25%	\$19/\$(19)
Productive equity	33,381	Cost	% variance	100%	10%	19/(19)
		Equity raise	Cost	100%	10%	909/(909)
		Multiple of production	EV/boe multiple	\$45	\$5	2,117/(2,314)
		Secondary market pricing	% variance	100%	10%	172/(172)
Non-productive equity	4,703	Equity raise	Cost	100%	10%	-/(-)
		Multiple of production	Cash flow multiple	5.0x	0.5x	427/(427)
		Multiple of production	EV/boe multiple	\$25	\$5	254/(265)
		Multiple of TBV	TBV multiple	0.50x	0.20x	160/(160)

boe = Barrels of oil equivalent

EV = Enterprise value

TBV = Tangible book value

As at August 31, 2018

Classification	Fair value	Valuation technique	Unobservable Inputs	Weighted average input	Sensitivity +/-	Change in valuation +/-
Non-productive debt	\$99	Estimated realizable value	Impairment provision	25%	25%	\$81/\$(81)
Productive equity	42,233	Cost	% variance	100%	10%	127/(127)
		Equity raise	Cost	100%	10%	139/(139)
		Multiple of EBITDA	EBITDA multiple	10x	0.5x	1,333/(889)
		Multiple of production	EV/boe multiple	\$49/boe/d	\$5/boe/d	1,927/(2,030)
Non-productive equity	6,048	Equity raise	Cost	100%	10%	-/(-)
		Multiple of production	\$/boe/d multiple	\$29/boe/d	\$5/boe/d	299/(174)
		Multiple of reserves	EV/boe multiple	\$12/boe	\$3/boe	901/(901)
		Multiple of TBV	TBV multiple	0.5x	0.2x	181/(181)

boe = Barrels of oil equivalent

boe/d = Barrels of oil equivalent per day

EBITDA = Earnings before interest, taxes, depreciation and amortization

EV = Enterprise value

TBV = Tangible book value

5. Venture investments

Venture investments are comprised of the following:

	2019		August 31, 2018	
	Class A	Class R	Class A	Class R
Equity instruments at cost	\$ 172,144	\$ 40,869	\$ 149,909	\$ 47,678
Debt instruments at cost	32,168	1,230	32,080	1,217
Venture investments at cost	204,312	42,099	181,989	48,895
Unrealized appreciation (depreciation)	64,744	(1,249)	73,981	5,588
Venture investments at fair value	\$ 269,056	\$ 40,850	\$ 255,970	\$ 54,483

During the year, venture investments changed as follows:

	2019		August 31, 2018	
	Class A	Class R	Class A	Class R
Venture investments at fair value, beginning	\$ 255,970	\$ 54,483	\$ 262,386	\$ 49,746
Venture investments purchased	35,939	388	98,708	6,783
Venture investments repaid	(13,611)	(7,185)	(93,275)	(6,431)
Realized loss on disposition of venture investments	(5)	-	(7,647)	(2,890)
Net increase/(decrease) in unrealized appreciation of venture investments	(9,422)	(6,836)	(4,606)	7,275
Amortization of discount on venture investment debt	185	-	404	-
Venture investments at fair value, ending	\$ 269,056	\$ 40,850	\$ 255,970	\$ 54,483

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 \$22,800 (August 31, 2018 - \$24,300) and consists of eight non-interest bearing promissory notes each repayable in eight equal annual instalments, based on the balance of the note at 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	2019		August 31, 2018	
		Class A	Class R	Class A	Class R
January 1, 2011	\$ 456	\$ -	\$ -	\$ 282	\$ 174
January 1, 2012	493	310	182	621	365
January 1, 2013	485	765	206	1,148	308
January 1, 2014	352	869	185	1,159	247
January 1, 2015	318	1,059	212	1,324	265
January 1, 2016	319	1,343	253	1,612	304
January 1, 2017	324	1,703	243	1,986	284
January 1, 2018	335	2,183	164	2,234	160
January 1, 2019	TBD	651	30	-	-
		\$ 8,883	\$ 1,475	\$ 10,366	\$ 2,107

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 0.875% of the gross proceeds raised in any calendar year on the sale of Class A Series A and Class R Series A shares and 0.125% 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 share for each series is calculated at the end of each week by dividing the net asset value of each series by its outstanding shares. 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' common assets less the series-specific liabilities and the series' proportionate share of the class' 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 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 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 shares will be invested in Saskatchewan eligible businesses in the energy and mining sectors;
- Class A Series A and Class R Series A shares have sales and trailer commissions associated with them while Class A Series F and Class R Series F 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 shares. The holders of Class A Series A, Class A Series F, Class R Series A, and Class R Series F 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 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 shares. The shares are voting, entitled to receive non-cumulative dividends at the discretion of the directors, entitled to elect all of 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, holders of Class A Series A or Class R Series A shares are charged a redemption fee of 1% of the net asset value per Class A Series A or Class R Series A share for each year or part year remaining before the eighth anniversary of the date of issue, and 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 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.

Issued share capital at the end of the period is:

	2019		August 31, 2018	
	Shares	\$	Shares	\$
Class A Series A				
Balance, beginning	19,006,174	287,234	19,128,069	275,935
Issued	1,240,909	25,569	1,754,253	35,330
Redeemed (at cost)	(1,420,733)	(19,474)	(1,876,148)	(24,031)
Balance, ending	18,826,350	293,329	19,006,174	287,234
Class A Series F				
Balance, beginning	259,165	2,558	156,362	2,558
Issued	86,898	1,920	103,465	2,202
Redeemed (at cost)	(856)	(15)	(662)	(11)
Balance, ending	345,207	4,463	259,165	4,749
Class R Series A				
Balance, beginning	6,052,222	84,201	6,425,411	89,323
Issued	118,141	1,370	246,105	2,830
Redeemed (at cost)	(681,763)	(9,731)	(619,294)	(7,952)
Balance, ending	5,488,600	75,840	6,052,222	84,201
Class R Series F				
Balance, beginning	6,582	80	4,321	53
Issued	3,936	47	2,261	27
Redeemed (at cost)	-	-	-	-
Balance, ending	10,518	127	6,582	80
Class B				
Balance, ending	10	1	10	1

At the end of the period the net assets attributable to the holders of the Fund's Class A Series A redeemable shares consist of issued share capital of \$293,329 (August 31, 2018 - \$287,234) and retained earnings of \$96,246 (August 31, 2018 - \$107,947). The net assets attributable to the holders of the Fund's Class A Series F redeemable shares consist of issued share capital of \$4,463 (August 31, 2018 - \$4,749) and retained earnings of \$3,224 (August 31, 2018 - \$1,007). The net assets attributable to the holders of the Fund's Class R Series A redeemable shares consist of issued share capital of \$75,840 (August 31, 2018 - \$84,201) and deficit of \$12,325 (August 31, 2018 - \$14,197). The net assets attributable to the holders of the Fund's Class R Series F redeemable shares consist of issued share capital of \$127 (August 31, 2018 - \$80) and retained earnings of \$nil (August 31, 2018 - deficit \$2).

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 shares, as at each weekly valuation date.

With respect to Class A Series A and Series F shares \$4,782 (2018 - \$4,609) 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 shares \$829 (2018 - \$912) 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 particular 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 particular eligible investee.

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

For Class A shares \$16,971 (2018 - \$3,550), plus applicable taxes, of IPA was paid to the Fund Manager and for Class R shares \$357 (2018 - \$706), plus applicable taxes, of IPA was paid to the Fund Manager.

For Class A shares the accrued provision for incentive participation amount is \$33,693 (August 31, 2018 - \$49,558), a net decrease, after payments, of \$15,865 (2018 - increase \$8,900). In respect of realized and unrealized gains, the provision for IPA increased by \$1,084 (2018 - \$13,306) and in respect of income earned, the provision for IPA increased by \$869 (2018 - decreased \$679) during the year.

For Class R shares the accrued provision for incentive participation amount is \$5,216 (August 31, 2018 - \$5,047), a net increase of \$169 (2018 - net decrease \$44). In respect of realized and unrealized gains, the provision for IPA increased by \$469 (2018 - \$631) and in respect of income earned, the provision for IPA increased by \$75 (2018 - \$65) 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.

9. Net change in balances other than cash and investments

	2019		February 28, 2018	
	Class A	Class R	Class A	Class R
Loan receivable	\$ 1,483	\$ 632	\$ 1,581	\$ 685
Accounts receivable and accrued income	(948)	24	427	44
Other assets	(11)	-	(11)	-
Accrued provision for incentive participation amount	(15,865)	169	8,900	(44)
Accounts payable and accrued liabilities	(1,360)	(405)	(1,075)	(394)
	\$ (16,701)	\$ 420	\$ 9,822	\$ 291

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, provision for accrued 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 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 shares invest in a diversified portfolio of companies in various sectors of the economy while Class R 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 shares' and Class R 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.

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 period, a 1% increase/decrease in interest rates (with all other variables held constant) would have resulted in an increase/decrease in net assets of \$888 (2018 - \$526) with respect to Class A shares and \$109 (2018 - \$148) with respect to Class R shares respectively. 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 with the exception of 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 20% 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 such time as the Fund has met its pacing requirement. In 2019 and 2018 the Fund met the investment requirement;

- 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 two 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 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 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 shares issued by the Fund can be redeemed at the option of the holder after a specific hold period, or earlier in limited circumstances. Class A Series A and Class R Series A shares redeemed before expiration of the hold period may be subject to a redemption fee.

As part of its banking relationship with Conexus Credit Union, the Fund is required to maintain a minimum of \$24,300 (August 31, 2018 - \$24,300) on deposit.

The Fund is in compliance with all the above restrictions.

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 shares expressed as a percentage of the average net assets attributable to the holders of redeemable Class A Series A, Class A Series F, Class R Series A and Class R Series F shares respectively during the period are:

	2019		February 28, 2018	
	IPA included	IPA excluded	IPA included	IPA excluded
Class A Series A	5.24%	4.25%	11.19%	4.30%
Class A Series F	4.46%	3.59%	9.49%	3.58%
Class R Series A	6.34%	4.75%	6.88%	4.96%
Class R Series F	5.06%	3.79%	5.32%	3.83%

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 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 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 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 shares, the holder of the Class A Series A, Class A Series F, Class R Series A or Class R Series F 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 shares will be increased by the amount of any deemed dividend.

The Fund's Class A and Class R 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
	<u>\$ -</u>	<u>\$ 23,513</u>

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

14. Non-cash transactions

The Fund, as part of regular purchases and dispositions of venture investments, will at times receive non-cash consideration on the disposition of some venture investments. The non-cash consideration can be debt instruments, shares in a publicly traded company, shares in a private company, or, on occasion, a combination of them.

15. Commitments

The Fund has committed to advance \$2,002 (August 31, 2018 - \$2,592) of additional financing to existing Class A investees and \$539 (August 31, 2018 - \$439) of additional financing to Class R existing investees, provided certain conditions are met.

The Fund has issued an irrevocable letter of credit in the amount of \$1,427 to an investee's financial institution. If the Fund does not pay amounts due the investee's financial institution may present its claim for payment to the Fund's financial institution through which the letter of credit was issued.

16. Investment portfolio

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.

17. Subsequent events

After August 31, 2018 the Fund declared and paid a deemed capital gains dividend on its Class A shares in the amount of \$11,533 by capitalizing the appropriate amount of its realized capital gains pro-rata to the stated capital account for its Class A shares. In accordance with the Fund's policy on the treatment of realized capital gains for income tax purposes (see Note 13), these deemed capital gains dividends entitle the Fund to a refund of tax otherwise payable and thereby minimize tax at the Fund level.

During the ten business days following the end of the period, the Fund received Class A Series A subscriptions of \$469 (2018 - \$6,317) and redemptions of \$2,518 (2018 - \$4,286), Class A Series F subscriptions of \$2 (2018 - \$515), Class R Series A subscriptions of \$61 (2018 - \$387) and redemptions of \$814 (2018 - \$1,025), and Class R Series F subscriptions of \$nil (2018 - \$2).

18. 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 (2018 - \$40,000) of share capital during the period from April 1, 2018 to March 31, 2019 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 shares tendered for redemption.

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

19. Net assets of the Fund

In 2018 and 2017, 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

Doug Frondall ¹
Chair

Terry Schneider ²
Vice-Chair

Brent Banda ²

Ron Carlson ^{2, 3}

Michael Fix ^{1, 3}

David Meyers

Daryl Schwartz

Kevin Stangeland ^{1, 2}

Kathy Zwick ³

¹ Audit/Valuation Committee

² Investment Committee

³ 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

Eric Clark
Chief Operating Officer

Jeff Linner
Chief Investment Officer

AGENT

Industrial Alliance Securities 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
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SPONSOR



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