

## LSVCC FACTS

PFM VENTURE CAPITAL OPERATIONS INC.

SASKWORKS VENTURE FUND INC.

SaskWorks Venture Fund – Resources Share Class – Series F



February 29, 2024

# SaskWorks Venture Fund – Resources Share Class – Series F

This document contains key information that you should know about SaskWorks Venture Fund's Resources (Class R - Series F) share class. You can find more detailed information in SaskWorks' prospectus. These securities are sold by prospectus only. Ask your representative for a copy, or contact SaskWorks at (306) 791-4833 or [saskworks@saskworks.ca](mailto:saskworks@saskworks.ca) or visit [www.saskworks.ca](http://www.saskworks.ca).

Before you invest in any fund, you should consider how the fund would work with your other investments and your tolerance for risk.

## QUICK FACTS

<b>Fund Series Codes</b>	CCP 201	<b>Maximum Tax Credit Eligible Investment</b>	\$5,000 per year
<b>Date Fund Series Started</b>	January 2016	<b>Maximum Annual Offering</b>	\$35 million**
<b>Total Value of Resources share class Series F on February 29, 2024</b>	\$816,000	<b>RRSP Eligible</b>	Yes
<b>Gross Management Expense Ratio as at February 29, 2024***</b>	7.51%	<b>LSVCC Tax Credit Eligible</b>	Yes
<b>Fund Manager</b>	PFM Venture Capital Operations Inc.	<b>Maturity Period</b>	8 years from date of purchase
<b>Portfolio Manager</b>	PFM Venture Capital Operations Inc.	<b>Investor Eligibility</b>	Saskatchewan residents
<b>Minimum Investment</b>	\$500 initial / \$100 subsequent*		

\* Minimum initial investment applies to lump sum contributions only. Investments made by pre-authorized debit or payroll investment plans must total at least \$500 in the first twelve months of participation. In certain cases, SaskWorks may waive its minimum investment criteria.

\*\* As per Saskatchewan's Labour Sponsored Venture Capital Corporation (LSVCC) Act, the combined total of SaskWorks Diversified Series A+B+F and Resources Series A+B+F subscriptions may not exceed \$35 million in the twelve month period between April 1st and March 31st of the following year.

\*\*\* SaskWorks' management team is entitled to receive an incentive participation amount (IPA) based on realized gains and cumulative performance of individual venture investments. The Diversified share class's MER net of IPA at February 29, 2024 was **3.37%**.

## TAX CREDIT ELIGIBILITY

Under Canada's Income Tax Act and Saskatchewan's Labour-Sponsored Venture Capital Corporation (LSVCC) Act, investors are eligible to receive a 15% Federal tax credit and a 17.5% Provincial tax credit on investments of up to \$5,000 per year, for tax credits applied towards the taxation year.

## WHAT DOES THE FUND INVEST IN?

SaskWorks Venture Fund invests in small and medium-sized privately-owned Saskatchewan businesses with the goal of achieving long-term capital appreciation. The investment activity of SaskWorks' Resources share class Series F is focused solely in the energy sector.

The charts below give you a snapshot of the Fund's investments on February 29, 2024. The Fund's investments will change.

### Sector Concentrations as at February 29, 2024

at cost	% of Venture Portfolio
Sub Sector - Energy	
Oil & gas production	57.69%
Oil & gas services	41.49%
Alternative energy	0.82%
<b>Total</b>	<b>100.00%</b>

### Top Venture Investment Holdings as at February 29, 2024

Investee at cost	% of Net Asset Value
1 Avalon Oil & Gas Ltd.	9.81%
2 Stampede Drilling Inc.	8.19%
3 Woodland Development Corp.	6.92%
4 Steel Reef Infrastructure Fund	6.46%
5 Karve Energy Inc.	3.46%
6 Burgess Creek Exploration Inc.	2.47%
7 Sun Country Well Servicing	1.65%
8 TAM International	0.32%
9 Spur Petroleum Ltd.	
<b>Total percentage of top investments</b>	<b>39.28%</b>
<b>Total number of active investments</b>	<b>9</b>

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### HOW RISKY IS IT?

The value of the Fund could go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

#### NO GUARANTEES

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

#### RISK RATING

PFM Capital Inc. has calculated the volatility of the Resource Class R-Series F share as Low to Medium, but due to the increased liquidity risk associated with LSVCC investments and the increased sector concentration risk associated with the Resource Class, the risk level has been increased to **Medium-High**. This rating is based on how much the Fund's returns have changed from year to year and the liquidity risk of the Fund. It doesn't tell you how volatile the Fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



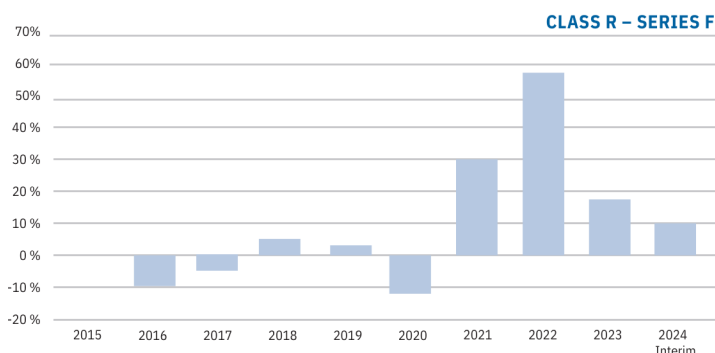
- The risk rating is based on methodology prescribed by the Canadian Securities Administrators ("CSA") which is derived from the standard deviation of monthly returns on investment over the past 10 years utilizing a reference index if 10 year returns are not available.
- This methodology may not fully capture the risks associated with investments in an LSVCC. For example, LSVCCs have a higher than average liquidity risk. Liquidity risk refers to how difficult or costly it may be to divest of an investment held by the Fund. Rules applicable to mutual funds directed at ensuring liquidity do not apply. There are restrictions on the transfer and redemption of shares including a risk that redemption request may be declined by the Fund. Coupled with volatility risk, liquidity risk increases the overall risk profile of the Fund. Redemption of shares prior to the Fund's government-mandated eight year maturity period having lapsed will trigger tax credit repayments.
- For more information about risk rating and specific information that can reflect the Fund's returns, please see the Risk Factors in the Prospectus.

### HOW HAS THE FUND PERFORMED?

This section tells you how SaskWorks' Resources- Series F shares have performed since inception. Returns are after expenses have been deducted. These expenses reduce the Fund's returns.

#### YEAR-BY-YEAR RETURNS

This chart shows how SaskWorks' Resources - Series F shares performed since inception. The range of returns and change from year to year can help you assess how risky the Fund has been in the past. It does not tell you how the Fund will perform in the future.



#### BEST AND WORST 3-MONTH RETURNS

This table shows the best and worst returns for SaskWorks Resources - Series F shares in a 3-month period since inception. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3-Months Ending	If you invested \$1,000 at the beginning of the period
Best Return	27.02%	2022-05-06	Your investment would rise to \$1,270.16
Worst Return	-19.62%	2020-04-03	Your investment would drop to \$803.85

#### AVERAGE RETURN

A person who invested \$1,000 in SaskWorks' Resources - Series F share class at inception now has \$1,982.58. This works out to an annual compound return of 8.78%.

### WHO IS THIS FUND FOR?

**SaskWorks' Resources - Series F shares are appropriate if:**

- You want to gain exposure to investments in privately-held Saskatchewan companies;
- You have a long-term investment horizon and are comfortable with the Fund's 8-year maturity period; and
- You are able to tolerate the relative volatility generally associated with the resources sector and the private equity asset class.

### A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the Fund in a registered plan, such as a Registered Retired Savings Plan (RRSP). SaskWorks Venture Fund is not eligible to be held in a Tax-Free Savings Account.

## HOW MUCH DOES IT COST?

The following tables show the fees and expenses you could pay to buy, own and sell Resources - Series F shares of SaskWorks Venture Fund. The fees and expenses – including any commissions – can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at lower cost.

SaskWorks offers a No Load (NL) option only.

### 1 SALES CHARGES

There are no sales charges levied by the Fund. The F Series is meant for sale in a fee-based account and does not pay dealers a sales commission or trailing commission.

### 2 FUND EXPENSES

You do not pay these expenses directly. They affect you because they reduce the Fund's return.

As of February 29, 2024, the expenses attributable to the Resources - Series F share class were 7.51% of its value. This equals \$75.10 for every \$1,000.

#### MORE ABOUT TRAILING COMMISSIONS

There are no trailing commissions for this share class.

	Annual Rate (as a % of the fund's value)
<b>Gross Management Expense Ratio</b>	7.51%
This is the total of the Fund's management fee (including the commission and trailing commission), fixed administration fee and other operating expenses.	
<b>Trading Expense Ratio</b>	0.00%
These are the Fund's trading costs.	
<b>FUND EXPENSES</b>	<b>7.51%</b>

\*The management Expense Ratio includes an incentive participation amount (IPA) that is equivalent to 4.14% of the Fund's value. The IPA is payable to the fund manager based on certain performance criteria being met. For more information please refer to the Fund's prospectus.

### 3 REPAYMENT OF TAX CREDITS

Saskatchewan's Labour-Sponsored Venture Capital Corporation (LSVCC) Act mandates that investments in SaskWorks Venture Fund be held for eight years less 30 days, at which point they are considered "mature" and eligible for redemption. If you opt to redeem your shares prior to the maturity period having elapsed, you will be required to pay back the Federal and Provincial tax credits you'd received on the shares redeemed, calculated on your original purchase price. Your tax credit repayment will be netted from your total redemption amount and paid to the Federal and Provincial Government on your behalf.

### 4 OTHER FEES

Concentra Trust, the Fund's custodian, may charge a \$35.00 plus GST one-time administrative fee for the set-up of a client-name RRSP account.

**WHAT IF I CHANGE MY MIND?**

Under securities laws in some provinces and territories, you have the right to:

- Withdraw from an agreement to buy mutual funds within two business days after you receive a prospectus or,
- Cancel your purchase within 48 hours after you receive confirmation of the purchase

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, annual information form, or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

**FOR MORE INFORMATION**

Contact SaskWorks Venture Fund or your representative for a copy of the Fund’s prospectus or other disclosure documents. These documents make up the Fund’s legal documents.

To learn more about investing in mutual funds, see the brochure **Understanding Mutual Funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).

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**Investment Risk Considerations**

SaskWorks Venture Fund Inc. is a Labour-Sponsored Investment Fund. The offering is made by prospectus in Saskatchewan only, for provincial residents. An investment in the Fund is subject to substantial risk, share value and returns will fluctuate. Redemptions are dependent on net income and retained earnings, and may be restricted in certain circumstances.

It is important for all potential investors to consider all of the merits and risk of this investment. If redeemed prior to 30 days of the eight anniversary of purchase, you must repay the tax credits. Commissions, trailing commissions, management fees and expenses all may be associated with Investment Funds. Investment Funds are not guaranteed, their values change frequently, and past performance may not be repeated.

**Read Our Prospectus**

This offering is made only by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained free of charge from your Investment Advisor or the agent, iA Private Wealth Inc. ([www.iaprivatewealth.ca](http://www.iaprivatewealth.ca)). Investors should read the prospectus and consult an Investment Advisor before making an investment decision.