

## LSVCC FACTS

PFM VENTURE CAPITAL OPERATIONS INC.

SASKWORKS VENTURE FUND INC.

SaskWorks Venture Fund – Diversified Share Class – Series B



APRIL 30, 2022

# SaskWorks Venture Fund – Diversified Share Class – Series B

This document contains key information that you should know about SaskWorks Venture Fund's Diversified (Class A - Series B) 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

Fund Series Codes	CCP 103	Maximum Tax Credit Eligible Investment	\$5,000 per year
Date Fund Series Started	December 2021	Maximum Annual Offering	\$35 million**
Total Value of the Diversified share class Series B on April 30, 2022	\$999,093	RRSP Eligible	Yes
Gross Management Expense Ratio as at February 28, 2022***	10.17%	LSVCC Tax Credit Eligible	Yes
Fund Manager	PFM Venture Capital Operations Inc.	Maturity Period	8 years from date of purchase
Portfolio Manager	PFM Venture Capital Operations Inc.	Investor Eligibility	Saskatchewan residents
Minimum Investment	\$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 28, 2022 was 4.20%.

## 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. SaskWorks' Diversified share class Series B focuses its activity in the energy, manufacturing, real estate and value-added agriculture sectors.

### Investment Mix as at April 30, 2022

Sector	% of Venture Portfolio
at cost	
Energy	31.27%
Industrials	25.16%
Consumer discretionary	20.06%
Financials	15.62%
Telecommunications	1.52%
Information Technology	6.37%
<b>Total</b>	<b>100.00%</b>

The charts below give you a snapshot of the Fund's investments on April 30, 2022. The Fund's investments will change.

### Top 10 Venture Investment Holdings as at April 30, 2022

Investee at cost	% of Total Assets
1 Steel Reef Infrastructure Fund	8.93%
2 James Hill Villa LP	4.14%
3 GHC Systems Inc.	3.45%
4 Auctus Property Fund LP	3.34%
5 DyMark Industries Inc.	2.66%
6 All-Fab Building Components Inc.	2.63%
7 Hi-Tec Profiles Inc.	2.57%
8 TAM International	1.97%
9 Prairie Soil Services Inc.	1.61%
10 Vendasta Technologies Inc.	1.50%
<b>Total percentage of top 10 investments</b>	<b>32.81%</b>
<b>Total number of active investments</b>	<b>49</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 Diversified Class A-B Series as Low to Medium, but due to the increased liquidity risk associated with LSVCC investments, the risk level has been increased to **Medium**. Because this is a new fund, the risk rating is only an estimate by PFM Capital Inc. Generally, the rating is based on how much the Fund's returns have changed from year to year. 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 investment 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 affect the Fund's returns, please see the Risk Factors in the Prospectus.

## HOW HAS THE FUND PERFORMED?

This section tells you how SaskWorks' Diversified - Series B shares have performed; however, this information is not available because the fund is new.

### YEAR-BY-YEAR RETURNS

This tells you how SaskWorks' Diversified -Series B shares has performed over the past 10 years; however, this information is not available because the fund is new.

### BEST AND WORST 3-MONTH RETURNS

This section shows the best and worst returns for SaskWorks Diversified -Series B shares in a 3 month period; however, this information is not available because the fund is new.

### AVERAGE RETURN

This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in SaskWorks' Diversified- Series B share class. However, this information is not available because the fund is new.

## WHO IS THIS FUND FOR?

**SaskWorks' Diversified - Series B 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 volatility generally associated with 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.

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### HOW MUCH DOES IT COST?

The following tables show the fees and expenses you could pay to buy, own and sell Diversified - Series B 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

The Diversified - Series B share class does not have a sales charge.

#### 2. FUND EXPENSES

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

As of February 28, 2022 the expenses attributable to the Diversified - Series B share class were 10.17% of its value. This equals \$101.70 for every \$1,000 invested.

	<b>Annual Rate (as a % of the fund's value)</b>
<b>Gross Management Expense Ratio*</b>	10.17%
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>10.17%</b>

#### MORE ABOUT TRAILING COMMISSIONS

The trailing commission is an ongoing commission. It is paid for as long as you own the Fund. This is for the services and advice that your representative and their firm provide to you.

SaskWorks pays the trailing commission to your representative's firm. It is paid from the Fund's management fee and is based on the value of your investment.

<b>Trailing Commission</b>	
<b>As a Percent (%)</b>	<b>In Dollars (\$)</b>
1.25% a year of the value of your investments paid quarterly for the first 8 years, 0.5% a year of the value of your investment, paid quarterly, thereafter.	\$12.50 each year for the first 8 years, \$5.00 each year thereafter, paid quarterly for every \$1,000 in value.

\* The Management Expense Ratio includes an incentive participation amount (IPA) that is equivalent to 5.97% 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 Governments on your behalf.

#### 4. OTHER FEES

Wyth 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.

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### 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 risks 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.