



# 2018 SEMI-ANNUAL REPORT

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# MESSAGE TO SHAREHOLDERS

## To our valued shareholders:

We are pleased to provide the Semi-annual Report for the period ended February 28, 2018. The period end comes at a time when there are signs of modest economic stability in Saskatchewan with the economy posting positive gross domestic product (GDP) growth of 2.1% in 2017 and continued momentum of 2.9% GDP growth forecasted for 2018.<sup>1</sup> Economic indicators such as housing starts and retail sales are predicted to follow the same positive trend according to RBC Economics which leads us to be cautiously optimistic, despite continued low commodity prices such as potash and uranium. This is good news for Golden Opportunities Fund's diversified investment portfolio which is designed to strategically weather downturns while being positioned to capture upside upon recovery of the economy.

Saskatchewan faced a challenging provincial budget in March 2017 which impacted all areas of government programs. This included a one-time change to the tax credits on Retail Venture Capital (RVC) Fund investments from 35% to 32.5% overall and adjustment to the Fund's annual capitalization limit now set at \$35 million going forward thereby limiting the availability of Golden Opportunities to investors.

The 2018 Federal and Provincial budgets announced in March and April respectively confirmed the ongoing support of RVC Funds and the significant role these Funds play in driving innovation in the economy, creating jobs and providing a vehicle to save for retirement. With almost one-third of Canadians aged 45 to

64 having no personal savings for retirement,<sup>2</sup> and 40% of Canadians surveyed indicating they could not afford to make an RRSP contribution for 2017,<sup>3</sup> investments such as Golden Opportunities are increasingly important to encourage retirement savings while having a positive impact on local companies and jobs.

Despite the lower national RRSP contributions reported, Golden Opportunities is pleased to report strong support once again from local investors raising approximately \$31 million during the 2018 RRSP season and subsequent. Due to shareholder demand for units and strong performance, the collective net assets of all share classes of the Fund increased from year-end August 31, 2017 by 25%, from \$284 million to \$355 million. The unit value of every share class, apart from the Resource Class R-share, posted

positive results. Once again, Golden Opportunities was the top performing RVC Fund share class in Saskatchewan based on one-year, three-year, five-year and since inception returns of the Class i-share as at February 28, 2018.<sup>4</sup>

Once again,  
Golden Opportunities  
was the **TOP PERFORMING**  
RVC Fund share class  
in Saskatchewan based on  
one-year, three-year, five-year  
and since inception returns.<sup>4</sup>

**AWARDED**



by Globefund

Class i-share as at February 28, 2018

**To avoid disappointment due to the Fund selling out, shareholders can take advantage of the Fund's convenient and automatic investment options to ensure receipt of tax credits. These include:**

**Pre-authorized Contribution (PAC) Plan:**

Regular deposits from your **bank account** can be invested directly into your Golden Opportunities account – you choose the contribution amount and frequency.

**Payroll Investment Plan (PIP):**

Invest directly off your **paycheque** and receive immediate tax savings by reducing the income tax you pay on every paycheque.

**When the Fund reaches its annual contribution limit, both regular contribution methods ensure that shareholders receive a full year of contributions.**

## Board Appointment

Golden Opportunities was also pleased to announce the appointment of business leader Mr. Murad Al-Katib to the Fund's Board of Directors in the reporting period. As President and CEO of AGT Food and Ingredients Inc., Mr. Al-Katib has helped to establish Saskatchewan as a world leader in pulse crop production. He has been the recipient of several prestigious awards including the 2017 "Oslo Business for Peace" Foundation Honoree, 2017 Ernst and Young "World Entrepreneur of the Year" Award (after being named 2016 Ernst and Young "Canadian Entrepreneur of the Year" and "Prairie Entrepreneur of the Year") and the 2016 United Nations Association of Canada "Global Citizen Laureate" Award. His business acumen, specifically in the agricultural sector, further enhances the leadership, strategic direction and governance of Golden Opportunities.

<sup>1</sup>RBC Economics Provincial Outlook, March 2018

<sup>2</sup>2018 CIBC Retirement Planning Poll

<sup>3</sup>Eighth Annual BMO RRSP Survey

<sup>4</sup>Class i-share as at February 28, 2018 by Fundata

The Fund's largest share class, the Diversified Class A-share, saw a 24% increase in net assets from \$245 million to \$303 million due to the strong performance of key portfolio companies including a 18% increase in partnership and dividend income from the same period in 2017. The liquidity of the share class also increased by approximately 16% during the reporting period providing the Fund with increased liquid assets available to capitalize on future investment opportunities. **Positive results from these key indicators enabled the Diversified Class A-share to post attractive returns of: one-year 19.73%, three-year 6.97% and five-year 5.70% as at February 28, 2018 per Fundata, not including the tax credit.**

**CANNIMED THERAPEUTICS INC.** → **AURORA CANNABIS INC.**

During the period, Golden Opportunities was actively engaged in activities related to the ownership transition of CanniMed Therapeutics Inc. (CanniMed) which became the largest transaction completed to date in the marijuana sector as companies prepare for the legalization of recreational marijuana in Canada in the fall of 2018.

**Golden Opportunities Investment Timeline**

- In 2001, over 16 years ago, Golden Opportunities became the first institutional investor in Prairie Plant Systems Inc. which later became CanniMed.
- Golden Opportunities supported the company through multiple investment rounds resulting in the creation of over 200 Saskatchewan jobs and it becoming a market leader in medical marijuana and related product delivery forms.
- On December 29, 2016 Prairie Plant Systems Inc. completed an oversubscribed initial public offering (IPO) under the name CanniMed Therapeutics Inc. (CMED) on the Toronto Stock Exchange (TSX), raising \$69 million.
- On November 14, 2017 Aurora Cannabis Inc. (Aurora), the second largest market cap marijuana company in Canada approached CanniMed with an acquisition proposal to form the largest medicinal marijuana company in Canada.
- A highly publicized proxy battle concluded with a public announcement on January 24, 2018 that Aurora had reached a friendly agreement with CanniMed and had the support of its Board of Directors and its largest institutional shareholders, including Golden Opportunities, to acquire the company for a value of approximately \$1.1 billion. This represented an increase in value from the CanniMed IPO market capitalization value of approximately \$245 million in December of 2016, as well as the value Aurora initially offered of approximately \$609 million in November of 2017.
- The transaction closed subsequent to this reporting period.

**“We are delighted to have finalized the largest transaction to date in the cannabis industry.”**

**- Terry Booth, CEO, Aurora**

**1<sup>st</sup>**  
INSTITUTIONAL  
INVESTOR

**200**  
SK JOBS  
CREATED

**\$69**  
MILLION  
IPO

**\$1.1**  
BILLION  
MARKET  
VALUE



More than 11 years ago, the Fund made its first investment into Solido Design Automation Inc. (Solido), an early stage innovation company in the software industry. Over time Solido became a leading provider of variation-aware design and characterization software to semiconductor companies enabling them to design, verify and manufacture more competitive products. Solido's technology assisted semiconductor companies to manufacture and design analogue chips more efficiently for smartphones, gaming devices and more. Impacted by long sales cycles and software design modifications, the company's maturity took time but ultimately resulted in worldwide sales to 40 major international companies.



**DID YOU KNOW?**  
**15 of the 24 chips in the iPhone 6 were designed using Solido's software.**

In the reporting period, Siemens AG, a global technology company, acquired Solido as part of its global strategy and continues to grow the local team at the recently expanded Saskatoon corporate office now operating as Mentor Graphics. This transaction is an example of the importance of Golden Opportunities to provide valuable, early-stage capital to create an environment where local innovation companies can stay and grow in Saskatchewan creating jobs and global technology.

Since inception, Golden Opportunities has strategically focused on innovation as one of its four investment pillars in the diversified portfolio. This strategy has been key due to the importance of innovation to the economy and job creation, as well as the portfolio diversification it provides to more traditional commodity dependent companies, recognizing additional time is required to capture results. We are proud to have supported companies such as CanniMed and Solido in multiple early-stage investment rounds when other institutional investors did not see the vision. The combined impact of these two companies with hundreds of jobs and world-class facilities, technologies and products will remain in Saskatchewan to support future economic growth in our Province. These innovation companies offer diversity among the Fund's portfolio of Golden Health Care Inc.'s long-term care homes and management buyouts such as Dyna Holdings LP, H.J.R. Asphalt LP, Prairie Meats LP, Warman Home Centre LP, Jump.ca Wireless Supply Corp. and SuperiorFarms Solutions LP, and are an important contribution to the strong returns Golden Opportunities has posted over decades of varying economic cycles.

### New Innovation Investment in Class A-share and Class i-share

Paradigm Consulting Group Inc. (Paradigm), a Saskatchewan-based information technology services company, has a 27-year history working with clients across diverse industries including healthcare, insurance, financial services, public sector, telecom and energy. With more than 150 active consultants, Paradigm is a market leader in the delivery of strategic technology management strategies to an enterprise level client base. Through its parent company Smart Employee Benefits Inc. (TSXV: SEB), a Software as a Service (SaaS) company with approximately \$100 million in revenue, Paradigm has a deep portfolio of scalable commercial IP to offer its key client verticals enabling accelerated delivery of projects and building long-term client relationships. Strong accreditation in numerous technology disciplines further differentiates Paradigm in the market.



<sup>5</sup>Class i-share based on 3 year returns as at February 28, 2018 by Globefund

## Innovation SHARE *i*

The success of our innovation companies carried over to the Innovation Class i-share which also posted exceptional growth during the 2018 RRSP season increasing capital raised by 21% from the same period last year and growing net assets by 43% to approximately \$43 million from year-end August 31, 2017.

**The Innovation Class i-share posted attractive returns of: one-year 31.87%, three-year 14.34%, five-year 9.08% and since inception 5.94% as at February 28, 2018 per Fundata.** These outstanding returns combined with the importance of an innovation-driven economy expressed by both the Federal and Provincial Governments, with a loan loss provision which reduces risk to shareholders provided by Western Economic Diversification Canada, contributed to the success of the Class i-share.

**As a result, the Class i-share was awarded a five out of five-star rating once again by Globefund where it also ranked: TOP PERFORMING RVC FUND IN CANADA.<sup>5</sup>**



## Resource SHARE *R*

The Resource Class R-share has 100% weighting in oil and gas by design and, despite the extended recovery of the sector due to low commodity prices, posted net asset growth of 4% to \$8.7 million from the year-end reporting period of August 31, 2017. With the price of West Texas Intermediate (WTI) oil stabilizing between US \$60 to US \$65, two portfolio companies posted activity: Burgess Creek Exploration Inc. drew down capital from the Fund's existing commitment, and a further investment was made into MATRRIX Energy Technologies Inc. for strategic acquisitions. In addition, Astra Oil Corp. and Villanova 4 Oil Corp., representing a combined 28% of the fair market value of the Resource Class R-share venture portfolio, posted strong year-end results with 5x and 4x respective increases in production from 2016 year-end.

### Summary

Your Fund's positive results this semi-annual reporting period were driven by milestones in innovation companies that the Fund has supported for more than a decade. The management buyout portfolio of mature, long-standing Saskatchewan companies is poised to continue to capture opportunities in an economy that is moving toward modest but positive growth. With Golden Opportunities' solid performance, ongoing support by both the Federal and Provincial Governments and continued investment opportunities in our local economy, investment demand for Golden Opportunities continues to be strong. Considering reduced availability, we encourage shareholders to make contributions for the 2018 tax filing year early before the Fund reaches a sellout in the upcoming RRSP season.

Thank you for your continued support and investment into Golden Opportunities which has had a material impact on the Province of Saskatchewan through the past two decades.

Sincere regards,

**Grant J. Kook,**  
C.Dir., S.O.M.  
President & CEO

**Hon. William McKnight,** S.O.M.,  
Privy Council  
Chairman  
Saskatoon

**Brian L. Barber,**  
Vice Chairman  
Regina

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance contains financial highlights but does not contain either annual or interim financial statements of Golden Opportunities Fund Inc. (the “Fund” or “Golden”). You can get a copy of the annual financial statements at your request, at no cost, by calling 1-866-261-5686, by writing to us at Suite 830, 410 – 22nd Street East Saskatoon, SK, S7K 5T6 or by visiting our website at [www.goldenopportunities.ca](http://www.goldenopportunities.ca) or SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Annual Management Report of Fund Performance may also be obtained, at no cost, using any of the methods outlined above. Securityholders may also contact us at one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Unless otherwise specified, all references to “net assets” or “net assets per share” in this report are references to net assets attributable to holders of redeemable shares determined in accordance with International Financial Reporting Standards (“IFRS”) as presented in the financial statements of the Fund. All references to “net asset value” or “net asset value per share” in this report are references to net asset value determined for purposes of purchase and redemption of Class A shares, Class A-F shares, Class I shares, Class I-F shares, Class R shares, and Class R-F shares. An explanation of the differences can be found in Note 8 to the financial statements.

For this report, the “Class A Fund” refers to the Class A shares and Class A-F shares, collectively; the “Class I Fund” refers to the Class I shares and the Class I-F shares, collectively; and the “Class R Fund” refers to the Class R shares and the Class R-F shares, collectively. The Class A-F Shares, Class I-F Shares and Class R-F Shares are collectively referred to as the “F Series”.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The investment objective of Golden is to invest its eligible capital in small and medium-sized Saskatchewan and Manitoba eligible businesses with the goal of maximizing shareholder returns through the long-term appreciation of Golden’s net asset value. Golden invests its share capital in companies that meet the investment criteria as defined in *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (the “Saskatchewan Act”) and related regulations and *The Labour-Sponsored Venture Capital Corporations Act* (Manitoba) (the “Manitoba Act”) and related regulations.

Golden issues two share classes in both Saskatchewan and Manitoba, a diversified share class, the Class A and Class A-F, and an innovation share class, the Class I and Class I-F, and issues a resource share class in Saskatchewan only, the Class R and Class R-F. For the Class A Fund, Golden intends to provide diversification for its shareholders by investing in a wide range of industry sectors in both Saskatchewan and Manitoba. Golden further seeks to diversify its investments according to stage of development and will invest in businesses that are in the start-up, growth, and mature stages of the business development cycle. The Class I Fund invests in companies in the innovation sector of the Saskatchewan and Manitoba economies. These sectors include, but are not limited to, information and communication technology, life sciences, industrial biotechnology, clean technology, value-added agriculture, and advanced manufacturing. The Class R Fund will invest in companies in the energy, mining and/or related resource services sectors of the Saskatchewan economy. For all shares, Golden generally makes investments with the expectation that the holding period will be five to eight years.

Golden’s manager, Westcap Mgt. Ltd. (the “Fund Manager”), performs a fundamental analysis of each investment opportunity including, but not limited to, an analysis of:

- the experience of management personnel,
- the industry and the competitive position of the company within its market,
- the past performance and business plan of the company,
- the financial statements, projections and forecasts of the company,
- the expected return on investment,
- exit strategies,
- and the risks of the company.

The form of Golden’s investments is selected and negotiated after considering the investment objectives and criteria of Golden. Golden has diversified its investment portfolio in all share classes using instruments such as common shares, preferred shares, convertible preferred shares, partnership units, debentures, convertible debentures, term loans, participating loans, warrants, and options. When possible, where Golden makes an investment by way of a debt instrument, Golden will secure its investment by a charge over the business’ assets. This charge may be subordinated to other lenders’ security. Golden takes the security with the goal of limiting the downside risk of the investment.

## Risks

(in thousands of dollars)

The risks of investing in Golden remain as discussed in Golden's prospectus dated December 19, 2017. The shares of Golden are highly speculative in nature and are suitable only for investors able to make a long-term investment. The investments made by Golden involve a longer commitment than what is typical for other types of investments made by mutual funds. Many such investments require between five to eight years to mature and generate the returns expected by Golden.

There may be changes introduced to the *Income Tax Act* (Canada), the Saskatchewan Act, or the Manitoba Act that may be unfavourable to Golden's ability to attract further investment. In addition, the legislation in Saskatchewan requires labour-sponsored venture capital corporations to invest 18.75% of its annual net capital (being annual capital raised less annual capital required to satisfy redemption obligations) in eligible innovation activities. Eligible innovation activities include: (i) activities carried out by an eligible business whose principal business is directly related to one or more of the following sectors: clean or environmental technology, health and life sciences, crop and animal sciences, industrial biotechnology or information and communication technology; or (ii) activities carried out by an eligible business that involves technical risk, productivity improvement or the application of a technology, process or innovation that is new to Saskatchewan and facilitates growth, supports trade or exports or enhances Saskatchewan's competitiveness.

Golden has made the innovation sector a key pillar of its Class A Fund and the Class I Fund is focused exclusively on investment in innovation. Golden has a loss support agreement (the "WD Agreement") with Western Economic Diversification Canada for investment transactions made in respect of the Class I Fund. While eligible innovation sector investments for the purposes of the WD Agreement and the legislation in Saskatchewan are similar, they are not identical.

Under the Saskatchewan Act, Golden is required to invest and maintain at least 75% of its equity capital raised in Saskatchewan in investments in eligible Saskatchewan companies within two years from the fiscal year end of raising the equity capital. For share capital raised in Saskatchewan, as at February 28, 2018, Golden has met its Saskatchewan investment requirements.

Under the Manitoba Act, Golden is required to invest at least 70% of its equity capital raised in Manitoba in investments in eligible Manitoba companies within two years from the fiscal year end of raising the equity capital, and 14% of the equity capital so invested must be in eligible investments for which the total cost of the eligible investments held by Golden in such entity and any related entities does not exceed \$2 million. For share capital raised in Manitoba, as at February 28, 2018, Golden is in compliance with its Manitoba investment requirements.

The business of Golden is to invest its eligible capital in Saskatchewan and Manitoba eligible businesses and in proportion to the jurisdiction where it was raised. There is a risk Golden will not be able to find suitable investments that meet its investment criteria.

Please see Note 13 to the financial statements for disclosure about the nature and extent of risks relative to financial instruments and how Golden manages those risks.

Valuing venture investments is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

### **Class A Fund**

For the Class A Fund, the Fund attempts to mitigate the risk of its investment portfolio by investing in a diverse range of industries and investing in companies at different stages of the business cycle. As at February 28, 2018, the Class A Fund's top four sectors based on cost were oil & gas, services, value added manufacturing and healthcare. For diversification, as at February 28, 2018, the Class A Fund is invested in 11 different industry sectors. Golden continues to hold investments in companies at each stage of the business development cycle. During the time Golden holds an investment, a portfolio company will move through the different stages of the business development cycle. As at February 28, 2018, the Class A Fund's venture investment portfolio, based on investment cost, was 25.43% mature, 57.02% growth, and 17.55% start-up. The total cost base of the Class A Fund's venture investment portfolio represents 64.07% of the Class A Fund's net asset value, and the cost base of the top five portfolio holdings represents 27.17% of the Class A Fund's net asset value. Over the past five years, the cost base of the top five holdings as a percentage of the Class A Fund's net asset value has been in the range of 23% - 30%.

At February 28, 2018, the fair value of the investment in CanniMed Therapeutics Inc. represents 40.02% of the Class A Fund venture investment portfolio and 40.06% of the Class A Fund net asset value. As a result, fluctuations in the value of this publicly traded security could have a varying effect on the net asset value of the Class A Fund.

### **Class I Fund**

The Class I Fund invests in companies in the innovation sector of the Saskatchewan and Manitoba economies. These sectors include, but are not limited to, information and communication technology, life sciences, industrial biotechnology, clean technology, value-added agriculture, and advanced manufacturing. As at February 28, 2018, the Class I Fund was invested in 13 entities within six different industry sectors. Within the different stages of the business development cycle, as at February 28, 2018, the Class I Fund's venture investment portfolio, based on investment cost, was 23.09% mature, 65.20% growth and 11.71% start-up. The total cost base of the Class I Fund venture investments represents 25.36% of the Class I Fund's net asset value.

Based on fair value, as at February 28, 2018, the investment in CanniMed Therapeutics Inc. represents 62.98% of the Class I Fund venture investment portfolio and 39.82% of the Class I Fund net asset value. As a result, fluctuations in the value of this publicly traded security could have a varying effect on the net asset value of the Class I Fund.

For investments made by the Class I Fund, the WD Agreement will provide loss protection support to Class I and Class I-F shareholders. Details of the loss support program are contained in Golden's prospectus.

### **Class R Fund**

The Class R Fund invests in companies in the energy, mining and/or related resource services sectors of the Saskatchewan economy. As at February 28, 2018, the Class R Fund was invested in eight companies within the oil & gas sector. Within the different stages of the business development cycle, as at February 28, 2018, the Class R Fund's venture investment portfolio, based on investment cost, was 69.33% growth and 30.67% start-up. The total cost base of the Class R Fund's venture investments represents 51.30% of the Class R Fund's net asset value.

## **Results of Operations**

### **Net Assets**

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

The net assets of the Class A Fund increased from \$245,390 as at August 31, 2017 to \$303,416 as at February 28, 2018, an increase of \$58,026. Net asset value per Class A share increased from \$14.22 as at August 31, 2017 to \$17.40 as at February 28, 2018, an increase of 22.36%. The net asset value per Class A-F share increased by 25.83%, from \$15.06 at August 31, 2017 to \$18.95 at February 28, 2018.

The increase in the net assets of the Class A Fund from operations was \$62,570 for the six months ended February 28, 2018, of which an increase in net assets of \$75,168 is attributed to an unrealized gain on CanniMed Therapeutics Inc. (net of the increase in the contingent incentive participation amount ("IPA")). The Class A Fund raised proceeds of \$14,682, from the issue of Class A and Class A-F shares during the six months ended February 28, 2018 and incurred \$19,226 of redemptions, representing 7.73% of the outstanding share capital. During the six months ended February 28, 2018, the number of Class A shares outstanding decreased from 17,106,601 to 16,772,819, and the number of Class A-F shares outstanding increased from 123,306 to 199,210.

Cash and short-term investments of the Class A Fund increased from \$30,813 at August 31, 2017 to \$34,555 as at February 28, 2018, largely due to venture investment purchases of \$2,489 and net share capital redemptions of \$4,539 paid in the period, partially offset by \$14,012 of repayments and proceeds on dispositions of venture investments in the period. The Class A Fund continues to hold cash and liquid short-term investments to maintain sufficient liquidity to meet shareholder redemptions, operational requirements, and future venture investments.

As at February 28, 2018, the net assets of the Class I Fund totaled \$42,750, an increase of \$12,746 from August 31, 2017. The net asset value per Class I share increased from \$11.55 as at August 31, 2017 to \$15.29 as at February 28, 2018, an increase of 32.38%. The net asset value per Class I-F share increased from \$12.47 at August 31, 2017 to \$17.29 at February 28, 2018, an increase of 38.65%.

The increase in the net assets of the Class I Fund from operations was \$10,871 for the six months ended February 28, 2018, of which an increase in net asset of \$10,659 is attributed to an unrealized gain on CanniMed Therapeutics Inc. (net of the increase in the contingent IPA). During the six months ended February 28, 2018, the Class I Fund raised proceeds of \$3,479 from the issue of Class I and Class I-F shares and incurred \$1,604 of redemptions, representing 4.80% of the outstanding share capital. The number of Class I shares outstanding increased from 2,583,726 to 2,705,079 during the six months ended February 28, 2018, and the number of Class I-F shares outstanding increased from 8,319 to 18,159 during the period. Cash and short-term investments of the Class I Fund were \$22,167 at February 28, 2018, an increase of \$1,206 from August 31, 2017.

As at February 28, 2018, the net assets of the Class R Fund totaled \$8,696, an increase of \$372 from August 31, 2017. The increase in net assets of the Class R Fund is attributable to an increase in share capital of \$389 after redemptions offset by a decrease in net assets from operations of \$17 for the six months ended February 28, 2018. Net asset value per Class R share decreased from \$8.48 as at August 31, 2017 to \$8.47 as at February 28, 2018, a decrease of 0.12%. The net asset value per Class R-F share increased from \$9.09 at August 31, 2017 to \$9.25 at February 28, 2018, an increase of 1.76%.

During the six months ended February 28, 2018, the Class R Fund raised proceeds of \$462 from the issue of Class R and Class R-F shares and incurred redemptions of \$73, representing 0.72% of the outstanding share capital. The number of Class R shares outstanding increased from 980,641 to 1,026,007 during the six months ended February 28, 2018, and no Class R-F shares were issued or redeemed during the period. At February 28, 2018, the Class R Fund had cash and short-term investments of \$4,264, a decrease of \$1,029 from August 31, 2017.

### **Statement of Comprehensive Income**

*(in thousands of dollars)*

#### Income

Excluding net realized and unrealized gains, income for the Class A Fund for the six months ended February 28, 2018 was \$9,849 compared to \$8,413 for the six months ended February 28, 2017. Partnership income increased by \$1,396 from the comparative period due to an increase in income allocations received from investments in partnerships. The increase in interest income of \$55 from the six months ended February 28, 2017 was mainly due to an increase in debt investments from the comparative period.



Income for the Class I Fund excluding net realized and unrealized gains was \$637 for the six months ended February 28, 2018 compared to \$622 for the comparative period. Interest earned on cash and short-term investments increased by \$54 from the six months ended February 28, 2017, which was partially offset by a reduction of \$35 in interest earned on debt investments because of a reduction in debt investments from the comparative period.

Excluding net realized and unrealized gains, income for the Class R Fund increased from \$8 in the six months ended February 28, 2017 to \$19 in the current period due to an increase in interest earned on cash and short-term investments.

#### Expenses

Excluding the change in the contingent IPA and the IPA, expenses for the Class A Fund increased from \$5,899 in the six months ended February 28, 2017 to \$6,425 in the current period. The increase in expenses is reflective of the increase in the net asset value of the Class A Fund from the comparative period. For the six months ended February 28, 2018, the average net asset value of the Class A Fund was \$274,685, and for the comparative period the average net asset value of the Class A Fund was \$247,540.

For the Class I Fund, expenses excluding the IPA and the change in contingent IPA increased from \$610 in the six months ended February 28, 2017 to \$861 in the current period. The average net asset value of the Class I Fund was \$35,125 for the six months ended February 28, 2018 and for the comparative period the average net asset value was \$25,904.

Excluding the change in the contingent IPA and the IPA, expenses for the Class R Fund for the six months ended February 28, 2018 were \$223 compared to \$191 for the comparative period. The average net asset value for the current period was \$8,507, compared to \$7,604 for the six months ended February 28, 2017.

#### Unrealized gains

For the six months ended February 28, 2018, the Class A Fund had a net increase of \$66,397 in the unrealized appreciation of venture investments, and had net realized gains of \$11,107. During the period, unrealized gains of \$9,042 were reclassified to realized gains upon the dispositions of Connect Energy Holdings Ltd. and Solido Design Automation Inc. Net unrealized gains of \$93,083 on investments in public companies were partially offset by net unrealized losses of \$17,644 on investments in privately held investees. During the six months ended February 28, 2018, there was an increase of \$15,730 in the contingent IPA on the Class A Fund, which is not payable until a full exit from the applicable investments is realized.

During the six months ended February 28, 2018, the Class I Fund recognized a net increase of \$11,250 in the unrealized appreciation of venture investments, and had net realized gains of \$2,784. During the period, unrealized gains of \$1,858 were reclassified to realized gains upon the disposition of Solido Design Automation Inc. The balance of change in net unrealized appreciation is comprised of unrealized gains of \$13,414 on investments in public companies and offset by net unrealized losses of \$306 on investments in privately held investees. An increase of \$215 in the amount of the loss support program contributions considered repayable to Western Economic Diversification Canada was recognized in the six months ended February 28, 2018, as per the terms of the WD Agreement. The \$215 has been recognized as a decrease in unrealized loss recovery during the current period. There was an increase of \$2,131 in the contingent IPA on the Class I Fund during the six months ended February 28, 2018, which is not payable until a full exit from the applicable investment is realized.

For the six months ended February 28, 2018, the Class R Fund had a net increase in the unrealized value of venture investments of \$187, which is comprised of an increase of \$268 in the unrealized appreciation of a public company investee, offset by a net unrealized decrease in private investee companies of \$81. At February 28, 2018, there is no contingent IPA attributable to the Class R Fund.

## **Investment Portfolio**

*(in thousands of dollars)*

### Class A Fund

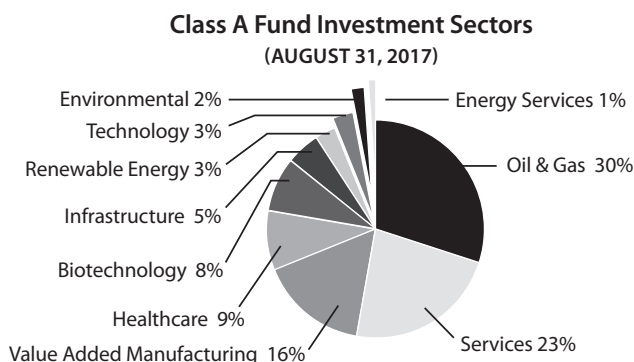
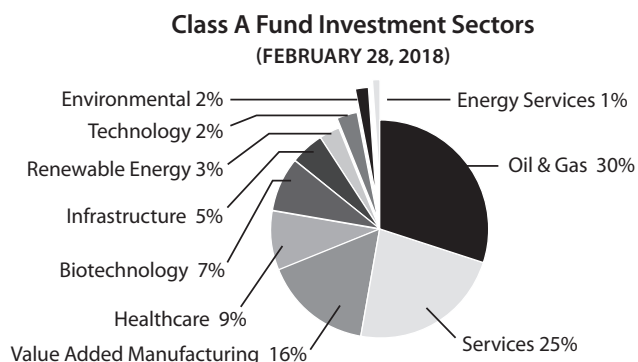
The cost base of the Class A Fund's investments increased from \$185,939 at August 31, 2017 to \$189,424 as at February 28, 2018. The increase of \$3,485 is attributable to investments of \$2,489 and capitalized partnership income of \$8,947, offset by partnership distributions and investment repayments totaling \$5,403 and disposals of investments with a cost base totaling \$2,548.

Investments in the six months ended February 28, 2018 were as follows:

- a new investment of \$1,000 in Paradigm Consulting Group Inc., a Saskatchewan-based information technology services company;
- a follow-on investment of \$631 in Burgess Creek Exploration Inc., an oil and gas exploration and production company focused on light oil opportunities in southeast Saskatchewan;
- follow-on investments of \$573 in Med-Life Discoveries LP, a biotechnology partnership based in Saskatoon, SK;
- follow-on investments of \$228 in Golden Health Care Inc., a company headquartered in Saskatoon, SK operating personal care homes in Saskatchewan; and
- a follow-on investment of \$57 in CanniMed Therapeutics Inc., a licensed producer of medical cannabis located in Saskatoon, SK.

Golden recognizes income earned from partnerships as revenue, with a corresponding increase to the cost base of the investment. Distributions from partnerships are then recorded as a reduction in the cost base when received.

The accompanying charts illustrate the diversification of the Class A Fund's investments across different industry sectors based on the cost of the investments.



During the six months ended February 28, 2018, the Class A Fund's investment in the Services sector increased from 23% to 25% due to partnership income allocations in excess of distributions received in the period. The Technology sector decreased from 3% to 2% due to the disposition of Solido Design Automation Inc. The decrease in the Biotechnology sector from 8% to 7% is due to partnership loss allocations that reduced the cost base of investments in that sector.

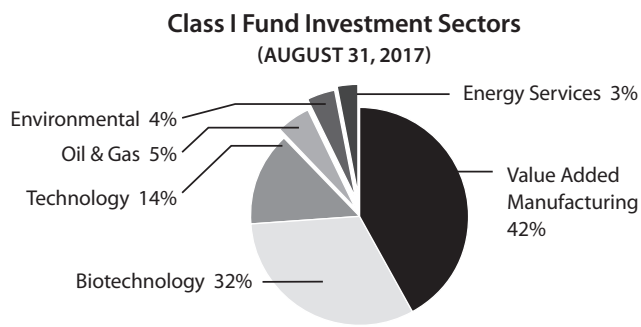
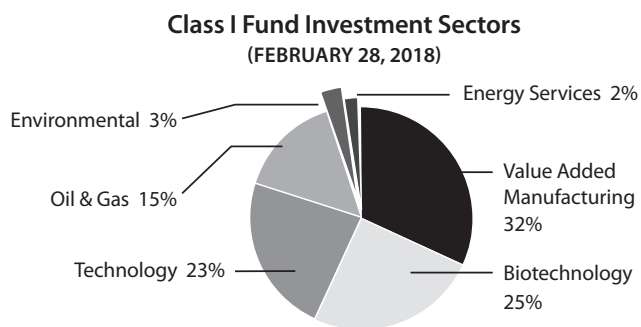
Class I Fund

The cost base of the Class I Fund's venture investments increased from \$7,837 as at August 31, 2017 to \$10,564 as at February 28, 2018. The increase was attributable to new investments of \$3,338 and partnership income allocations of \$475, partially offset by \$359 in partnership income distributions received and the disposition of Solido Design Automation Inc. which had a cost base of \$727.

Investments in the six months ended February 28, 2018 were as follows:

- a new investment of \$2,000 in Paradigm Consulting Group Inc.;
- a follow-on investment of \$1,170 in MATRRIX Energy Technologies Inc., a directional drilling innovator with assets in Saskatchewan;
- a follow-on investment of \$141 in CanniMed Therapeutics Inc.; and
- follow-on investments of \$27 in Med-Life Discoveries LP.

The diversification of the Class I Fund investment portfolio based on cost is presented in the accompanying charts.



The Technology sector increased from 14% to 23% due to the new investment in Paradigm Consulting Group Inc. offset by the disposition of Solido Design Automation Inc., and the Oil & Gas sector has increased from 5% to 15% due to the follow-on investment in MATRRIX Energy Technologies Inc. As a result of these additional investments in the Technology and Oil & Gas sectors, the weighting of all other sectors has declined accordingly.

### Class R Fund

The cost base of the Class R Fund's venture investments increased from \$3,291 at August 31, 2017 to \$4,461 as at February 28, 2018, due to a follow-on investment of \$340 in Burgess Creek Exploration Inc. and a new investment of \$830 in MATRRIX Energy Technologies Inc. during the period. All Class R Fund venture investments are in the Oil and Gas sector.

## Recent Developments

On June 30, 2017, the Government of Saskatchewan proclaimed the *Labour-sponsored Venture Capital Corporations Amendment Act, 2017* to be in force, as well as amendments to the *Labour-sponsored Venture Capital Corporations Act Regulations*. The legislation enacts a one-time reduction to the provincial labour-sponsored venture capital corporation tax credit from 20% to 17.5% effective for the 2018 tax year, and reduces the annual capitalization limit for labour-sponsored venture capital corporations to \$35 million from \$40 million.

### **Related Party Transactions**

*(in thousands of dollars)*

The Fund Manager is a company controlled by the President & Chief Executive Officer of Golden, and was engaged by an agreement dated December 31, 2008. Please refer to the "Management Fees" section for a description of services provided by the Fund Manager.

During the six months ended February 28, 2018, management fees, including GST, for the Class A Fund of \$3,555 (2017 - \$3,220) were paid or payable to the Fund Manager, and the Fund Manager earned an IPA on the Class A Fund of \$2,628 (2017 - \$13). At February 28, 2018 a contingent IPA is accrued on the Class A Fund in the amount of \$36,147 (August 31, 2017 - \$20,417).

For the Class I Fund, management fees of \$458 were paid or payable during the six months ended February 28, 2018 (2017 - \$335), and the Fund Manager earned an IPA on the Class I Fund of \$593 (2017 - \$3). As at February 28, 2018, a contingent IPA is accrued on the Class I Fund in the amount of \$3,554 (August 31, 2017 - \$1,423).

Management fees of \$111 were paid or payable for the Class R Fund during the six months ended February 28, 2018 (2017 - \$99). No contingent IPA is accrued for the Class R Fund at February 28, 2018.

The Fund Manager does not begin to earn the management fee with respect to the F Series until Golden has reached \$5,000 in gross subscriptions for F Series shares. As a result, Class A-F management fees of \$29 were unearned in the six months ended February 28, 2018 (2017 - \$6). For the Class I-F shares, management fees of \$2 (2017 - not significant) were unearned in the six months ended February 28, 2018. Unearned Class R-F management fees were not significant for the six months ended February 28, 2018 and 2017.

In respect of the Class A Fund, office costs totaling \$4 were paid or payable to the Fund Manager in the six months ended February 28, 2018 (2017 - \$4). There were no office or other costs paid or payable to the Fund Manager by the Class I Fund or the Class R Fund in the six months ended February 28, 2018 or 2017.

At February 28, 2018, the accounts payable and accrued liabilities balance for the Class A Fund includes management fees payable to the Fund Manager of \$611 (August 31, 2017 - \$546) and office and other costs payable to the Fund Manager of \$1 (August 31, 2017 - \$1). At February 28, 2018, the accounts payable and accrued liabilities balance for the Class I Fund includes management fees payable to the Fund Manager of \$83 (August 31, 2017 - \$64). Management fees payable to the Fund Manager of \$17 are included in the accounts payable and accrued liabilities balance for the Class R Fund at February 28, 2018 (August 31, 2017 - \$19).

The above-mentioned transactions were in the normal course of operations, are non-interest bearing, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about Golden and are intended to help you understand Golden's financial performance for the past five years.

### Class A Fund

#### Net Assets per Class A Share <sup>(1)</sup>

	Six months ended February 28, 2018 <sup>(2)</sup>	Year ended August 31				
		2017 <sup>(2)</sup>	2016 <sup>(2)</sup>	2015 <sup>(2)</sup>	2014 <sup>(2)</sup>	2013 <sup>(3)</sup>
Net assets, beginning of period	\$ 14.24	\$ 13.83	\$ 15.38	\$ 15.05	\$ 13.78	\$ 13.31
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.57	\$ 0.50	\$ 0.74	\$ 0.72	\$ 1.03	\$ 0.79
Total expenses	(0.38)	(0.68)	(0.71)	(0.72)	(0.70)	(0.50)
Realized gains (losses)	0.50	(0.21)	(0.55)	0.30	0.07	(0.16)
Unrealized gains (losses)	2.94	0.81	(1.03)	0.05	0.90	0.54
<b>Total increase (decrease) from operations <sup>(4)</sup></b>	<b>\$ 3.63</b>	<b>\$ 0.42</b>	<b>\$ (1.55)</b>	<b>\$ 0.35</b>	<b>\$ 1.30</b>	<b>\$ 0.67</b>
Net assets at end of period shown	\$ 17.86	\$ 14.24	\$ 13.83	\$ 15.38	\$ 15.05	\$ 13.78

(1) The information for the year ended August 31, 2013 is derived from Golden's audited annual financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The information for the years ended August 31, 2014 - 2017 has been derived from Golden's audited financial statements prepared in accordance with IFRS. The information for the six months ended February 28, 2018 is derived from Golden's unaudited interim financial statements prepared in accordance with IFRS. The net assets per security presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 8 to Golden's financial statements.

(2) Amounts presented for the six months ended February 28, 2018 and the years ended August 31, 2014 - 2017 are prepared in accordance with IFRS.

(3) Amounts presented for the year ended August 31, 2013 are prepared in accordance with Canadian GAAP.

(4) Net assets are 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.

#### Net Assets per Class A-F Share <sup>(1)</sup>

	Six months ended February 28, 2018	Year ended August 31, 2017	Period ended August 31, 2016
Net assets, beginning of period	\$ 15.08	\$ 14.03	\$ 15.03
<b>Increase (decrease) from operations:</b>			
Total revenue	\$ 1.03	\$ 0.81	\$ 0.10
Total expenses	(0.06)	(0.11)	(0.07)
Realized gains (losses)	0.51	(0.37)	(0.28)
Unrealized gains (losses)	2.71	(0.40)	(0.94)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$ 4.19</b>	<b>\$ (0.07)</b>	<b>\$ (1.19)</b>
Net assets at end of period shown	\$ 19.52	\$ 15.08	\$ 14.03

(1) Operations with respect to the Class A-F shares began February 12, 2016 with the first issue of Class A-F shares at the price of \$15.03 per share. This information for the year ended August 31, 2017 and the period ended August 31, 2016 is derived from Golden's audited financial statements prepared in accordance with IFRS. The information for the six months ended February 28, 2018 is derived from Golden's unaudited interim financial statements prepared in accordance with IFRS. The net assets per security presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 8 to Golden's financial statements.

(2) Net assets are 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 A Shares

	2018	2017	2016	2015	2014	2013
Total net asset value (000's) <sup>(1)</sup>	\$ 291,882	\$ 243,267	\$ 240,217	\$ 264,145	\$ 246,246	\$ 210,781
Number of shares outstanding <sup>(1)</sup>	16,772,819	17,106,601	17,372,851	17,179,569	16,357,822	15,314,245
Management expense ratio <sup>(2)</sup>	18.24%	5.53%	4.06%	7.31%	7.78%	6.21%
Management expense ratio excluding IPA <sup>(3)</sup>	4.76%	4.71%	4.73%	4.90%	5.03%	5.22%
Trading expense ratio <sup>(4)</sup>	-	-	0.01%	-	0.02%	0.02%
Portfolio turnover rate <sup>(5)</sup>	2.76%	1.97%	10.77%	4.57%	10.32%	6.79%
Net asset value per share	\$ 17.40	\$ 14.22	\$ 13.83	\$ 15.38	\$ 15.05	\$ 13.76

- (1) For 2013 – 2017, this information is provided as at August 31 of the year shown. For 2018, this information is provided as at February 28, 2018.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of weekly average net asset value during the period.
- (3) Management expense ratio excluding IPA is based on total expenses, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of 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 the weekly average net asset value during the year. The trading expense ratios for the years ended August 31, 2015 and August 31, 2017 were less than 0.01%.
- (5) Golden's portfolio turnover rate indicates how actively Golden's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to Golden buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

## Ratios and Supplemental Data – Class A-F Shares

	2018	2017	2016
Total net asset value (000's) <sup>(1)</sup>	\$ 3,775	\$ 1,857	\$ 253
Number of shares outstanding <sup>(1)</sup>	199,210	123,306	18,047
Management expense ratio <sup>(2)</sup>	13.41%	(0.44)%	(0.72)%
Management expense ratio excluding IPA <sup>(3)</sup>	0.67%	0.74%	0.88%
Trading expense ratio <sup>(4)</sup>	-	-	-
Portfolio turnover rate <sup>(5)</sup>	2.76%	1.97%	4.80%
Net asset value per share	\$ 18.95	\$ 15.06	\$ 14.03

- (1) For 2016 and 2017, this information is provided as at August 31. For 2018, this information is provided as at February 28, 2018. Golden issued its first Class A-F shares on February 12, 2016.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of weekly average net asset value during the period.
- (3) Management expense ratio excluding IPA is based on total expenses, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of 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 the weekly average net asset value during the period. The trading expense ratios for the periods ended August 31, 2016 and August 31, 2017 were less than 0.01%.
- (5) Golden's portfolio turnover rate indicates how actively Golden's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to Golden buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

## Class I Fund

### Net Assets per Class I Share<sup>(1)</sup>

	Six months ended February 28, 2018	Year ended August 31				
		2017 <sup>(2)</sup>	2016 <sup>(2)</sup>	2015 <sup>(2)</sup>	2014 <sup>(2)</sup>	2013 <sup>(3)</sup>
Net assets, beginning of period	\$ 11.57	\$ 10.87	\$ 10.65	\$ 10.61	\$ 10.07	\$ 10.10
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.24	\$ 0.27	\$ 0.57	\$ 0.53	\$ 0.37	\$ 0.20
Total expenses	(0.33)	(0.55)	(0.50)	(0.53)	(0.53)	(0.38)
Total expenses waived/recovered	-	-	-	-	-	0.11
Realized gains (losses)	0.83	(0.07)	(0.04)	-	-	-
Unrealized gains	3.38	1.00	0.19	0.07	0.80	0.22
<b>Total increase from operations<sup>(4)</sup></b>	<b>\$ 4.12</b>	<b>\$ 0.65</b>	<b>\$ 0.22</b>	<b>\$ 0.07</b>	<b>\$ 0.65</b>	<b>\$ 0.15</b>
Net assets at end of period shown	\$ 15.68	\$ 11.57	\$ 10.87	\$ 10.65	\$ 10.61	\$ 10.07

(1) The information for the year ended August 31, 2013 is derived from Golden's audited annual financial statements prepared in accordance with Canadian GAAP. The information for the years ended August 31, 2014 - 2017 has been derived from Golden's audited financial statements prepared in accordance with IFRS. The information for the six months ended February 28, 2018 is derived from Golden's unaudited interim financial statements prepared in accordance with IFRS. The net assets per security presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 8 to Golden's financial statements.

(2) Amounts presented for the six months ended February 28, 2018 and the years ended August 31, 2014 - 2017 are prepared in accordance with IFRS.

(3) Amounts presented for the year ended August 31, 2013 are prepared in accordance with Canadian GAAP.

(4) Net assets are 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.

### Net Assets per Class I-F Share<sup>(1)</sup>

	Six months ended February 28, 2018	Year ended August 31, 2017		Period ended August 31, 2016
Net assets, beginning of period	\$ 12.49	\$ 11.13	\$ 10.68	
<b>Increase (decrease) from operations:</b>				
Total revenue	\$ 1.68	\$ 0.40	\$ 0.12	
Total expenses	(0.05)	(0.09)	(0.07)	
Realized gains (losses)	0.81	(0.12)	(0.02)	
Unrealized gains	3.32	0.48	0.46	
<b>Total increase from operations<sup>(2)</sup></b>	<b>\$ 5.76</b>	<b>\$ 0.67</b>	<b>\$ 0.49</b>	
Net assets at end of period shown	\$ 17.82	\$ 12.49	\$ 11.13	

(1) Operations with respect to the Class I-F shares began February 19, 2016 with the first issuance of Class I-F shares at the price of \$10.68. The information for the year ended August 31, 2017 and the period ended August 31, 2016 is derived from Golden's audited financial statements prepared in accordance with IFRS. The information for the six months ended February 28, 2018 is derived from Golden's unaudited interim financial statements prepared in accordance with IFRS. The net assets per security presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 8 to Golden's financial statements.

(2) Net assets are 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 I Shares

	2018	2017	2016	2015	2014	2013
Total net asset value (000's) <sup>(1)</sup>	\$ 41,350	\$ 29,858	\$ 24,644	\$ 20,835	\$ 16,839	\$ 11,340
Number of shares outstanding <sup>(1)</sup>	2,705,079	2,583,726	2,267,259	1,955,588	1,587,133	1,125,780
Management expense ratio <sup>(2)</sup>	20.62%	7.26%	5.71%	6.00%	7.68%	5.24%
Management expense ratio before waiver/recovery <sup>(3)</sup>	20.62%	7.26%	5.71%	6.00%	7.68%	6.87%
Management expense ratio before waiver/recovery excluding IPA <sup>(4)</sup>	4.96%	4.80%	4.70%	5.05%	5.21%	6.34%
Portfolio turnover rate <sup>(5)</sup>	17.25%	-	31.98%	11.83%	0.54%	-
Net asset value per share	\$ 15.29	\$ 11.55	\$ 10.87	\$ 10.65	\$ 10.61	\$ 10.07

(1) For 2013 – 2017, this information is provided as at August 31 of the year shown. For 2018, this information is provided as at February 28, 2018.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of weekly average net asset value during the period.

(3) The Management expense ratio before waiver/recovery is based on management expense excluding waived management fees, unearned marketing service fees, and cost recoveries.

(4) Management expense ratio before waiver/recovery excluding IPA is based on total expenses excluding waived management fees, unearned marketing service fees, and cost recoveries, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of weekly net asset value during the period.

(5) Golden's portfolio turnover rate indicates how actively Golden's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to Golden buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

(6) Golden has not incurred any commissions or other portfolio transaction costs with respect to Class I shares since inception.

## Ratios and Supplemental Data – Class I-F Shares

	2018	2017	2016
Total net asset value (000's) <sup>(1)</sup>	\$ 314	\$ 104	\$ 2
Number of shares outstanding <sup>(1)</sup>	18,159	8,319	187
Management expense ratio <sup>(2)</sup>	13.59%	1.86%	2.96%
Management expense ratio excluding IPA <sup>(3)</sup>	0.71%	0.73%	1.29%
Portfolio turnover rate <sup>(4)</sup>	17.25%	-	58.46%
Net asset value per share	\$ 17.29	\$ 12.47	\$ 11.13

(1) For 2016 and 2017, this information is provided as at August 31. For 2018, this information is provided as at February 28, 2018. Golden issued its first Class I-F shares on February 19, 2016.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of weekly average net asset value during the period.

(3) Management expense ratio excluding IPA is based on total expenses, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of weekly net asset value during the period.

(4) Golden's portfolio turnover rate indicates how actively Golden's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to Golden buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

(5) Golden has not incurred any commissions or other portfolio transaction costs with respect to Class I-F shares since inception.

## Class R Fund

### Net Assets per Class R Share <sup>(1)</sup>

	Six months ended February 28, 2018	Year ended August 31				
		2017 <sup>(2)</sup>	2016 <sup>(2)</sup>	2015 <sup>(2)</sup>	2014 <sup>(2)</sup>	2013 <sup>(3)</sup>
Net assets, beginning of period	\$ 8.48	\$ 8.64	\$ 10.54	\$ 10.24	\$ 10.22	\$ 10.00
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.02	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.04
Total expenses	(0.22)	(0.45)	(0.48)	(0.53)	(0.57)	(0.25)
Total expenses waived/recovered	-	-	-	-	0.10	0.17
Realized gains	-	-	0.07	0.02	-	-
Unrealized gains (losses) for the period	0.18	0.24	(1.52)	0.79	0.47	0.50
<b>Total (decrease) increase from operations <sup>(4)</sup></b>	\$ (0.02)	\$ (0.17)	\$ (1.88)	\$ 0.32	\$ 0.04	\$ 0.46
Net assets as at end of period shown	\$ 8.47	\$ 8.48	\$ 8.64	\$ 10.54	\$ 10.24	\$ 10.22

(1) Active operations with respect to Class R shares began on January 4, 2013 with the first issue of Class R shares at the price of \$10.00 per share. The information for the period ended August 31, 2013 is derived from Golden's audited financial statements prepared in accordance with Canadian GAAP. The information for the years ended August 31, 2014 - 2017 has been derived from Golden's audited financial statements prepared in accordance with IFRS. The information for the six months ended February 28, 2018 is derived from Golden's unaudited interim financial statements prepared in accordance with IFRS.

(2) Amounts presented for the six months ended February 28, 2018 and the years ended August 31, 2014 - 2017 are prepared in accordance with IFRS.

(3) Amounts presented for the period ended August 31, 2013 are prepared in accordance with Canadian GAAP.

(4) Net assets are 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.

### Net Assets per Class R-F Share <sup>(1)</sup>

	Six months ended February 28, 2018	Year ended	Period ended
		August 31, 2017	August 31, 2016
Net assets, beginning of period	\$ 9.09	\$ 8.87	\$ 9.52
<b>Increase (decrease) from operations:</b>			
Total revenue	\$ 0.02	\$ 0.04	\$ 0.03
Total expenses	(0.04)	(0.07)	(0.06)
Realized losses	-	-	(0.42)
Unrealized gains (losses)	0.18	0.07	(0.19)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	\$ 0.16	\$ 0.04	\$ (0.64)
Net assets at end of period shown	\$ 9.25	\$ 9.09	\$ 8.87

(1) Operations with respect to the Class R-F shares began February 19, 2016 with the first issuance of Class R-F shares at the price of \$9.52. The information for the year ended August 31, 2017 and the period ended August 31, 2016 is derived from Golden's audited financial statements prepared in accordance with IFRS. The information for the six months ended February 28, 2018 is derived from Golden's unaudited interim financial statements prepared in accordance with IFRS. The net assets per security presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 8 to Golden's financial statements.

(2) Net assets are 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

	2018	2017	2016	2015	2014	2013
Total net asset value (000's) <sup>(1)</sup>	\$ 8,687	\$ 8,315	\$ 7,417	\$ 7,400	\$ 5,526	\$ 2,951
Number of shares outstanding <sup>(1)</sup>	1,026,007	980,641	858,747	702,193	539,534	288,793
Management expense ratio <sup>(2)</sup>	5.34%	5.24%	2.78%	7.72%	6.40%	4.69%
Management expense ratio before waiver/recovery <sup>(3)</sup>	5.34%	5.24%	2.78%	7.72%	7.92%	8.82%
Management expense ratio before waiver/recovery excluding IPA <sup>(4)</sup>	5.34%	5.24%	5.11%	5.23%	6.37%	7.01%
Trading expense ratio <sup>(5)</sup>	-	-	0.03%	-	-	-
Portfolio turnover rate <sup>(6)</sup>	-	-	32.27%	4.25%	4.29%	-
Net asset value per share	\$ 8.47	\$ 8.48	\$ 8.64	\$ 10.54	\$ 10.24	\$ 10.22

(1) For 2013 – 2017, this information is provided as at August 31 of the year shown. For 2018, this information is provided as at February 28, 2018.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of weekly average net asset value during the period.

(3) The Management expense ratio before waiver/recovery is based on management expense excluding waived management fees, unearned marketing service fees, and cost recoveries.

(4) Management expense ratio before waiver/recovery excluding IPA is based on total expenses excluding waived management fees, unearned marketing service fees, and cost recoveries, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of weekly net asset value during the period.

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

(6) Golden's portfolio turnover rate indicates how actively Golden's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to Golden buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

## Ratios and Supplemental Data – Class R-F Shares

	2018	2017	2016
Total net asset value (000's) <sup>(1)</sup>	\$ 9	\$ 9	\$ 2
Number of shares outstanding <sup>(1)</sup>	920	920	175
Management expense ratio <sup>(2)</sup>	0.81%	0.79%	(0.40)%
Management expense ratio excluding IPA <sup>(3)</sup>	0.81%	0.79%	1.21%
Trading expense ratio <sup>(4)</sup>	-	-	-
Portfolio turnover rate <sup>(5)</sup>	-	-	-
Net asset value per share	\$ 9.25	\$ 9.09	\$ 8.87

(1) For 2016 and 2017, this information is provided as at August 31. For 2018, this information is provided as at February 28, 2018.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of weekly average net asset value during the period.

(3) Management expense ratio excluding IPA is based on total expenses, less IPA and change in contingent IPA, for the stated period and is expressed as an annualized percentage of 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 the average weekly net asset value during the period. The trading expense ratio for the year ended August 31, 2016 was less than 0.01%.

(5) Golden's portfolio turnover rate indicates how actively Golden's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to Golden buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

(6) Golden has not incurred any commissions or other portfolio transaction costs with respect to Class R-F shares since inception.

## Management Fees

(in thousands of dollars)

The annual management fee, which is calculated and payable monthly, is equal to 2.5% of the aggregate net asset value of Golden, on a class by class basis, as at each valuation date. The Fund Manager has been retained to manage and administer the business affairs of Golden, including the management of Golden's investments in eligible businesses and its marketable securities investments, and maintain all required books and records of Golden. The Manager is also responsible for seeking out and identifying investment opportunities and undertaking operational due diligence of the investment opportunities. The Manager develops investment recommendations to the Board, monitors all investments, provides performance reports to the Board and makes disposition recommendations to the Board. For these services, the Manager is compensated with the management fees. A 20% IPA is also payable to the Manager, provided certain criteria have been met. The IPA is only earned on realized gains and the realized investment performance of Golden. The criteria are fully described in Golden's prospectus.

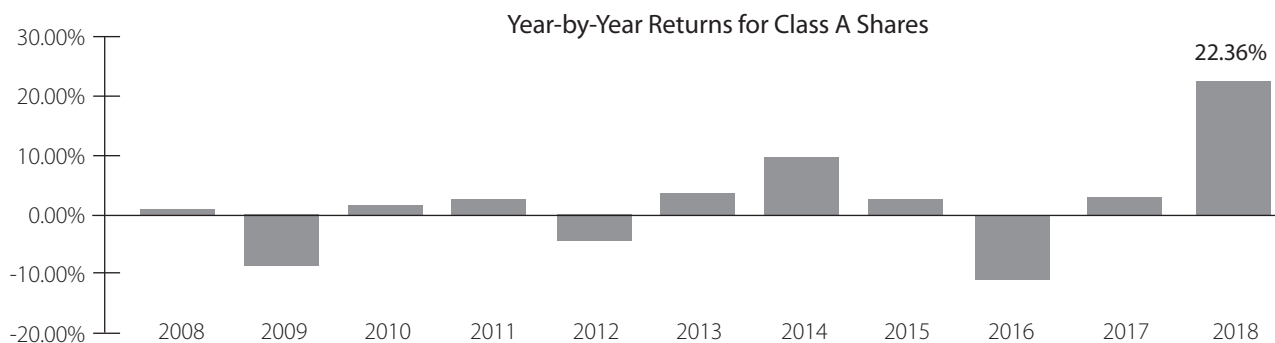
## PAST PERFORMANCE

The performance data provided does not take into account sales, redemption, or other optional charges payable by any shareholder that would have reduced returns. Past performance does not necessarily indicate how a Fund will perform in the future.

### Year-by-Year Returns

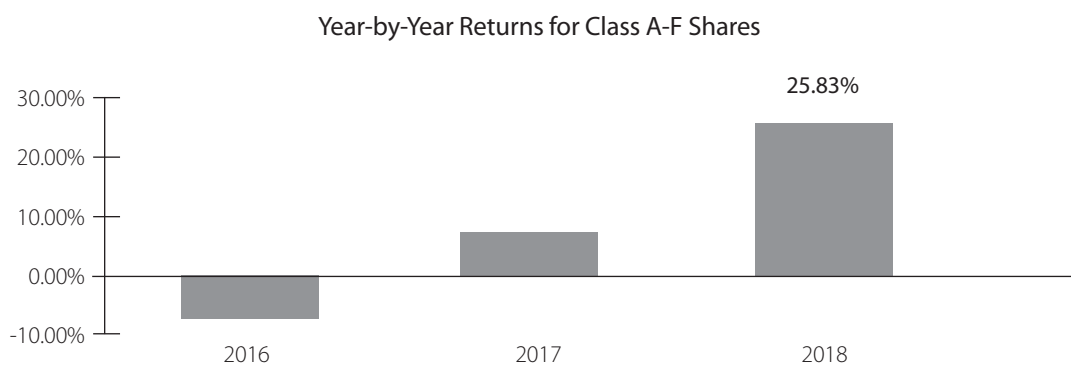
#### Class A Shares

The bar chart below shows the annual performance for each of the last ten completed fiscal year ends for Class A shares. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year. The date of Golden's financial year end is August 31. The 2018 percentage indicates Golden's performance from September 1, 2017 to February 28, 2018.



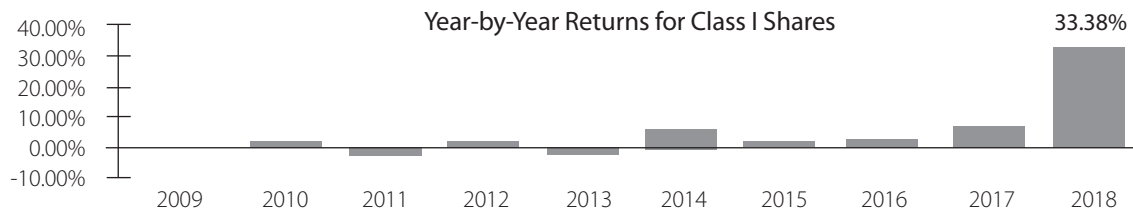
#### Class A-F Shares

The bar chart below shows the performance for the Class A-F shares for the periods presented. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year. The 2016 percentage indicates the performance from February 12, 2016, the first day on which the Class A-F shares were issued, to August 31, 2016. The 2018 percentage indicates Golden's performance from September 1, 2017 to February 28, 2018.



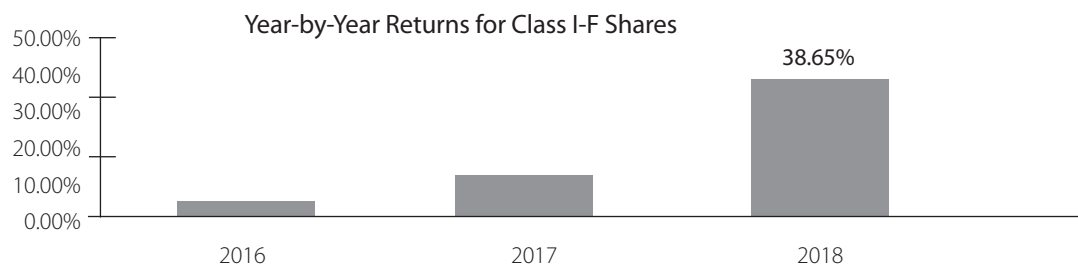
### Class I Shares

The bar chart below shows the performance for each of the last nine completed fiscal year ends for Class I shares. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year. The 2009 fiscal year end consists of the period from January 16, 2009, the first day on which the Class I shares were issued, to August 31, 2009. The 2018 percentage indicates Golden's performance from September 1, 2017 to February 28, 2018.



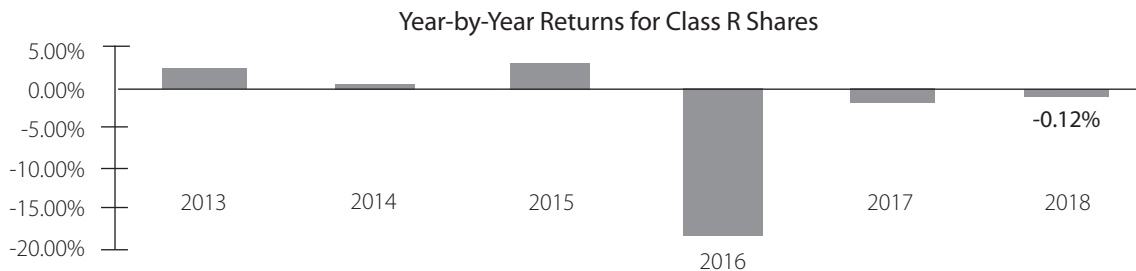
### Class I-F Shares

The bar chart below shows the performance for the Class I-F shares for the periods presented. The bar chart shows, in percentage terms, how much an investment made on the first day of issue would have grown by the last day of the period. The 2016 percentage indicates the performance from February 19, 2016, the first day on which the Class I-F shares were issued, to August 31, 2016. The 2018 percentage indicates Golden's performance from September 1, 2017 to February 28, 2018.



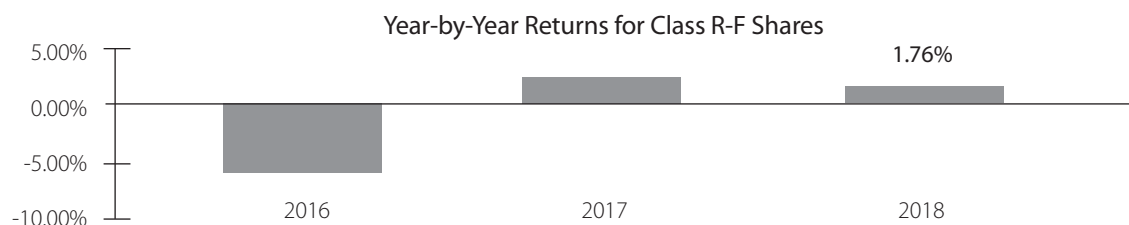
### Class R Shares

The bar chart below shows the performance for each of the last five completed fiscal year ends for Class R shares. The bar chart shows, in percentage terms, how much an investment made on the first day of the period would have grown by the last day of the period. The 2013 fiscal year end consists of the period from January 4, 2013, the first day on which the Class R shares were issued, to August 31, 2013. The 2018 percentage indicates Golden's performance from September 1, 2017 to February 28, 2018.



### Class R-F Shares

The bar chart below shows the performance for the Class R-F shares for the periods presented. The bar chart shows, in percentage terms, how much an investment made on the first day of issue would have grown by the last day of the period. The 2016 percentage indicates the performance from February 19, 2016, the first day on which the Class R-F shares were issued, to August 31, 2016. The 2018 percentage indicates Golden's performance from September 1, 2017 to February 28, 2018.



## SUMMARY OF INVESTMENT PORTFOLIO

### Class A Fund

Below is a summary of the Class A Fund's Investment portfolio as at February 28, 2018. The percentages shown are the investment's fair value as a percentage of the Class A Fund's net asset value as at February 28, 2018. Throughout the financial year, the summary of investment portfolio may change due to ongoing portfolio transactions of the Class A Fund and a quarterly update is available upon request.

### Top 25 Holdings

1. CanniMed Therapeutics Inc.	Equity	40.06%
2. Warman Home Centre LP	Equity	10.95%
3. Golden Health Care Inc.	Equity	8.77%
4. Cash		6.53%
5. Dyna Holdings LP	Equity	5.34%
6. H.J.R. Asphalt LP	Equity	3.62%
7. Avalon Oil & Gas Ltd.	Equity	3.22%
8. Prairie Meats LP	Equity	2.87%
9. Credence Resources II LP	Debt 2.73%, Equity n/m*	2.73%
10. SuperiorFarms Solutions LP	Equity	2.61%
11. Can Pro Ingredients Ltd.	Equity	2.04%
12. Field Exploration LP	Debt 2.00%, Equity n/m*	2.00%
13. Med-Life Discoveries LP	Equity 1.12%, Debt 0.86%	1.98%
14. Western Building Centres Ltd.	Equity 1.42%, Debt 0.54%	1.96%
15. Jump.ca Wireless Supply	Equity	1.93%
16. Villanova 4 Oil Corp.	Equity	1.60%
17. Conexus Credit Union Due September 9, 2018	Term Deposit	1.51%
18. Terra Grains Fuels Inc.	Debt 1.37%, Equity n/m*	1.37%
19. Fort Garry Brewing Company LP	Equity	1.35%
20. Can Pro Capital Corp.	Debt 1.13%, Equity n/m*	1.13%
21. Affinity Credit Union Due February 28, 2019	Term Deposit	1.05%
22. Conexus Credit Union Due March 15, 2018	Term Deposit	0.95%
23. Credence Resources LP	Debt 0.79%, Equity 0.06%	0.85%
24. Lex Energy Partners LP	Equity	0.74%
25. PM Power Group Holdings Ltd.	Equity	0.63%

\*n/m – not material; less than 0.01%

### Class A Fund Venture Investments – By Sector

Biotechnology	42.16%
Services	17.10%
Oil & Gas	12.41%
Value Added Manufacturing	11.14%
Healthcare	8.77%
Infrastructure	3.62%
Technology	2.31%
Renewable Energy	1.37%
Energy Services	0.93%
Real Estate	0.19%
	<hr/>
	100.00%

## Class I Fund

Below is a summary of the Class I Fund's investment portfolio as at February 28, 2018. The percentages shown are the investment's fair value as a percentage of the Class I Fund's net asset value as at February 28, 2018. Throughout the financial year, the summary of investment portfolio may change due to ongoing portfolio transactions of the Class I Fund and a quarterly update is available upon request.

### Top 25 Holdings

1. CanniMed Therapeutics Inc.	Equity	39.82%
2. Cash		19.53%
3. National Bank of Canada Due March 29, 2018	Bankers Acceptance	9.59%
4. Royal Bank of Canada Due May 22, 2018	Bankers Acceptance	9.56%
5. Dyna Holdings LP	Equity	6.75%
6. Paradigm Consulting Group Inc.	Equity	4.80%
7. MATRRIX Energy Technologies Inc.	Equity	4.11%
8. SuperiorFarms Solutions LP	Equity	3.15%
9. Med-Life Discoveries LP	Equity	3.08%
10. Affinity Credit Union Due April 29, 2018	Term Deposit	2.64%
11. Conexus Credit Union Due July 18, 2018	Term Deposit	2.40%
12. Affinity Credit Union Due January 5, 2019	Term Deposit	2.09%
13. Conexus Credit Union Due January 5, 2019	Term Deposit	1.70%
14. Affinity Credit Union Due February 28, 2019	Term Deposit	1.30%
15. Conexus Credit Union Due March 15, 2018	Term Deposit	1.02%
16. Librestream Technologies Inc.	Equity	0.91%
17. Affinity Credit Union Due March 16, 2018	Term Deposit	0.84%
18. PM Power Group Holdings Ltd.	Equity	0.60%
19. Affinity Credit Union Due February 28, 2019	Term Deposit	0.60%
20. Conexus Credit Union Due April 13, 2018	Term Deposit	0.60%
21. Affinity Credit Union Due September 11, 2018	Term Deposit	0.48%
22. Affinity Credit Union Due December 4, 2018	Term Deposit	0.48%
23. Affinity Credit Union Due December 21, 2018	Term Deposit	0.36%
24. Med-Life Discoveries GP Inc.	Debt n/m*, Equity n/m*	n/m*
25. SuperiorRoads Solutions LP	Equity	n/m*

\*n/m – not material; less than 0.01%

### Class I Fund Venture Investments – By Sector

Biotechnology	67.86%
Value Added Manufacturing	15.66%
Technology	9.04%
Energy Services	0.94%
Oil & Gas	6.50%
	<hr/>
	100.00%

## Class R Fund

Below is a summary of the Class R Fund's investment portfolio as at February 28, 2018. The percentages shown are the investment's fair value as a percentage of the Class R Fund's net asset value as at February 28, 2018. Throughout the financial year, the summary of investment portfolio may change due to ongoing portfolio transactions of the Class R Fund and a quarterly update is available upon request.

1. Cash		24.92%
2. MATRRIX Energy Technologies Inc.	Equity	12.64%
3. Villanova 4 Oil Corp.	Equity	12.44%
4. Burgess Creek Exploration Inc.	Equity	8.45%
5. Credence Resources II LP	Debt 6.36%, Equity 0.94%	7.30%
6. National Bank of Canada Due March 29, 2018	Bankers Acceptance	5.74%
7. Royal Bank of Canada Due May 22, 2018	Bankers Acceptance	5.73%
8. Avalon Oil & Gas Ltd.	Equity	5.35%
9. Field Exploration LP	Debt 2.47%, Equity n/m*	2.47%
10. Affinity Credit Union Due December 4, 2018	Term Deposit	2.41%
11. Affinity Credit Union Due February 28, 2019	Term Deposit	2.30%
12. Affinity Credit Union Due March 7, 2018	Term Deposit	2.18%
13. Lex Energy Partners LP	Equity	1.87%
14. Conexus Credit Union Due July 18, 2018	Term Deposit	1.72%
15. Conexus Credit Union Due April 13, 2018	Term Deposit	1.38%
16. Affinity Credit Union Due April 13, 2018	Term Deposit	1.38%
17. Affinity Credit Union Due February 28, 2019	Term Deposit	1.26%
18. Credence Resources LP	Debt 0.99%, Equity n/m*	0.99%

\*n/m – not material; less than 0.01%

## Class R Fund Venture Investments – By Sector

Oil & Gas	100.00%
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# STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

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

	February 28, 2018				August 31, 2017			
	Class A	Class I	Class R	Total	Class A	Class I	Class R	Total
<b>ASSETS</b>								
Cash	\$ 19,319	\$ 8,139	\$ 2,167	\$ 29,625	\$ 15,577	\$ 2,100	\$ 897	\$ 18,574
Short-term investments	15,236	14,028	2,097	31,361	15,236	18,861	4,396	38,493
Interest and other receivables	5,330	594	7	5,931	3,663	172	9	3,844
Venture investments (Note 5)	303,718	27,428	4,480	335,626	233,836	13,451	3,123	250,410
	<b>343,603</b>	<b>50,189</b>	<b>8,751</b>	<b>402,543</b>	<b>268,312</b>	<b>34,584</b>	<b>8,425</b>	<b>311,321</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	1,407	218	55	1,680	2,505	298	101	2,904
Redemptions payable	5	-	-	5	-	-	-	-
Loss support program contributions and advances (Note 6)	-	3,074	-	3,074	-	2,859	-	2,859
Incentive participation amount payable	2,628	593	-	3,221	-	-	-	-
Contingent incentive participation amount (Note 9(f))	36,147	3,554	-	39,701	20,417	1,423	-	21,840
	<b>40,187</b>	<b>7,439</b>	<b>55</b>	<b>47,681</b>	<b>22,922</b>	<b>4,580</b>	<b>101</b>	<b>27,603</b>
<b>Total net assets attributable to holders of redeemable shares</b>	<b>\$ 303,416</b>	<b>\$ 42,750</b>	<b>\$ 8,696</b>	<b>\$ 354,862</b>	<b>\$ 245,390</b>	<b>\$ 30,004</b>	<b>\$ 8,324</b>	<b>\$ 283,718</b>

## Net assets attributable to holders of redeemable shares

Class A	\$ 299,528			\$ 243,531			
Class A-F	3,888			1,859			
Class I		\$ 42,426			\$ 29,900		
Class I-F		324			104		
Class R			\$ 8,687			\$ 8,315	
Class R-F			9			9	
	<b>\$ 303,416</b>	<b>\$ 42,750</b>	<b>\$ 8,696</b>	<b>\$ 245,390</b>	<b>\$ 30,004</b>	<b>\$ 8,324</b>	

## Number of redeemable shares outstanding (Note 7)

Class A	16,772,819			17,106,601			
Class A-F	199,210			123,306			
Class I		2,705,079			2,583,726		
Class I-F		18,159			8,319		
Class R			1,026,007			980,641	
Class R-F			920			920	

## Net assets attributable to holders of redeemable shares per share (Note 8)

Class A	\$ 17.86			\$ 14.24			
Class A-F	19.52			15.08			
Class I		\$ 15.68			\$ 11.57		
Class I-F		17.82			12.49		
Class R			\$ 8.47			\$ 8.48	
Class R-F			9.25			9.09	

Commitments (Note 16)

Approved by the Board

  
 Brian Barber Vice Chairman

  
 Douglas W. Banzet Director

See accompanying notes.

# STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Six months ended February 28

(in thousands of Canadian dollars except per share amounts)

	2018				2017			
	Class A	Class I	Class R	Total	Class A	Class I	Class R	Total
<b>Income</b>								
Partnership income	\$ 8,947	\$ 475	\$ -	\$ 9,422	\$ 7,551	\$ 478	\$ -	\$ 8,029
Interest income for distribution purposes	843	162	19	1,024	788	143	8	939
Dividend income	32	-	-	32	46	-	-	46
Other income	27	-	-	27	28	1	-	29
Decrease in unrealized loss recovery (Note 6)	-	(215)	-	(215)	-	(119)	-	(119)
Other changes in fair value of venture investments								
Net realized gain	11,107	2,784	-	13,891	-	-	-	-
Net increase in unrealized appreciation of venture investments	66,397	11,250	187	77,834	21,813	3,342	228	25,383
	<b>87,353</b>	<b>14,456</b>	<b>206</b>	<b>102,015</b>	<b>30,226</b>	<b>3,845</b>	<b>236</b>	<b>34,307</b>
<b>Expenses</b>								
Administration fees	323	44	16	383	345	26	9	380
Audit fees	44	6	2	52	55	4	1	60
Custodian fees	71	10	6	87	67	9	5	81
Directors' fees and expenses	8	2	1	11	6	1	-	7
Incentive participation amount (Note 9(f))	2,628	593	-	3,221	13	3	-	16
Increase in contingent incentive participation amount	15,730	2,131	-	17,861	4,750	793	-	5,543
Legal fees	144	44	-	188	21	1	-	22
Management fees (Note 9(a))	3,555	458	111	4,124	3,220	335	99	3,654
Marketing service fees	125	32	4	161	162	33	8	203
Office expenses	12	3	1	16	26	1	1	28
Other expenses	38	12	4	54	38	5	2	45
Percentage based payments (Note 9(b))	1,063	135	47	1,245	1,070	118	43	1,231
Share issue costs	161	31	11	203	168	11	4	183
Shareholder reporting costs	99	(3)	(1)	95	125	3	1	129
Trailing commissions (Note 9(c))	782	87	21	890	596	63	18	677
	<b>24,783</b>	<b>3,585</b>	<b>223</b>	<b>28,591</b>	<b>10,662</b>	<b>1,406</b>	<b>191</b>	<b>12,259</b>
<b>Total increase (decrease) in net assets attributable to holders of redeemable shares from operations</b>	<b>\$ 62,570</b>	<b>\$ 10,871</b>	<b>\$ (17)</b>	<b>\$ 73,424</b>	<b>\$ 19,564</b>	<b>\$ 2,439</b>	<b>\$ 45</b>	<b>\$ 22,048</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations</b>								
Class A	\$ 62,006				\$ 19,511			
Class A-F	564				53			
Class I		\$ 10,804				\$ 2,435		
Class I-F		67				4		
Class R			\$ (17)				\$ 45	
Class R-F			-				-	
	<b>\$ 62,570</b>	<b>\$ 10,871</b>	<b>\$ (17)</b>		<b>\$ 19,564</b>	<b>\$ 2,439</b>	<b>\$ 45</b>	
<b>Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share</b>								
Class A	\$ 3.63				\$ 1.12			
Class A-F	4.19				1.52			
Class I		\$ 4.12				\$ 1.05		
Class I-F		\$ 5.76				2.20		
Class R			\$ (0.02)				\$ 0.05	
Class R-F			\$ 0.16				0.16	

See accompanying notes.



# STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (UNAUDITED)

Six months ended February 28

(in thousands of Canadian dollars)

	2018						Total
	Class A	Class A-F	Class I	Class I-F	Class R	Class R-F	
<b>Net assets attributable to holders of redeemable shares, beginning of period</b>	<b>\$ 243,531</b>	<b>\$ 1,859</b>	<b>\$ 29,900</b>	<b>\$ 104</b>	<b>\$ 8,315</b>	<b>\$ 9</b>	<b>\$ 283,718</b>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	62,006	564	10,804	67	(17)	-	73,424
<b>Redeemable share transactions</b>							
Issue of redeemable shares	13,211	1,471	3,320	159	462	-	18,623
Redemption of redeemable shares	(19,220)	(6)	(1,598)	(6)	(73)	-	(20,903)
<b>Net (decrease) increase from redeemable share transactions</b>	<b>(6,009)</b>	<b>1,465</b>	<b>1,722</b>	<b>153</b>	<b>389</b>	<b>-</b>	<b>(2,280)</b>
<b>Net assets attributable to holders of redeemable shares, end of period</b>	<b>\$ 299,528</b>	<b>\$ 3,888</b>	<b>\$ 42,426</b>	<b>\$ 324</b>	<b>\$ 8,687</b>	<b>\$ 9</b>	<b>\$ 354,862</b>
	2017						Total
	Class A	Class A-F	Class I	Class I-F	Class R	Class R-F	
<b>Net assets attributable to holders of redeemable shares, beginning of period</b>	<b>\$ 240,217</b>	<b>\$ 253</b>	<b>\$ 24,644</b>	<b>\$ 2</b>	<b>\$ 7,417</b>	<b>\$ 2</b>	<b>\$ 272,535</b>
Increase in net assets attributable to holders of redeemable shares from operations	19,511	53	2,435	4	45	-	22,048
<b>Redeemable share transactions</b>							
Issue of redeemable shares	15,084	1,331	3,014	80	721	3	20,233
Redemption of redeemable shares	(18,405)	-	(668)	-	(11)	-	(19,084)
<b>Net increase from redeemable share transactions</b>	<b>(3,321)</b>	<b>1,331</b>	<b>2,346</b>	<b>80</b>	<b>710</b>	<b>3</b>	<b>1,149</b>
<b>Net assets attributable to holders of redeemable shares, end of period</b>	<b>\$ 256,407</b>	<b>\$ 1,637</b>	<b>\$ 29,425</b>	<b>\$ 86</b>	<b>\$ 8,172</b>	<b>\$ 5</b>	<b>\$ 295,732</b>

See accompanying notes.

# STATEMENTS OF CASH FLOWS (UNAUDITED)

Six months ended February 28

(in thousands of Canadian dollars)

	2018				2017			
	Class A	Class I	Class R	Total	Class A	Class I	Class R	Total
<b>Cash flows from (used in) operating activities</b>								
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 62,570	\$ 10,871	\$ (17)	\$ 73,424	\$ 19,564	\$ 2,439	\$ 45	\$ 22,048
Adjustments for non-cash items:								
Partnership income	(8,947)	(475)	-	(9,422)	(7,551)	(478)	-	(8,029)
Net realized gain on disposition of venture investments	(11,107)	(2,784)	-	(13,891)	-	-	-	-
Net increase in unrealized appreciation of venture investments	(66,397)	(11,250)	(187)	(77,834)	(21,813)	(3,342)	(228)	(25,383)
Venture investments purchased	(2,489)	(3,338)	(1,170)	(6,997)	(8,215)	(62)	(57)	(8,334)
Venture investments repaid	357	-	-	357	2,889	-	-	2,889
Partnership distributions	5,046	359	-	5,405	4,374	114	-	4,488
Proceeds on disposition of venture investments	13,655	3,511	-	17,166	100	-	-	100
Purchase of short-term investments	(9,159)	(19,403)	(3,097)	(31,659)	(10,359)	(24,591)	(4,995)	(39,945)
Maturity of short-term investments	9,159	24,236	5,396	38,791	10,300	26,472	5,690	42,462
Net change in non-cash balances (Note 10)	15,593	2,437	(44)	17,986	4,327	1,001	(9)	5,319
	<b>8,281</b>	<b>4,164</b>	<b>881</b>	<b>13,326</b>	<b>(6,384)</b>	<b>1,553</b>	<b>446</b>	<b>(4,385)</b>
<b>Cash flows (used in) from financing activities</b>								
Proceeds from issue of redeemable shares	14,682	3,479	462	18,623	14,555	2,652	637	17,844
Amounts paid on redemption of redeemable shares	(19,221)	(1,604)	(73)	(20,898)	(17,466)	(609)	(11)	(18,086)
	<b>(4,539)</b>	<b>1,875</b>	<b>389</b>	<b>(2,275)</b>	<b>(2,911)</b>	<b>2,043</b>	<b>626</b>	<b>(242)</b>
<b>Net increase (decrease) in cash</b>	<b>3,742</b>	<b>6,039</b>	<b>1,270</b>	<b>11,051</b>	<b>(9,295)</b>	<b>3,596</b>	<b>1,072</b>	<b>(4,627)</b>
Cash, beginning of year	15,577	2,100	897	18,574	27,075	1,913	1,152	30,140
<b>Cash, end of period</b>	<b>\$ 19,319</b>	<b>\$ 8,139</b>	<b>\$ 2,167</b>	<b>\$ 29,625</b>	<b>\$ 17,780</b>	<b>\$ 5,509</b>	<b>\$ 2,224</b>	<b>\$ 25,513</b>
<b>Supplemental cash flow information</b>								
Interest received	\$ 241	\$ 76	\$ 20	\$ 337	\$ 226	\$ 90	\$ 15	\$ 331
Dividends received	-	-	-	-	-	-	-	-

See accompanying notes.

# SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

## Short-term investments

Par Value/ Number of Units	Issuer and Description of Security	Maturity Date	Cost	Fair Value
1,400,000	<b>Affinity Credit Union,</b> 1.10% term deposit	March 7, 2018	\$ 1,400	\$ 1,400
2,800,000	<b>Conexus Credit Union,</b> 1.30% term deposit	March 15, 2018	2,800	2,800
1,600,000	<b>Affinity Credit Union,</b> 1.10% term deposit	April 13, 2018	1,600	1,600
277,000	<b>Conexus Credit Union,</b> 1.30% term deposit	May 19, 2018	277	277
4,459,000	<b>Conexus Credit Union,</b> 1.50% term deposit	September 9, 2018	4,459	4,459
1,600,000	<b>Conexus Credit Union,</b> 1.50% term deposit	December 6, 2018	1,600	1,600
3,100,000	<b>Affinity Credit Union,</b> 1.25% term deposit	February 28, 2019	3,100	3,100
<b>Short-term investments (5.02%)*</b>			<b>\$ 15,236</b>	<b>\$ 15,236</b>

## Venture investments

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
90	<b>Associated Energy Holdings LP,</b> limited partnership units		\$ -
7,332,486	<b>Avalon Oil &amp; Gas Ltd.,</b> class A common shares		6,365
35,754	stock options, exercisable at \$0.80 per share	April 21, 2022	-
1,300,000	<b>Burgess Creek Exploration Inc.,</b> class A common shares		1,300
3,800	<b>Can Pro Capital Corp.,</b> class A common shares		4
3,329,838	0% debenture	March 4, 2018	3,330
19,117,629,955	<b>Can Pro Ingredients Ltd.,</b> class A common shares		7,257
3,526,439	<b>CanniMed Therapeutics Inc.,</b> common shares		4,282
1	<b>Credence Resources Inc.,</b> class A common share		-
100,000	class B common shares		100

# SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

## Venture investments (continued)

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
	<b>Credence Resources LP,</b>		
1	series 2A limited partnership unit		-
1	series 2B limited partnership unit		-
1	series 4A limited partnership unit		-
1	series 5A limited partnership unit		-
1	series 5B limited partnership unit		-
1	series 5D limited partnership unit		-
1	series 6A limited partnership unit		-
1	series 7A limited partnership unit		-
14,633,169	variable rate participating loan		14,633
	<b>Credence Resources II Inc.,</b>		
1	class A common share		-
100,000	class B common shares		100
	<b>Credence Resources II LP,</b>		
1	series 2A limited partnership unit		-
1	series 4A limited partnership unit		-
1	series 5A limited partnership unit		-
10,779,843	variable rate participating loan		10,780
	<b>Dyna Holdings GP Inc.,</b>		
50	class A common shares		-
	<b>Dyna Holdings LP,</b>		
10,675,971	limited partnership units		12,231
	<b>Field Exploration Inc.,</b>		
1	class A common share		-
100,000	class B common shares		100
	<b>Field Exploration LP,</b>		
1	series 2A limited partnership unit		-
1	series 2B limited partnership unit		-
1	series 2C limited partnership unit		-
1	series 3A limited partnership unit		-
1	series 3B limited partnership unit		-
10,036,730	variable rate participating loan		10,037
	<b>Fort Garry Brewing Company GP Inc.,</b>		
666	common shares		-
	<b>Fort Garry Brewing Company LP,</b>		
3,982,674	limited partnership units		3,750
	<b>G5 Energy LP,</b>		
2,000,000	class B units		920

# SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

## Venture investments (continued)

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
	<b>GOF Care Homes Inc.,</b>		
25,000	0% demand promissory note		25
100	class A common shares		-
	<b>Golden Health Care Inc.,</b>		
441,751	class A common shares		442
690,000	class E preferred shares		690
2,785,000	class F preferred shares		2,785
1,344,501	class G preferred shares		167
3,155,499	class H preferred shares		725
144,000	class I preferred shares		144
1,056,000	class J preferred shares		1,056
234	class K preferred shares		-
3,697,200	class L preferred shares		3,604
1,550,000	class N preferred shares		1,550
6,384,000	class O preferred shares		6,384
46	class P preferred shares		-
	<b>H.J.R. Asphalt GP Inc.,</b>		
32	class A common shares		-
	<b>H.J.R. Asphalt LP,</b>		
10,528,000	limited partnership units		9,044
	<b>Jump.ca Wireless Supply Corp.,</b>		
703,241	class B preferred shares		1,974
	<b>Lex Energy Partners LP,</b>		
5,338	limited partnership units		2,284
	<b>Lex Energy Partners LP II,</b>		
1,307	limited partnership units		758
	<b>Librestream Technologies Inc.,</b>		
186,336	series B preferred shares		120
	<b>MATRRIX Energy Technologies Inc.,</b>		
2,000,000	common shares		2,000
	<b>Med-Life Discoveries GP Inc.,</b>		
48	common shares		-
47,702	0% demand promissory note		48
	<b>Med-Life Discoveries LP,</b>		
6,768,562	limited partnership units		2,274
2,286,692	11% demand promissory notes		2,287
238,249	15% demand promissory note		238
	<b>NorAmera Properties Inc.,</b>		
446,250	class A common shares		721

# SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

## Venture investments (continued)

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
1,000,000	<b>Paradigm Consulting Group Inc.,</b> class A preferred shares		1,000
4,508,118	<b>Performance Plants Inc.,</b> common shares		4,518
877,789	<b>PM Power Group Holdings Ltd.,</b> common shares		1,939
78	<b>Prairie Meats Inc.,</b> class A common shares		-
7,263,750	<b>Prairie Meats LP,</b> limited partnership units		6,893
2,854,238	<b>Rite Way Mfg. Co. Ltd.,</b> class A common shares		-
100,000	<b>Safety Seven Manufacturing Inc.,</b> class A common shares		-
20,000	class C preferred shares		200
459,149	non-interest bearing demand promissory note		459
2,854,238	<b>SuperiorFarms Solutions LP,</b> limited partnership units		7,348
435,762	<b>SuperiorRoads Solutions Inc.,</b> class A common shares		-
435,762	<b>SuperiorRoads Solutions LP,</b> limited partnership units		-
4,214	<b>Terra Grain Fuels Inc.,</b> common shares (through 101247441 Saskatchewan Ltd.)		-
5,056,417	12% debenture	January 1, 2020	5,056
8,760,756	<b>Villanova 4 Oil Corp.,</b> common shares		7,029
2,500,000	warrants, exercisable at \$0.50 per share	April 7, 2018	87
41	<b>Warman Home Centre Inc.,</b> class A common shares		-
13,785,429	<b>Warman Home Centre LP,</b> class A limited partnership units		24,965
12,917,333	<b>West Mountain Environmental Corp.,</b> common shares		3,660
100,000	stock options, exercisable at \$0.27 per share	February 16, 2019	-
100,000	stock options, exercisable at \$0.12 per share	September 3, 2010	-

# SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

## Venture investments (continued)

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
	<b>Western Building Centres Limited,</b>		
7,462,285	class A common shares		47
5,451,383	class F preferred shares		5,451
4,750,000	class G preferred shares		4,750
713,070	15% promissory note	June 1, 2018	713
	<b>WestMan Exploration Ltd.,</b>		
800,000	common shares		<u>800</u>
<b>Venture investments at cost (62.43%)*</b>			<b>\$ 189,424</b>
Unrealized appreciation of venture investments			<u>114,294</u>
<b>Venture investments at fair value (100.10%)*</b>			<b><u>\$ 303,718</u></b>

\*Percentages shown relate amounts to total net assets attributable to holders of redeemable shares of the Class A Fund.

## SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

### Venture portfolio breakdown

Industry Sector	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Biotechnology	4	\$ 13,647	\$ 132,552	7.20%	43.63%
Services	7	46,569	50,616	24.59%	16.67%
Oil & Gas	14	57,293	36,718	30.25%	12.09%
Value Added Manufacturing	9	30,829	32,978	16.28%	10.86%
Healthcare	2	17,572	25,959	9.28%	8.55%
Infrastructure	2	9,044	10,711	4.77%	3.53%
Technology	3	3,094	6,837	1.63%	2.25%
Renewable energy	1	5,056	4,056	2.67%	1.34%
Energy Services	2	1,939	2,741	1.02%	0.90%
Other	2	4,381	550	2.31%	0.18%
	46	\$ 189,424	\$ 303,718	100.00%	100.00%

Stage of Development	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Start-up	9	\$ 33,240	\$ 32,139	17.55%	10.58%
Growth	23	108,012	217,703	57.02%	71.68%
Mature	14	48,172	53,876	25.43%	17.74%
	46	\$ 189,424	\$ 303,718	100.00%	100.00%

See accompanying notes to the financial statements.



## SCHEDULE OF INVESTMENT PORTFOLIO – CLASS I (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

### Short-term investments

Par Value/ Number of Units	Issuer and Description of Security	Maturity Date	Cost	Fair Value
425,000	<b>Conexus Credit Union,</b> 1.30% term deposit	March 15, 2018	\$ 425	\$ 425
350,000	<b>Affinity Credit Union,</b> 1.10% term deposit	March 16, 2018	350	350
4,000,000	<b>National Bank of Canada,</b> 0.96% bankers acceptance	March 29, 2018	3,995	3,995
250,000	<b>Conexus Credit Union,</b> 1.30% term deposit	April 13, 2018	250	250
1,100,000	<b>Affinity Credit Union,</b> 1.80% term deposit	April 29, 2018	1,100	1,100
4,000,000	<b>Royal Bank of Canada,</b> 1.00% bankers acceptance	May 22, 2018	3,985	3,985
1,000,000	<b>Conexus Credit Union,</b> 1.40% term deposit	July 18, 2018	1,000	1,000
200,000	<b>Affinity Credit Union,</b> 1.10% term deposit	September 11, 2018	200	200
200,000	<b>Affinity Credit Union,</b> 1.10% term deposit	December 4, 2018	200	200
150,000	<b>Affinity Credit Union,</b> 2.05% term deposit	December 21, 2018	150	150
710,000	<b>Conexus Credit Union,</b> 1.60% term deposit	January 5, 2019	710	710
870,000	<b>Affinity Credit Union,</b> 1.10% term deposit	January 5, 2019	870	870
543,350	<b>Affinity Credit Union,</b> 2.25% term deposit	February 28, 2019	543	543
250,000	<b>Affinity Credit Union,</b> 1.25% term deposit	February 28, 2019	250	250
<b>Short-term investments (32.81%)**</b>			<b>\$ 14,028</b>	<b>\$ 14,028</b>

# SCHEDULE OF INVESTMENT PORTFOLIO – CLASS I (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

## Venture investments

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
493,853	<b>CanniMed Therapeutics Inc.,</b> common shares		\$ 1,383
1,903,805	<b>Dyna Holdings LP,</b> limited partnership units		2,181
590,062	<b>Librestream Technologies Inc.,</b> series B convertible preferred shares		380
4,174,194	<b>MATRRIX Energy Technologies Inc.,</b> common shares		1,570
2	<b>Med-Life Discoveries GP Inc.,</b> class A common shares		-
2,248	0% demand promissory note		2
318,938	<b>Med-Life Discoveries LP,</b> limited partnership units		107
1,013,904	11% demand promissory notes		1,014
114,243	15% demand promissory note		114
2,000,000	<b>Paradigm Consulting Group Inc.,</b> class A preferred shares		2,000
116,878	<b>PM Power Group Holdings Ltd.,</b> common shares		258
485,828	<b>Rite Way Mfg. Co. Ltd.,</b> common shares		-
485,828	<b>SuperiorFarms Solutions LP,</b> limited partnership units		1,255
74,172	<b>SuperiorRoads Solutions Inc.,</b> common shares		-
74,172	<b>SuperiorRoads Solutions LP,</b> limited partnership units		-
300,000	<b>West Mountain Environmental Corp.,</b> 10% convertible demand debenture		300
<b>Venture investments at cost (24.71%)**</b>			<b>\$ 10,564</b>
Unrealized appreciation of venture investments			16,864
<b>Venture investments at fair value (64.16%)**</b>			<b>\$ 27,428</b>

\*\* Percentages shown relate amounts to total net assets attributable to holders of redeemable shares of the Class I Fund.

## SCHEDULE OF INVESTMENT PORTFOLIO – CLASS I (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

### Venture portfolio breakdown

Industry Sector	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Biotechnology	3	\$ 2,620	\$ 18,963	24.80%	69.14%
Value Added Manufacturing	5	3,436	4,126	32.53%	15.04%
Technology	2	2,380	2,380	22.53%	8.68%
Oil & Gas	1	1,570	1,711	14.86%	6.24%
Energy Services	1	258	248	2.44%	0.90%
Environmental	1	300	-	2.84%	-
	13	\$ 10,564	\$ 27,428	100.00%	100.00%

Stage of Development	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Start-up	3	\$ 1,237	\$ 1,286	11.71%	4.69%
Growth	8	6,888	23,080	65.20%	84.15%
Mature	2	2,439	3,062	23.09%	11.16%
	13	\$ 10,564	\$ 27,428	100.00%	100.00%

See accompanying notes to the financial statements.

## SCHEDULE OF INVESTMENT PORTFOLIO – CLASS R (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

### Short-term investments

Par Value/ Number of Units	Issuer and Description of Security	Maturity Date	Cost	Fair Value
190,000	<b>Affinity Credit Union,</b> 1.10% term deposit	March 7, 2018	\$ 190	\$ 190
500,000	<b>National Bank of Canada,</b> 0.96% bankers acceptance	March 29, 2018	499	499
120,000	<b>Conexus Credit Union,</b> 1.30% term deposit	April 13, 2018	120	120
120,000	<b>Affinity Credit Union,</b> 1.10% term deposit	April 13, 2018	120	120
500,000	<b>Royal Bank of Canada,</b> 0.96% bankers acceptance	May 22, 2018	498	498
150,000	<b>Conexus Credit Union,</b> 1.40% term deposit	July 18, 2018	150	150
210,000	<b>Affinity Credit Union,</b> 1.10% term deposit	December 4, 2018	210	210
200,000	<b>Affinity Credit Union,</b> 1.25% term deposit	February 28, 2019	200	200
110,000	<b>Affinity Credit Union,</b> 2.25% term deposit	February 28, 2019	110	110
<b>Short-term investments (24.11%)*</b>			<b>\$ 2,097</b>	<b>\$ 2,097</b>

### Venture investments

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
357,993	<b>Avalon Oil &amp; Gas Ltd.,</b> class A common shares		\$ 311
1,746	stock options, exercisable at \$0.80 per share	April 21, 2022	-
700,000	<b>Burgess Creek Exploration Inc.,</b> class A common shares		700
1	<b>Credence Resources LP,</b> series 5C limited partnership unit		-
1	series 5E limited partnership unit		-
479,862	variable rate participating loan		480

## SCHEDULE OF INVESTMENT PORTFOLIO – CLASS R (UNAUDITED)

As at February 28, 2018

(in thousands of Canadian dollars except par value/number of units)

### Venture investments (continued)

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
	<b>Credence Resources II LP,</b>		
1	series 2B limited partnership unit		-
1	series 3A limited partnership unit		-
1	series 4B limited partnership unit		-
1	series 5B limited partnership unit		-
668,501	variable rate participating loan		668
	<b>Field Exploration LP,</b>		
1	series 2D limited partnership unit		-
1	series 3C limited partnership unit		-
356,853	variable rate participating loan		357
	<b>Lex Energy Partners LP,</b>		
400	limited partnership units		136
	<b>MATRIX Energy Technologies Inc.,</b>		
2,677,419	common shares		830
	<b>Villanova 4 Oil Corp.,</b>		
1,949,244	class A common shares		922
1,625,000	warrants, exercisable at \$0.50 per share	April 7, 2018	57
			<u>4,461</u>
			19
			<u>\$ 4,480</u>

### Venture investments at cost (51.30%)\*

Unrealized appreciation of venture investments

\$ 4,461  
19

### Venture investments at fair value (51.52%)\*

\*\*\*Percentages shown relate amounts to total net assets attributable to holders of redeemable shares of the Class R Fund.

\$ 4,480

### Venture portfolio breakdown <sup>(1)</sup>

Stage of Development	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Start-up	3	\$ 1,368	\$ 1,415	30.67%	31.58%
Growth	5	3,093	3,065	69.33%	68.42%
	8	\$ 4,461	\$ 4,480	100.00%	100.00%

<sup>(1)</sup> All Class R Fund venture investments are in the oil & gas industry sector.

See accompanying notes to the financial statements.

# Notes to the Financial Statements

February 28, 2018

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

## 1. General information

Golden Opportunities Fund Inc. (the "Fund") was incorporated under the laws of Saskatchewan by Articles of Incorporation dated December 8, 1997. The Fund was registered as an extra-provincial corporation to carry on business under the laws of Manitoba on September 30, 2008. The principal place of business of the Fund is Suite 830, 410 - 22nd Street East, Saskatoon, Saskatchewan.

The Fund is registered as a labour sponsored venture capital corporation under *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (the "Saskatchewan Act") and *The Labour-Sponsored Venture Capital Corporations Act* (Manitoba) (the "Manitoba Act"). The Fund is taxable as a mutual fund corporation and is a prescribed Labour sponsored Venture Capital Corporation under the Income Tax Act (Canada) (the "Federal Act").

The Fund's redeemable shares include Class A (SK) shares, Class A-F (SK) shares, Class A (MB) shares, Class A-F (MB) shares, Class I (SK) shares, Class I-F (SK) shares, Class I (MB) shares, Class I-F (MB) shares, Class R (SK) shares, and Class R-F (SK) shares which are issued and redeemed at a continuous offering price equal to the pricing net asset value ("Pricing NAV") per share for the applicable series. The Fund also has Class R (MB) shares and Class R-F (MB) shares, which have not yet been made available for issue. The separation of shares by province is for legal purposes only but does not affect the net assets attributable to holders of redeemable shares as each class of share has the same rights regardless of the province they are issued in.

The Federal Act and the Saskatchewan Act allow a Saskatchewan resident individual to invest in Class A (SK) shares, Class A-F (SK) shares, Class I (SK) shares, Class I-F (SK) shares, Class R (SK) shares, or Class R-F (SK) shares of the Fund and obtain a personal income tax credit. The Federal Act and the Manitoba Act allow a Manitoba resident individual to invest in Class A (MB) shares, Class A-F (MB) shares, Class I (MB) shares, or Class I-F (MB) shares of the Fund and obtain a personal income tax credit.

In these financial statements, the "Class A Fund" includes the Class A (SK) and Class A (MB) shares (together, the "Class A Shares"), and the Class A-F (SK) and Class A-F (MB) shares (together, the "Class A-F Shares"). The "Class I Fund" includes the Class I (SK) and Class I (MB) shares (together, the "Class I Shares"), and the Class I-F (SK) and Class I-F (MB) shares (together, the "Class I-F Shares"). The "Class R Fund" includes the Class R (SK) shares (the "Class R Shares"), and the Class R-F (SK) shares (the "Class R-F Shares"). The Class A-F Shares, Class I-F Shares and Class R-F Shares are collectively referred to as the "F Series".

All the Fund's shares have, in all material respects, identical rights, redemption features, tax credit eligibility and other attributes, except that the F Series has a different commission structure. The F Series shares have no sales commissions or trailer fees.

The investment objective of the Fund is to maximize shareholder returns through the long-term appreciation of the Fund's Pricing NAV. The Fund makes investments in small and medium sized eligible Saskatchewan businesses and Manitoba business entities, as defined in the Saskatchewan Act and the Manitoba Act, respectively, with the objective of achieving long term capital appreciation. The Class I Fund is invested in innovation companies, and the Class R Fund in resource companies, rather than a broad cross-section of the economy as is the case with the Class A Fund.

The Fund has retained Westcap Mgt. Ltd., a related party, as the fund manager (the "Manager") to manage all aspects of the Fund. The sponsor of the Fund is the Construction and General Workers' Union Local 180.

## 2. Basis of presentation

These interim financial statements are based on International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board and have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The interim financial statements may not include all the disclosures that will be required in the Fund's annual financial statements.

The interim financial statements were approved by the Fund's Board of Directors on April 12, 2018. The financial statements have been prepared on a going concern basis using the historic cost convention, except for investments at fair value through profit or loss ("FVTPL") which are measured at fair value.

### 3. Summary of significant accounting policies

#### a) Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized on their trade date. The Fund's cash, short-term investments, and venture investments are measured at FVTPL, including certain investments which have been designated at FVTPL. The Fund's obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and liabilities 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.

Interest income for distribution purposes is recognized on an accrual basis using the stated rates of interest for short-term investments and debt instruments. Dividends are recognized as income on the ex-dividend date, and operating income from partnerships is recognized as earned. Investment transactions are accounted for on the trade date and realized gains or losses arising from the sale of investments are determined using the average cost method.

#### b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for financial assets where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, or where no sales in a particular security have been transacted on the reporting date, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each valuation date. Valuation techniques include the use of comparable recent arm's length transactions, independent valuations and others commonly used by market participants and which make the maximum use of observable inputs. Details regarding the valuation process of the Fund's investments in eligible businesses are included in the Fund's annual prospectus. Refer to Note 12 for further information about the Fund's fair value measurements and additional details regarding the valuation process for the Fund's investments in eligible businesses.

#### c) Cash

Cash is comprised of deposits with financial institutions.

#### d) Change in net assets attributable to holders of redeemable shares per share

The increase or decrease in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase in net assets attributable to holders of redeemable shares from operations by the weighted average number of shares outstanding during the period.

#### e) Investments in associates and subsidiaries

Subsidiaries are all entities, including investments in other investment entities, over which the Fund has control. The Fund controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Fund has determined that it is an investment entity and as such, it accounts for subsidiaries at fair value except for any subsidiaries which provide services related to the Fund's investment activities, which are consolidated. The Fund currently does not have any subsidiaries that are consolidated. Associates are investments over which the Fund has significant influence or joint control, all of which have been designated at FVTPL.

### 3. Summary of significant accounting policies (continued)

#### e) Investments in associates and subsidiaries (continued)

The Fund's interests in unconsolidated subsidiaries and associates are as follows:

Investee	Relationship	February 28, 2018		August 31, 2017	
		Ownership interest	Voting interest	Ownership interest	Voting interest
Associated Energy Holdings LP	Subsidiary	90%	90%	-	-
Can Pro Capital Corp.	Subsidiary	100%	100%	100%	100%
Can Pro Ingredients Ltd.	Subsidiary	82%	82%	82%	82%
Connect Energy Holdings Ltd.	Subsidiary	-	-	90%	90%
Credence Resources Inc.	Associate	50%	50%	50%	50%
Credence Resources LP	Associate	100%	50%	100%	50%
Credence Resources II Inc.	Associate	50%	50%	50%	50%
Credence Resources II LP	Associate	100%	50%	100%	50%
Dyna Holdings GP Inc.	Associate	50%	50%	50%	50%
Dyna Holdings LP	Associate	50%	50%	50%	50%
Field Exploration Inc.	Associate	50%	50%	50%	50%
Field Exploration LP	Associate	100%	50%	100%	50%
Fort Garry Brewing Company GP Inc.	Subsidiary	67%	67%	67%	67%
Fort Garry Brewing Company LP	Subsidiary	67%	67%	67%	67%
GOF Care Homes Inc.	Subsidiary	100%	100%	100%	100%
Golden Health Care Inc.	Associate	50%	50%	50%	50%
H.J.R. Asphalt GP Inc.	Associate	32%	32%	32%	32%
H.J.R. Asphalt LP	Associate	32%	32%	32%	32%
Med-Life Discoveries GP Inc.	Associate	50%	50%	50%	50%
Med-Life Discoveries LP	Associate	50%	50%	50%	50%
NorAmara Properties Inc.	Associate	25%	25%	25%	25%
PM Power Group Holdings Ltd.	Associate	27%	27%	27%	27%
Prairie Meats Inc.	Subsidiary	78%	78%	78%	78%
Prairie Meats LP	Subsidiary	72%	72%	72%	72%
Python Manufacturing Inc.	Associate	50%	50%	50%	50%
Rite Way Mfg. Co. Ltd.	Associate	50%	50%	50%	50%
Solido Design Automation Inc.	Associate	-	-	24%	24%
SuperiorFarms Solutions LP	Associate	50%	50%	50%	50%
SuperiorRoads Solutions LP	Associate	50%	50%	50%	50%
Terra Grain Fuels Inc. (through 101247441 Saskatchewan Ltd.)	Associate	42%	42%	42%	42%
Warman Home Centre Inc.	Associate	41%	41%	41%	41%
Warman Home Centre LP	Associate	40%	40%	40%	40%
West Mountain Environmental Corp.	Associate	24%	24%	24%	24%
Western Building Centres Ltd.	Subsidiary	71%	71%	71%	71%

All investee companies have Canada as their principal place of business and country of incorporation. Certain investee companies for which there is a senior lender may have restrictions on dividends and loan repayments imposed on it if the investee company is not within covenants imposed on it by its senior lender.



### 3. Summary of significant accounting policies (continued)

#### **f) Income and expense allocation**

The subscription proceeds raised through the issue of each redeemable share is invested separately in the Class A Fund, Class I Fund or Class R Fund. Net assets attributable to holders of redeemable shares, and corresponding Pricing NAVs, are calculated for the Fund's Class A, Class A-F, Class I, Class I-F, Class R and Class R-F shares, respectively, and are reflected separately in these financial statements. Income or losses attributable to a specific venture investment will only be reflected in either Class A Fund, Class I Fund or Class R Fund net assets attributable to holders of redeemable shares, as applicable.

Costs and expenses not specifically attributable to any redeemable share class are allocated, at the time the costs and expenses are incurred, based on the relative share capital of the Class A Fund, Class I Fund and Class R Fund as a proportion of the total share capital of the Fund as at the latest available weekly pricing net asset valuation.

#### **g) Commissions**

Trailer commissions and percentage based payments are recorded on an accrual basis based on net assets attributable to holders of Class A Shares, Class I Shares, and Class R Shares. No trailer commissions or percentage based payments are payable on the F Series.

#### **h) Accounting standards issued but not yet adopted**

In July 2014, the final version of IFRS 9, "Financial Instruments" was issued by the International Accounting Standards Board, which will replace International Accounting Standard 39, "Financial Instruments: Recognition and Measurement". Under IFRS 9, financial assets will generally be measured initially at fair value plus particular transaction costs, and subsequently at either amortized cost or fair value. An entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's credit risk in other comprehensive income, rather than within net earnings. This standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, and is to be applied prospectively. The Fund does not intend to early adopt this standard but is reviewing it to determine the potential impact, if any, on the financial statements.

### 4. Critical accounting estimates and judgments

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

#### **a) Qualification as an investment entity**

The Fund has determined that it meets the definition of 'investment entity' and, as a result, it measures subsidiaries, other than those which provide services to the Fund, at FVTPL. Subsidiaries which provide services to the Fund are consolidated, however the Fund currently does not have any subsidiaries that are consolidated. 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 for substantially all of its investments on a fair value basis. The most significant judgment 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.

#### **b) Fair value measurement of securities not quoted in an active market**

The Fund holds financial instruments that are not quoted in active markets. The methods used to determine the fair values of such instruments incorporate various assumptions that are based on market conditions and for which observable inputs are not generally available. Significant areas requiring the use of estimates include assessments of the financial condition of investees that might indicate a change in value of a particular investment. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 12 for further information about the Fund's fair value measurements.

## 5. Venture investments

During the period, venture investments changed as follows:

### a) Class A Fund

	<b>Six months ended February 28,</b>	
	<b>2018</b>	<b>2017</b>
Venture investments at fair value, beginning	\$ 233,836	\$ 214,698
Venture investments purchased	2,489	8,215
Partnership income recognized	8,947	7,551
Partnership distributions	(5,046)	(4,374)
Venture investments repaid	(357)	(2,889)
Proceeds from disposition of venture investments	(13,655)	(100)
Net realized gain on disposition of venture investments	11,107	-
Net increase in unrealized appreciation of venture investments	66,397	21,813
	<hr/>	<hr/>
Venture investments at fair value, ending	\$ 303,718	\$ 244,914

### b) Class I Fund

	<b>Six months ended February 28,</b>	
	<b>2018</b>	<b>2017</b>
Venture investments at fair value, beginning	\$ 13,451	\$ 10,125
Venture investments purchased	3,338	62
Partnership income recognized	475	478
Partnership distributions	(359)	(114)
Proceeds from disposition of venture investments	(3,511)	-
Net realized gain on disposition of venture investments	2,784	-
Net increase in unrealized appreciation of venture investments	11,250	3,342
	<hr/>	<hr/>
Venture investments at fair value, ending	\$ 27,428	\$ 13,893

### c) Class R Fund

	<b>Six months ended February 28,</b>	
	<b>2018</b>	<b>2017</b>
Venture investments at fair value, beginning	\$ 3,123	\$ 2,750
Venture investments purchased	1,170	57
Net increase increase in unrealized appreciation of venture investments	187	228
	<hr/>	<hr/>
Venture investments at fair value, ending	\$ 4,480	\$ 3,035

## 6. Loss support program contributions and advances

The Fund has a loss support agreement with Western Economic Diversification Canada for investment transactions made in respect of the Class I Fund. The agreement provides loss support at a rate of 50% of funds invested to be used to offset up to 80% of any realized loss in the portfolio. As at February 28, 2018, the Fund has received loss support program contributions and advances of \$3,306 (August 31, 2017 - \$3,306). There are unrealized losses of \$290 reflected within the Class I Fund venture investments at February 28, 2018 (August 31, 2017 - \$559) such that the amount of the loss support program contributions considered repayable to Western Economic Diversification Canada have been reduced by 80% of this unrealized loss or \$232 (August 31, 2017 - \$447) as per the terms of the program. Details of the loss support program are contained in the Fund's prospectus.

## 7. Redeemable shares

The Fund's redeemable shares are issuable at the applicable Pricing NAV to eligible investors and certain registered retirement savings plans and are subject to restrictions on transfer and redemption in accordance with legislation governing labour sponsored venture capital corporations and the Fund's articles. Collectively, the shares are voting, entitled to elect a minority of the Directors of the Fund, entitled to receive dividends at the discretion of the Board of Directors and may be transferred to certain registered retirement income funds. Under certain circumstances, the shares are redeemable at the Pricing NAV.

The Fund also has 10 Class B shares outstanding, which were issued to the Fund's sponsor for a nominal amount. The Class B shares are non participating, voting and entitled to elect a simple majority of the Board of Directors of the Fund. The shares are redeemable at the option of the Fund at the subscription price. There were no transactions affecting the Fund's Class B shares during the six months ended February 28, 2018 or 2017.

During the period, the number of shares issued, redeemed and outstanding was as follows:

### a) Class A Shares

	Six months ended	
	February 28,	
	2018	2017
<b>Class A (SK) shares</b>		
Beginning of period	16,683,401	16,949,802
Shares issued	743,632	990,085
Shares redeemed	(1,071,512)	(1,209,961)
End of period	16,355,521	16,729,926
<b>Class A (MB) shares</b>		
Beginning of period	423,200	423,049
Shares issued	25,778	31,743
Shares redeemed	(31,680)	(30,609)
End of period	417,298	424,183
	16,772,819	17,154,109

## 7. Redeemable shares (continued)

### b) Class A-F Shares

	Six months ended February 28,	
	2018	2017
<b>Class A-F (SK) shares</b>		
Beginning of period	118,278	17,913
Shares issued	70,008	84,181
Shares redeemed	(321)	-
End of period	187,965	102,094
<b>Class A-F (MB) shares</b>		
Beginning of period	5,028	134
Shares issued	6,217	3,064
End of period	11,245	3,198
	199,210	105,292

### c) Class I Shares

	Six months ended February 28,	
	2018	2017
<b>Class I (SK) shares</b>		
Beginning of period	2,532,733	2,225,520
Shares issued	219,981	254,923
Shares redeemed	(105,856)	(56,166)
End of period	2,646,858	2,424,277
<b>Class I (MB) shares</b>		
Beginning of period	50,993	41,739
Shares issued	8,406	5,816
Shares redeemed	(1,178)	(635)
End of period	58,221	46,920
	2,705,079	2,471,197

### d) Class I-F Shares

	Six months ended February 28,	
	2018	2017
<b>Class I-F (SK) shares</b>		
Beginning of period	8,319	187
Shares issued	10,163	6,649
Shares redeemed	(323)	-
End of period	18,159	6,836

There were no Class I-F (MB) shares issued in the six months ended February 28, 2018 or February 28, 2017.

## 7. Redeemable shares (continued)

### e) Class R Shares

	Six months ended February 28,	
	2018	2017
<b>Class R (SK) shares</b>		
Beginning of period	980,641	858,747
Shares issued	53,970	83,072
Shares redeemed	(8,604)	(1,319)
End of period	1,026,007	940,500

### f) Class R-F Shares

	Six months ended February 28,	
	2018	2017
<b>Class R-F (SK) shares</b>		
Beginning of period	920	175
Shares issued	-	306
End of period	920	481

## 8. Reconciliation of net asset values

The Fund's accounting policy is to measure the fair value of publicly traded securities using the last traded market price, provided that the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, or where no sales in a particular security have been transacted on the reporting date, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

For the determination of the Fund's Pricing NAV, the value of publicly traded securities is determined on the basis of the previous day's closing price, or, if no sales of a particular security have been transacted on that date, then on the basis of that day's closing bid price, or, if there is no closing bid price, then on the basis of the most recent closing price. As a result, there may be a difference between the Pricing NAV and the net assets attributable to holders of redeemable shares as shown on the statement of financial position.

There was no difference between the Pricing NAV per share and the net assets attributable to holders of redeemable shares per share for the Class R or Class R-F Shares at February 28, 2018 or August 31, 2017. A reconciliation of the net asset values for the Class A, Class A-F, Class I and Class I-F Shares is as follows:

### a) Class A Shares

	February 28, 2018	August 31, 2017
Pricing NAV per Class A Share	\$ 17.40	\$ 14.22
Adjustments to closing prices per Class A Share	0.46	0.02
Net assets attributable to holders of Class A Shares per share	\$ 17.86	\$ 14.24

## 8. Reconciliation of net asset values (continued)

### b) Class A-F Shares

	<b>February 28, 2018</b>	<b>August 31, 2017</b>
Pricing NAV per Class A-F Share	\$ 18.95	\$ 15.06
Adjustments to closing prices per Class A-F Share	0.57	0.02
Net assets attributable to holders of Class A-F Shares per share	<u>\$ 19.52</u>	<u>\$ 15.08</u>

### c) Class I Shares

	<b>February 28, 2018</b>	<b>August 31, 2017</b>
Pricing NAV per Class I Share	\$ 15.29	\$ 11.55
Adjustments to closing prices per Class I Share	0.39	0.02
Net assets attributable to holders of Class I Shares per share	<u>\$ 15.68</u>	<u>\$ 11.57</u>

### d) Class I-F Shares

	<b>February 28, 2018</b>	<b>August 31, 2017</b>
Pricing NAV per Class I-F Share	\$ 17.29	\$ 12.47
Adjustments to closing prices per Class I-F Share	0.53	0.02
Net assets attributable to holders of Class I-F Shares per share	<u>\$ 17.82</u>	<u>\$ 12.49</u>

## 9. Fees and expenses

### a) Management fees

In consideration of the performance by the Manager of its duties, the Manager receives an annual management fee equal to 2.5% of the aggregate Pricing NAV for each of the Class A Fund, Class I Fund and Class R Fund. The management fee is calculated and payable monthly in arrears based on the Pricing NAVs as at each weekly valuation date. The Manager does not begin to earn the management fee on the F Series shares until the Fund has reached \$5,000 in gross F Series subscriptions, at which time the entire amount of the management fees would be earned and payable.

The Manager currently acts as manager of the Fund's liquid portfolio, which includes cash and short-term investments. The Fund is responsible for any fees and expenses paid to any third party for liquid portfolio management services should the Manager no longer provide these services to the Fund.

### b) Percentage based payments

The Fund has engaged an arm's length party (the "Party") to pay sales commissions on the sale of its shares, excluding the F Series for which no sales commissions are payable. As remuneration for managing the payment of the commissions, the Fund has agreed to pay an annual percentage based payment to the Party of 0.95% of the gross proceeds (net of redemptions) raised in any calendar year on the sale of Class A Shares, Class I Shares and Class R Shares over eight consecutive years.

### c) Trailing commissions

An annual service fee equal to 0.5% of the aggregate Pricing NAV of the Class A Shares, Class I Shares and Class R Shares is paid quarterly to selling agents of the Fund. No trailing commissions are paid in respect of the F Series.

### d) Administration fees

Pursuant to a transfer agency agreement, the Fund has retained Prometa Fund Support Services Inc. to provide certain services to the Fund, including processing of sales orders and maintaining shareholder records. The Fund has retained Concentra Trust as the Fund's Custodian and Bare Trustee.

## 9. Fees and expenses (continued)

### e) Marketing service fees

As remuneration for distribution services being provided by the principal distributor of the Fund (the "Agent"), the Fund has agreed to pay the Agent an aggregate annual marketing service fee of 1% of gross proceeds. The Agent does not begin to earn the marketing service fee on the F Series shares until the Fund has reached \$5,000 in gross F Series subscriptions, at which time the entire amount of the marketing service fees would be earned and payable. For the six months ended February 28, 2018, marketing service fees of \$12 (2017 - \$10) were unearned on the Class A-F Shares. For the Class I-F Shares, marketing service fees of \$1 (2017 - \$1) were unearned in the six months ended February 28, 2018. Unearned marketing service fees on the Class R-F Shares for the six months ended February 28, 2018 and 2017 were not significant.

### f) Incentive participation amount

The Manager is entitled to an incentive participation amount ("IPA") equal to 20% of any return derived from an eligible investment of the Fund (excluding the first 10% of interest and dividend income earned and any commitment or work fees paid to the Fund in connection with the investment) in any fiscal year provided that: (i) the Class A Fund, Class I Fund or Class R Fund, as applicable, has earned sufficient income to generate a rate of return on all venture investments which is greater than the five year average guaranteed investment certificate rate of Concentra Financial plus 1.5% on an annualized basis; (ii) has earned sufficient income from the particular investment to provide a cumulative investment return at an average annual rate in excess of 10% since investment; and, (iii) has recouped an amount from the venture investment, through income earned, liquidation of the investment, or otherwise, equal to all the principal invested in the particular venture investment.

During the six months ended February 28, 2018, an IPA in respect of the Class A Fund was paid or payable to the Manager in the amount of \$2,628 (2017 - \$13) on realized gains on the disposition of venture investments. On an annualized basis, the IPA was 1.91% (2017 - 0.01%) expressed as a percentage of average net asset value for the Class A Fund for the period. During the six months ended February 28, 2018, an IPA in respect of the Class I Fund was paid or payable to the Manager in the amount of \$593 (2017 - \$3) on realized gains on the disposition of venture investments. On an annualized basis, the IPA was 3.38% (2017 - 0.02%) expressed as a percentage of average net asset value for the Class I Fund for the period. There was no IPA paid or payable in respect of the Class R Fund for the six months ended February 28, 2018 or 2017.

An estimated contingent IPA in respect of the Class A Fund of \$36,147 (August 31, 2017 - \$20,417) has been reflected in the financial statements in respect of unrealized gains and excess returns as at February 28, 2018. On an annualized basis, the increase in the estimated contingent IPA of \$15,730 during the six months ended February 28, 2018 (2017 - \$4,750) represents a decrease of 11.45% (2017 - 3.84%) in average pricing NAV of the Class A Fund for the period.

As at February 28, 2018, an estimated contingent IPA in respect of the Class I Fund of \$3,554 (August 31, 2017 - \$1,423) has been reflected in the financial statements in respect of unrealized gains and excess returns. The increase in the estimated contingent IPA of \$2,131 during the six months ended February 28, 2018 (2017 - \$793) represents a decrease of 3.38% (2017 - 6.12%), on an annualized basis, in average pricing NAV of the Class I Fund for the period.

No contingent IPA is accrued for the Class R Fund at February 28, 2018 or August 31, 2017, and there were no changes in the contingent IPA for the Class R Fund for the six months ended February 28, 2018 or 2017.

### g) Direct expenses

The Fund pays all direct costs and expenses incurred in the operation of the Fund, such as directors' fees, custodian fees, insurance, legal, audit, and valuation expenses.

## 9. Fees and expenses (continued)

### h) Management expense ratio

The annualized management expense ratio ("MER") includes the IPA, contingent IPA and all other fees and expenses paid or payable (excluding any brokerage fees on the purchase and sale of portfolio securities) expressed as a percentage of average Pricing NAV. For the six months ended February 28, 2018 and 2017, the MER for each share, along with the impact of excluding the IPA and contingent IPA, is as follows:

	<b>Six months ended February 28,</b>	
	<b>2018</b>	<b>2017</b>
<b>Class A Shares</b>		
MER	18.24%	8.67%
MER – excluding IPA and contingent IPA	4.76%	4.79%
<b>Class A-F Shares</b>		
MER	13.41%	3.77%
MER – excluding IPA and contingent IPA	0.67%	0.84%
<b>Class I Shares</b>		
MER	20.62%	10.95%
MER – excluding IPA and contingent IPA	4.96%	4.75%
<b>Class I-F Shares</b>		
MER	13.59%	10.01%
MER – excluding IPA and contingent IPA	0.71%	0.48%
<b>Class R Shares</b>		
MER	5.34%	5.15%
MER – excluding IPA and contingent IPA	5.34%	5.15%
<b>Class R-F Shares</b>		
MER	0.81%	0.75%
MER – excluding IPA and contingent IPA	0.81%	0.75%



## 10. Net change in non-cash balances

	Six months ended February 28,	
	2018	2017
<b>a) Class A</b>		
(Increase) decrease in interest and other receivables	\$ (1,667)	\$ 514
Decrease in accounts payable and accrued liabilities	(1,098)	(949)
Increase in IPA payable	2,628	12
Increase in contingent IPA	15,730	4,750
	\$ 15,593	\$ 4,327

	Six months ended February 28,	
	2018	2017
<b>b) Class I</b>		
(Increase) decrease in interest and other receivables	\$ (422)	\$ 100
Decrease in accounts payable and accrued liabilities	(80)	(15)
Increase in loss support program contributions and advances	215	120
Increase in IPA payable	593	3
Increase in contingent IPA	2,131	793
	\$ 2,437	\$ 1,001

	Six months ended February 28,	
	2018	2017
<b>c) Class R</b>		
Decrease in interest and other receivables	\$ 2	\$ 7
Increase in accounts payable and accrued liabilities	(46)	(16)
	\$ (44)	\$ (9)

## 11. Financial instruments by category

The following tables present the carrying amounts of the Fund's financial assets by category. All the Fund's financial liabilities, other than its net assets attributable to holders of redeemable shares, were carried at amortized cost as at the end of each respective period.

### a) Class A Fund

	Category	February 28, 2018	August 31, 2017
Cash	FVTPL	\$ 19,319	\$ 15,577
Short-term investments	FVTPL	15,236	15,236
Interest and other receivables	Amortized cost	5,330	3,663
Venture investments	FVTPL	303,718	233,836
		\$ 343,603	\$ 268,312

## 11. Financial instruments by category (continued)

### b) Class I Fund

	Category	February 28, 2018	August 31, 2017
Cash	FVTPL \$	8,139 \$	2,100
Short-term investments	FVTPL	14,028	18,861
Interest and other receivables	Amortized cost	594	172
Venture investments	FVTPL	27,428	13,451
	\$	50,189 \$	34,584

### c) Class R Fund

	Category	February 28, 2018	August 31, 2017
Cash	FVTPL \$	2,167 \$	897
Short-term investments	FVTPL	2,097	4,396
Interest and other receivables	Amortized cost	7	9
Venture investments	FVTPL	4,480	3,123
	\$	8,751 \$	8,425

## 12. Fair value of financial instruments

### a) Fair value hierarchy

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 market prices included 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.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The Manager is responsible for performing fair value measurements included in the financial statements of the Fund, including Level 3 measurements. The Manager performs semi-annual valuations as at the last day of February and the last day of August in each year based on policies and procedures established by the Fund's Board of Directors. For investments for which no public market exists, the valuations are performed based on the Canadian Venture Capital and Private Equity Association valuation guidelines. The semi-annual valuations are approved by the Valuation Committee of the Board of Directors, and the valuation prepared as at the end of August in each year is also presented to the Board of Directors for approval.

The Fund's venture investments are classified as Level 1 when the security is actively traded and a reliable price is observable. The determination of the fair value of venture investments that are not traded in an active market typically requires the use of significant unobservable inputs and, as a result, these investments are classified as Level 3.

## 12. Fair value of financial instruments (continued)

### a) Fair value hierarchy (continued)

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at February 28, 2018 and August 31, 2017:

#### i. Class A Fund

	February 28, 2018				
	Level 1	Level 2	Level 3	Total	
Short-term investments	\$ -	\$ 15,236	\$ -	\$ 15,236	
Venture investments	127,032	-	176,686	303,718	
	\$ 127,032	\$ 15,236	\$ 176,686	\$ 318,954	

	August 31, 2017				
	Level 1	Level 2	Level 3	Total	
Short-term investments	\$ -	\$ 15,236	\$ -	\$ 15,236	
Venture investments	33,892	-	199,944	233,836	
	\$ 33,892	\$ 15,236	\$ 199,944	\$ 249,072	

#### ii. Class I Fund

	February 28, 2018				
	Level 1	Level 2	Level 3	Total	
Short-term investments	\$ -	\$ 14,028	\$ -	\$ 14,028	
Venture investments	19,387	-	8,041	27,428	
	\$ 19,387	\$ 14,028	\$ 8,041	\$ 41,456	

	August 31, 2017				
	Level 1	Level 2	Level 3	Total	
Short-term investments	\$ -	\$ 18,861	\$ -	\$ 18,861	
Venture investments	4,662	-	8,789	13,451	
	\$ 4,662	\$ 18,861	\$ 8,789	\$ 32,312	

## 12. Fair value of financial instruments (continued)

### a) Fair value hierarchy (continued)

#### iii. Class R Fund

	February 28, 2018			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 2,097	\$ -	\$ 2,097
Venture investments	1,098	-	3,382	4,480
	\$ 1,098	\$ 2,097	\$ 3,382	\$ 6,577

	August 31, 2017			
	Level 2	Level 3	Total	
Short-term investments	\$ 4,396	\$ -	\$ 4,396	
Venture investments	-	3,123	3,123	
	\$ 4,396	\$ 3,123	\$ 7,519	

All fair value measurements above are recurring. The carrying values of subscriptions receivable, interest and other receivables, accounts payable and accrued liabilities, redemptions payable, loss support program contributions and advances, IPA, contingent IPA, and the Fund's obligation for net assets attributable to holders of redeemable shares are short-term in nature.

### b) Changes in Level 3 instruments

The following tables present the movement in Level 3 instruments for the six months ended February 28, 2018 and February 28, 2017:

#### i. Class A Fund

	Six months ended February 28,	
	2018	2017
Beginning balance	\$ 199,944	\$ 213,921
Purchases	2,432	8,215
Partnership income recognized	8,947	7,551
Partnership distributions received	(5,046)	(4,374)
Repayments	(357)	(2,889)
Dispositions	(13,655)	(100)
Transferred to Level 1	-	(15,727)
Net realized gains	11,107	-
Net unrealized losses	(26,686)	(3,470)
Ending balance	\$ 176,686	\$ 203,127
Net unrealized losses during the year included in the Statements of Comprehensive Income for Level 3 assets held at end of period	\$ (17,644)	\$ (3,491)

During the six months ended February 28, 2018, Class A Fund investments of \$nil (2017 - \$15,727) were transferred from Level 3 to Level 1 because of an investee company completing an initial public offering during the period.

## 12. Fair value of financial instruments (continued)

### b) Changes in Level 3 instruments (continued)

#### ii. Class I Fund

	Six months ended February 28,	
	2018	2017
Beginning balance	\$ 8,789	\$ 10,073
Purchases	2,027	62
Partnership income recognized	475	478
Partnership distributions received	(359)	(114)
Dispositions	(3,511)	-
Transferred to Level 1	-	(2,134)
Net realized gains (losses)	2,784	-
Net unrealized gains (losses)	(2,164)	(163)
Ending balance	<u>\$ 8,041</u>	<u>\$ 8,202</u>
Net unrealized gains during the year included in the Statements of Comprehensive Income for Level 3 assets held at end of period	<u>\$ (306)</u>	<u>\$ (163)</u>

During the six months ended February 28, 2018, Class I Fund investments of \$nil (2017 - \$2,134) were transferred from Level 3 to Level 1 because of an investee company completing an initial public offering during the period.

#### iii. Class R Fund

	Six months ended February 28,	
	2018	2017
Beginning balance	\$ 3,123	\$ 2,750
Purchases	340	57
Net unrealized (losses) gains	(81)	228
Ending balance	<u>\$ 3,382</u>	<u>\$ 3,035</u>
Net unrealized gains (losses) during the year included in the Statements of Comprehensive Income for Level 3 assets held at end of period	<u>\$ (81)</u>	<u>\$ 288</u>

There were no Class R Fund financial instruments that were transferred into or out of Level 1 or 2 during the six months ended February 28, 2018 or February 28, 2017.

## 12. Fair value of financial instruments (continued)

### c) Level 3 measurements

The following tables present the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as of February 28, 2018 and August 31, 2017.

The sensitivity analysis set out below is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Fund's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

#### i. Class A Fund

Valuation technique	February 28, 2018				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 106,700	EBITDA Multiple	3.94x-5.50x	0.50x	\$9,157/\$(8,909)
NAV/unit	20,283	% variance	100%	10%	2,028/(2,028)
Value of recoverable reserves	15,615	% variance	100%	5%	4,794/(1,824)
Discounted cash flow	14,325	Discount rate	11.4%-50%	1.5%	1,179/(1,044)
Recent financing	10,779	Transaction price	100%	10%	1,078/(1,078)
Tangible book value	8,984	% variance	100%	10%	898/(898)
	<u>\$ 176,686</u>				

Valuation technique	August 31, 2017				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 110,617	EBITDA Multiple	3.94x-5.50x	0.50x	\$11,927/\$(11,555)
NAV/unit	24,808	% variance	100%	10%	2,481/(2,481)
Value of recoverable reserves	14,683	% variance	100%	5%	4,954/(3,865)
Discounted cash flow	36,290	Discount rate	11%-50%	1.5%	3,265/(2,586)
Recent financing	9,466	Transaction price	100%	10%	947/(947)
Tangible book value	4,080	% variance	100%	10%	408/(408)
	<u>\$ 199,944</u>				

#### ii. Class I Fund

Valuation technique	February 28, 2018				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 4,127	EBITDA multiple	5.00x-5.02x	0.50x	\$267/\$(267)
Discounted cash flow	1,128	Discount rate	11.4%	1.5%	47/(44)
Recent financing	2,786	Transaction price	100%	10%	279/(279)
	<u>\$ 8,041</u>				

## 12. Fair value of financial instruments (continued)

### c) Level 3 measurements (continued)

#### ii. Class I Fund (continued)

August 31, 2017

Valuation technique	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 4,294	EBITDA multiple	5.00x-5.09x	0.50x	\$302/\$(302)
Discounted cash flow	3,714	Discount rate	11.4%-16%	1.5%	112/(109)
Recent financing	781	Transaction price	100%	10%	78/(78)
	<u>\$ 8,789</u>				

#### iii. Class R Fund

February 28, 2018

Valuation technique	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Value of recoverable reserves	\$ 2,282	% variance	100%	5%	\$300/\$(281)
NAV/unit	1,100	% variance	100%	10%	110/(110)
	<u>\$ 3,382</u>				

August 31, 2017

Valuation technique	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Value of recoverable reserves	\$ 1,881	% variance	100%	10%	\$393/\$(296)
NAV/unit	1,242	% variance	100%	10%	124/(124)
	<u>\$ 3,123</u>				

## 13. Risks associated with financial instruments

The Fund's activities expose it to a variety of risks associated with financial instruments, including credit risk, liquidity risk and market risk (including price risk and interest rate risk). The Fund has no exposure to currency risk as all financial instruments of the Fund are denominated in Canadian currency. The objective of the Fund is to manage these risks while maintaining a risk/return balance that is consistent with the Fund's investment objectives. The Manager seeks to mitigate these risks by monitoring the Fund's investment holdings and by diversifying the investment portfolio within the constraints of governing legislation. There is a risk of loss of capital for all investments made by the Fund.

### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Concentration of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Most of the credit risk to which the Fund is exposed arises from its short-term investments, venture investments in debt securities, and accrued interest receivable. For each of the Class A Fund, Class I Fund, and Class R Fund the maximum exposure to credit risk is the cost of debt venture investments and the carrying amount of short-term investments and accrued interest receivable.

The Fund analyzes credit concentration based on the counterparty, industry and geographic location. To mitigate counterparty risk associated with its debt venture investments, the Fund has, where possible, secured its debt investments with first or subordinated charges of the assets of the investee company and imposed certain financial covenants on the investee companies. The Fund seeks to mitigate risks associated with a particular industry by investing its venture investment portfolios in a diverse range of industries. The Fund seeks to mitigate credit risk in its short-term investment portfolios by investing in instruments with a minimum Dominion Bond rating of A or in instruments that are guaranteed by the Credit Union Deposit Guarantee Corporation.

## 13. Risks associated with financial instruments (continued)

### a) Credit risk (continued)

For the Class A Fund, the maximum credit risk exposure as at February 28, 2018 is \$66,810 (August 31, 2017 - \$66,566). The diversification of the Class A Fund venture investments by industry sector is outlined in the Schedule of Investment Portfolio. Although the Class A Fund's venture investment portfolio consists primarily of Saskatchewan and Manitoba companies, the markets for those companies are worldwide. To mitigate the geographic risk, the Class A Fund has been invested in companies with a diverse range of end markets.

The maximum credit risk exposure for the Class I Fund as at February 28, 2018 is \$15,714 (August 31, 2017 - \$20,462). The Class I Fund's venture investment portfolio includes investments in four debt instruments at February 28, 2018 (August 31, 2017 - four). The credit risk on these investments is mitigated by the Western Economic Diversification Canada loss support program outlined in Note 6.

For the Class R Fund, the maximum credit risk exposure as at February 28, 2018 is \$3,609 (August 31, 2017 - \$5,909). At February 28, 2018, the Class R Fund's venture investment portfolio includes investments in three debt instruments (August 31, 2017 - three).

### b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to weekly cash redemptions of its shares and has instituted a liquid reserve policy for each of the Class A Fund, Class I Fund and Class R Fund for managing its liquidity risk and to ensure the Fund maintains available reserves to meet its financial obligations or potential obligations. Under the liquid reserve policy, each of the Class A Fund, Class I Fund and Class R Fund will maintain reserves equal to the lesser of 20% of retained earnings or 50% of net earnings after taxes for the previous fiscal year. In addition, an amount equal to 25% of all guarantees issued will be maintained on reserve. At February 28, 2018 there are no guarantees issued.

The Fund invests in debt securities and equity investments that are not traded in an active market. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The financial liabilities of the Fund mature in less than three months except for the contingent IPA. The contingent IPA is an estimate, based on unrealized gains and excess returns, that would have been payable had the Fund disposed of its entire venture investment portfolio at fair value at February 28, 2018. The maturity of the contingent IPA is uncertain and is only payable to the Manager if specific criteria are met, as outlined in Note 9(f).

Although the redeemable shares are redeemable on demand at the holder's option, holders of the Fund's shares typically retain them for an extended period. Furthermore, subject to certain restrictions, the Fund is not obligated to redeem its shares under certain circumstances as outlined in the Fund's prospectus. Based on the redemption history of the Fund, the Manager expects that the redeemable shares outstanding at February 28, 2018 will be redeemed over a period of several years.

### c) Market risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund holds securities with fixed interest rates that expose the Fund to fair value interest rate risk. The Fund attempts to mitigate this risk by investing all cash and short-term investments at short-term market interest rates. The Fund also holds debt venture investments subject to variable interest rates, which exposes the Fund to cash flow interest rate risk. The Fund mitigates this risk by maintaining fixed interest rates on a portion of its debt venture investments. Based on cost, at February 28, 2018, 25.53% (August 31, 2017 - 26.09%) of the Class A Fund debt venture investments and 100% (August 31, 2017 - 100%) of the Class I Fund debt venture investments bear interest at fixed rates. All the Class R Fund debt venture investments bear interest at variable rates.

#### ii. Price risk

The Fund is exposed to price risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Fund is exposed to fluctuations in the value of its equity venture investments due to such risks as commodity prices or changes to the public markets.

The venture investment portfolio of the Class A Fund is exposed to commodity prices such as oil and gas, ethanol, and agricultural commodities, however the Fund seeks to mitigate this risk by investing in a diverse range of industries. As at February 28, 2018, the Class A Fund was invested in 11 different industry sectors (August 31, 2017 - 11). Although the Fund invests primarily in private companies, the Fund has acquired publicly traded companies through the exit of private companies and, as a result, is exposed to fluctuations in the public market. Based on fair value, as at February 28, 2018, publicly traded companies make up 41.83% (August 31 2017 - 14.49%) of the Class A Fund venture investment portfolio. As at February 28, 2018, a 10% change in the value of the publicly traded securities will cause a change of \$0.59 per share (August 31, 2017 - \$0.16) or a 3.39% (August 31, 2017 - 1.10%) change in the Pricing NAV of the Class A Shares. A 10% change in the value of publicly traded securities at February 28, 2018 will cause a change of \$0.74 per share (August 31, 2017 - \$0.18) or a 3.88% (August 31, 2017 - 1.17%) change in the Pricing NAV of the Class A-F shares.



## 13. Risks associated with financial instruments (continued)

### c) Market risk (continued)

#### ii. Price risk (continued)

The Fund invests the share capital raised from the issue of Class I Shares and Class I-F Shares in companies in the innovation sector of the Saskatchewan and Manitoba economies. Although not as diversified as the Class A Fund investments, the Fund has entered into a loss support program with Western Economic Diversification Canada aimed at supporting certain losses in investments made with funds raised through the issue of Class I Shares and Class I-F Shares. Details of the loss support program are contained in the Fund's prospectus. As at February 28, 2018, the Class I Fund was invested in 11 (August 31, 2017 – 11) private companies and two public companies (August 31, 2017 – two) in six (August 31, 2017 – six) different industry sectors. Based on fair value, as at February 28, 2018, the publicly traded companies make up 70.68% (August 31, 2017 – 34.66%) of the Class I Fund venture investment portfolio. As at February 28, 2018, a 10% change in the value of the publicly traded securities will cause a change of \$0.57 per share (August 31, 2017 – \$0.14) or a 3.76% (August 31, 2017 – 1.24%) change in the Pricing NAV of the Class I Shares. A 10% change in the value of publicly traded securities at February 28, 2018 will cause a change of \$0.76 per share (August 31, 2017 – \$0.17) or a 4.39% (August 31, 2017 – 1.34%) change in the Pricing NAV of the Class I-F shares.

The Fund invests the share capital raised from the issue of Class R Shares and Class R-F Shares in companies in the resource sector of the Saskatchewan economy. As at February 28, 2018, the Class R Fund was invested in seven (August 31, 2017 – seven) private companies and one (August 31, 2017 – none) public company in the resource sector. Based on fair value, as at February 28, 2018, the publicly traded companies make up 24.50% (August 31, 2017 – nil%) of the Class R Fund venture investment portfolio. As at February 28, 2018, a 10% change in the value of the publicly traded securities will cause a change of \$0.11 per share (August 31, 2017 – \$nil) or a 1.26% (August 31, 2017 – nil%) change in the Pricing NAV of the Class R Shares. A 10% change in the value of publicly traded securities at February 28, 2018 will cause a change of \$0.10 per share (August 31, 2017 – \$nil) or a 1.08% (August 31, 2017 – 1.68%) change in the Pricing NAV of the Class R-F shares.

### d) Concentration risk

Concentration risk arises because of the concentration of exposures within the same category, whether it is geographic location, product type, industry sector or counterparty type. A summary of the venture portfolio concentration by industry sector and stage of development is provided in the Schedule of Investment Portfolio for each of the Class A Fund, Class I Fund and Class R Fund. The Class R Fund is a resource focused portfolio with a strategy to invest in companies in the energy, mining and/or related resource sectors of the Saskatchewan economy. Accordingly, all the Class R Fund venture investments are in the oil & gas sector as at February 28, 2018 and August 31, 2017.

Based on fair value, as at February 28, 2018, the investment in CanniMed Therapeutics Inc. represents 41.56% of the Class A Fund venture investment portfolio and 41.60% of the Class A Fund net assets attributable to holders of redeemable shares. Based on fair value, as at February 28, 2018, the investment in CanniMed Therapeutics Inc. represents 64.44% of the Class I Fund venture investment portfolio and 41.34% of the Class I Fund net assets attributable to holders of redeemable shares.

### e) Capital risk management

Redeemable shares issued and outstanding are considered to be the capital of the Fund. The Manager manages the capital of the Fund in accordance with the Fund's investment objectives, policies, and restrictions as outlined in the Fund's prospectus, while attempting to maintain sufficient liquidity to meet shareholder redemptions, operational requirements, and future venture investments.

The Fund is subject to the investment pacing requirements under the provisions of the Saskatchewan Act and the Manitoba Act. Pursuant to the Saskatchewan Act, the Fund is obligated, during the 24-month period following the end of the fiscal year in which the Saskatchewan share capital is raised, to invest and maintain at least 75% of the equity capital raised in Saskatchewan in investment instruments issued by eligible businesses or in any other type of investment authorized by the Saskatchewan Act. Pursuant to the Manitoba Act, the Fund is obligated, during the 24-month period following the end of the fiscal year in which the Manitoba share capital is raised, to invest at least 70% of the equity capital raised in Manitoba in eligible investments issued by eligible business entities or in any other type of investment authorized by the Manitoba Act, and 14% of the Manitoba share capital so invested must be in eligible investments for which the total cost of the eligible investments held by the Fund in such entity and any related entities does not exceed \$2,000.

Under the Saskatchewan Act, an amount equal to 20% of the capital raised in Saskatchewan must be set aside in a trust fund until the Fund has met the investment requirements as set forth in the Saskatchewan Act. At February 28, 2018, Class A Fund cash and short-term investments of \$9,020 (August 31, 2017 - \$7,225) are held within the trust fund. At February 28, 2018, Class I Fund cash and short-term investments of \$2,202 (August 31, 2017 - \$1,583) are held within the trust fund. At February 28, 2018, Class R Fund cash and short-term investments of \$886 (August 31, 2017 - \$811) are held within the trust fund. Pending release, the trust monies will be invested in investments permitted by the Saskatchewan Act. As at February 28, 2018, the Fund was in compliance with the investment pacing requirements under both the Saskatchewan Act and the Manitoba Act.

The regulations to the Saskatchewan Act require labour-sponsored venture capital corporations to invest a prescribed percentage of its annual net capital (being annual capital raised less annual capital required to satisfy redemption obligations) in eligible innovation activities. Eligible innovation activities include: (i) activities carried out by an eligible business whose principal business is directly related to one or more of the following sectors: clean or environmental technology, health and life sciences, crop and animal sciences, industrial biotechnology, information and communication technology; or (ii) activities carried out by an eligible business that involves technical risk, productivity improvement or the application of a technology, process or innovation that is new to Saskatchewan and facilitates growth, supports trade or exports or enhances Saskatchewan's competitiveness. The prescribed amount is 18.75%.

## 14. Taxation

All share classes of the Fund are combined as a single legal entity in computing the net income (loss) and net capital gains (losses) for tax purposes. Income taxes, if any, are allocated to the Class A Fund, Class I Fund and Class R Fund on a fair and reasonable basis.

Under the Federal Act, no taxes are generally payable by the Fund on dividends received from Canadian corporations, and income taxes payable on capital gains are substantially refundable on a formula basis when shares of the Fund are redeemed or capital gains dividends are paid, or deemed to be paid, by the Fund to its shareholders. A portion of the income taxes payable on net interest income earned by the Fund is also refundable on payment, or deemed payment, of taxable dividends to the shareholders.

The Fund can minimize income taxes through the deemed payment of a dividend by capitalizing an amount of its taxable income as paid up capital on its Class A, Class A-F, Class I, Class I-F, Class R or Class R-F Shares, or a combination of thereof. If, and to the extent that, the Fund increases the paid up capital of a class of shares, the holder of the shares will be deemed to have received a dividend and the adjusted cost base of the holder's shares will be increased by the amount of the deemed dividend.

Temporary differences between the tax basis of assets and liabilities and their carrying amounts may be either taxable or deductible. Taxable temporary differences give rise to future income tax liabilities and deductible temporary differences give rise to future income tax assets. When the fair value of investments is greater than its tax basis, a future income tax liability arises, and the future tax liability is offset by refundable taxes generated by future payments of capital gains dividends. When the fair value of investments is less than its tax basis, a future income tax asset arises and, due to the uncertainty of such future income tax assets ultimately being realized, a full valuation allowance is applied to offset the asset. Any unused capital and non-capital losses represent future income tax assets to the Fund for which a full valuation allowance has been established such that no net benefit has been recorded by the Fund.

As at February 28, 2018, the Fund has estimated non-capital losses available for carryforward of \$7,428 (August 31, 2017 - \$7,428) and estimated capital losses available for carryforward of \$13,573 (August 31, 2017 - \$23,950).

## 15. Related party transactions

During the six months ended February 28, 2018, management fees, including GST, on Class A Shares of \$3,555 (2017 - \$3,220) were paid or payable to the Manager, a company controlled by the President & Chief Executive Officer of the Fund, and the Manager earned an IPA on the Class A Fund of \$2,628 (2017 - \$13). At February 28, 2018 a contingent IPA is accrued on the Class A Fund in the amount of \$36,147 (August 31, 2017 - \$20,417).

For the Class I Fund, management fees of \$458 were paid or payable during the six months ended February 28, 2018 (2017 - \$335), and the Manager earned an IPA on the Class I Fund of \$593 (2017 - \$3). As at February 28, 2018, a contingent IPA is accrued on the Class I Fund in the amount of \$3,554 (August 31, 2017 - \$1,423).

Management fees of \$111 were paid or payable for the Class R Fund during the six months ended February 28, 2018 (2017 - \$99). No contingent IPA is accrued for the Class R Fund at February 28, 2018 or August 31, 2017.

The Manager does not begin to earn the management fee with respect to the F Series until the Fund has reached \$5,000 in gross subscriptions for F Series shares. As a result, Class A-F Share management fees of \$29 (2017 - \$6) were unearned for the six months ended February 28, 2018. For the Class I-F Shares, management fees of \$2 (2017 - not significant) were unearned for the six months ended February 28, 2018. Unearned management fees on the Class R-F Shares were not significant for six months ended February 28, 2018 and February 28, 2017.

In respect of the Class A Fund, office costs totaling \$4 (2017 - \$4) were paid or payable to the Manager in the six months ended February 28, 2018. There were no office or other costs paid or payable to the Manager by the Class I Fund or Class R Fund in the six months ended February 28, 2018 or February 28, 2017.

At February 28, 2018, the accounts payable and accrued liabilities balance for the Class A Fund includes management fees payable to the Manager of \$611 (August 31, 2017 - \$546) and office and other costs payable to the Manager of \$1 (August 31, 2017 - \$1). At February 28, 2018, the accounts payable and accrued liabilities balance for Class I Fund includes management fees payable to the Manager of \$83 (August 31, 2017 - \$64). Management fees payable to the Manager of \$17 (August 31, 2017 - \$19) are included in the accounts payable and accrued liabilities balance for the Class R Fund at February 28, 2018.

The above-mentioned transactions were in the normal course of operations, are non-interest bearing, and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 16. Commitments

At February 28, 2018, the Class A Fund has commitments for additional investments of \$2,739 in Credence Resources II LP, and the Class R Fund has commitments for additional investments of \$61 in Credence Resources II LP.

# Board of Directors

## **Honourable William McKnight<sup>2,4</sup>**

Chairman

Chairman, McKnight & Associates

## **Brian L. Barber<sup>1,3</sup>**

Vice Chairman

Senior Vice-President, Saskatchewan, Ledcor Construction Limited

## **Murad Al-Katib**

Director

President and Chief Executive Officer, AGT Food and Ingredients Inc.

## **Lorraine Sali<sup>3,4</sup>**

Director

Business Manager for the Sponsor, Construction and General Workers' Union, Local 180

## **Thomas A. Shepherd<sup>1,3</sup>**

Director

Retired Businessman (Formerly Senior Vice-President, Dundee Realty Corporation)

## **James S. Salamon<sup>1</sup>**

Director

Managing Partner, SRG Chartered Professional Accountants

## **Ronald S. Waldman<sup>2</sup>**

Director

President/Chief Executive Officer, Keystone Consulting Inc.

## **Grant J. Kook<sup>2,4</sup>**

President/Chief Executive Officer/Director

President and Chief Executive Officer, Westcap Mgt. Ltd.

## **Douglas W. Banzet<sup>1</sup>**

Chief Financial Officer/Director

Chief Operating Officer, Westcap Mgt. Ltd.

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## Golden Opportunities' Governance

<sup>1</sup> Audit Committee

<sup>2</sup> Valuation Committee

<sup>3</sup> Investment Committee

<sup>4</sup> Governance and Nominations Committee

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### TRANSFER AGENT

#### **Prometa Fund Support Services Inc.**

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### PROUD SPONSOR

#### **Construction and General Workers' Union, Local 180**

1866 McAra Street, Regina, SK S4N 6C4

### Fund Manager:



Suite 830, 410 - 22nd St. East, Saskatoon, SK S7K 5T6

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Fund Codes GOF501 (Class A SK), GOF502 (Class A MB), GOF503 (Class I SK), GOF504 (Class I MB), GOF505 (Class R SK), GOF507 (Class A-F SK), GOF508 (Class A-F MB), GOF509 (Class I-F SK), GOF510 (Class I-F MB), GOF511 (Class R-F SK)

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