



CELEBRATING 20 YEARS

Impact.

2019 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, 2019. The period end comes at a time when the equity markets closed out a challenging 2018. The S&P/TSX Composite Index was down over 12% which marked 2018 as the weakest year since the market dropped by 35.2% in 2008. The financial sector, the largest sector of the TSX, dropped nearly 15% during 2018 and the second largest sector, energy, plummeted by almost 32%. The Dow Jones Industrial Average was down 6% in 2018, also the lowest since 2008, with the energy sector following the same performance as the TSX. The S&P 500 echoed similar results falling 19.8% in the final 11 weeks of last year.

The weakness and volatility of the markets reaffirm the attractiveness of investing locally in Golden Opportunities, an asset class that provides attractive tax credits while outperforming the equity markets and positively impacting Saskatchewan's economy and local jobs. As confirmed in the economic impact estimate completed by the Saskatoon Regional Economic Development Authority (SREDA) for Golden Opportunities' 20th Anniversary, the Fund's impact on the local economy and jobs is significant generating an estimated \$3 billion in economic impact and impacting over 15,000 jobs. For these reasons, the 2019 Federal and Provincial budgets confirmed continued support for tax credits attributed to Retail Venture Capital (RVC) Funds.

The Fund's semi-annual reporting period aligns with the end of the RRSP season. This past season, the demand for units of Golden Opportunities once again exceeded the number of units available for tax credits prescribed under Provincial regulations. This resulted in the Fund selling out with \$35 million in annual capital raised from Saskatchewan residents. **Golden Opportunities' sellout once again confirms that shareholders recognize the Fund's impact on the local economy, companies and jobs, in addition to its positive performance.**

Solid Financial Benchmarks

Golden Opportunities' overall gross assets continued to increase growing by \$8.4 million to \$394 million at period end compared to the last reporting period of August 31, 2018. The Fund's liquidity also improved in every share class and overall, increasing by 20% to \$151 million. This increase in liquidity, due to strong demand for units of Golden Opportunities and highly successful exits, provides the Fund with the ability to support the growth of portfolio companies and complete new strategic investments. This increase in liquidity was also aided by Golden Opportunities' strategy over the past number of years to continue to focus on increasing management buyouts (MBOs) in the Fund's portfolio, a deal type that results in increased income and cash distributions.

Top Performing Saskatchewan RVC Fund!¹

SOLD OUT
FOR 2018 TAX CREDITS

INVEST  EARLY

To avoid disappointment due to the Fund selling out of 2019 tax credits, shareholders can invest in the Fund's convenient and automatic investment options which ensure receipt of a full year of contributions and tax credits. These include:

PAC

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.

GoPacPlan.ca

PIP

Payroll Investment Plan (PIP):

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

GoPayrollPlan.ca

Contributions from shareholders investing through the Fund's Payroll Investment Plan increased by 7.0% over the previous year.

the Diversified Class A-share portfolio was active including two new strategic investments.

DIVERSIFIED
SHARE



THE DIVERSIFIED CLASS A-SHARE

The Fund's largest share class, the Diversified Class A-share, experienced an **increase in gross assets to \$332 million** from August year-end and a **21% increase in liquidity to \$109 million**. Golden Opportunities' increased weighting in MBOs in this share class resulted in a positive increase in income to \$11.5 million from \$9.8 million in the previous period which is strong confirmation that this focused strategy is meeting its objectives. These results translated into the Class A-share experiencing a positive increase in its unit value for the six-month reporting period against a backdrop of very challenging equity markets previously identified in the indexes. During the reporting period,

¹ Class i-share based on 3-year, 5-year and since inception returns as at February 28, 2019 per Fundata.

G-Mac's AgTeam Limited Partnership:

NEW Investment

With world demographics showing continued demand for what Saskatchewan farmers produce and operations in a province with the largest amount of arable farmland in Canada, agriculture companies such as G-Mac's AgTeam Limited Partnership (G-Mac's) that focus on agronomics provide a solid, long-term investment opportunity.

G-Mac's is a hallmark business in Saskatchewan's agriculture sector and has grown to be one of North America's largest independently owned crop input retailers. Founded in 2000, G-Mac's has grown to 9 retail locations across West Central Saskatchewan, including its corporate head office in Kindersley. The company is driven by a talented 90-member team with a strong focus on agronomics. G-Mac's currently has locations in Kindersley, Eatonia, Leader, Milden, Lucky Lake, Elrose, Rosetown, Marengo and Plenty, and continues to expand with a 10th location in Brock that is expected to open in 2019 which will further support the growth of the overall business through increased, centralized fertilizer blending capacity. G-Mac's solid reputation and high degree of success has been built on establishing collaborative partnerships with farming customers to optimize their production and profitability while minimizing impact to the environment. G-Mac's supplies customers with leading edge service, emerging science and proven technology.

The equity commitment and strategic partnership with Golden Opportunities will support the completion of G-Mac's recent expansion initiatives and further accelerate the growth of the business, while ensuring it continues to be a locally-owned and managed company.



Management Buyouts and Growth



Innovation



Retail Innovation Labs Inc. (Cova):

NEW Investment

Cova is a technology company with unique strategic advantages due to the early partnerships it has developed, the experienced management team that has a history of successful startups, its alignment through employee ownership, and its strategic focus on an innovative technology that meets the needs and opportunities in a new emerging global market.



Founded in 2016, Cova is a leader in rolling out a robust point-of-sale (POS) solution for cannabis retail stores throughout North America. Cova has designed and built POS and retail management solutions that already have strong market acceptance being an integral part of over 450 stores across North America. Cova's software meets the requirements of cannabis retail sellers in North America which must track inventory and the sale of cannabis within a strict regulatory environment. Cova's solutions power a complete end-to-end customer experience for cannabis retailers where other POS solutions are unable to meet the needs and volume of this growing market.

Built on a scalable and reliable platform, Cova's products help retailers simplify compliance, reduce operational costs and increase revenue through automated compliance, inventory management, mobile reporting dashboards and Cova's Express Checkout app.

Cova's founders have a strong track record in innovation and a long-standing history with Golden Opportunities that dates back to more than a decade ago when the Fund invested in a successful MBO which they were also the original founders of.

These two new investments made in the period meet the Fund's deliberate investment strategy to increase its weighting in MBOs and companies with a strong history of earnings and exciting growth opportunities, in sectors that are important to Saskatchewan. Additionally, given the recent successful exits of long-standing innovation companies including Solido Design Automation Inc. and CanniMed Therapeutics Inc., Cova represents a local innovation company that is seeking to be the software platform of choice in a global emerging market.



THE INNOVATION CLASS I-SHARE

The Innovation Class i-share continues to be an attractive option to shareholders as Saskatchewan’s innovation economy captures more attention from stakeholders, as well as continued investment and programs by Federal and Provincial Governments. In the reporting period, the **overall gross assets of the Class i-share increased again by 8.5% to \$53 million** from the August year-end reporting period. Given the nature of the Innovation Class i-share portfolio, the investment focus is on new innovative technologies, patents and processes striving for important milestones in the commercialization process. Liquidity of the share class is important to support the product development cycle of existing portfolio companies and make new investments.

Retail Innovation Labs Inc. (Cova):

NEW Investment

During the reporting period, a strategic investment in Cova was also made in the Innovation Class i-share portfolio. For the reasons described previously, Cova is well-positioned with its leading POS software already used by almost 100 cannabis retail outlets in Canada, including 20 of the 25 retail license winners entering the Ontario market, and with a growing network of industry partners including Baker, I Heart Jane, greenRush, springbig, BudBytes, Leafly, Enlighten and Budvue.

In the period, **liquidity increased by 18.5% to \$37 million** due to strong demand for units and highly successful exits of shares in Aurora Cannabis Inc. and Australis Capital Inc., both in the emerging cannabis sector. As a result of this activity, the Innovation Class i-share posted a positive return for the six-month reporting period which represents strong industry performance numbers in the face of challenging public equity market returns. **As a result, Golden Opportunities’ Innovation Class i-share is the top performing RVC Fund in Saskatchewan.¹**

THE RESOURCE CLASS R-SHARE

The Resource Class R-share has a 100% weighting in oil and gas by design and its performance over the past number of years has been reflective of the prolonged challenges in this sector.

West Texas Intermediate (WTI), the primary price benchmark for oil in North America, reported sustained strength in the first three quarters of 2018, reaching a high of U.S. \$76 per barrel (bbl) in October, only then to fall by over 40% to a low of U.S. \$43 per bbl in December 2018. This price decline was further exacerbated over this past fiscal period for oil and gas producers in Western Canada, as record-high storage levels and inadequate takeaway capacity (pipelines) compounded to widen differentials on crude oil and liquids in our local market to historic levels. Canadian differentials widened to more than U.S. \$50 per bbl for heavy crude and U.S. \$40 per bbl for light oil.

The dramatic declines experienced in late 2018 prompted many producers to cut or materially reduce capital spending plans and, in some cases, shut-in production. As a result, the Fund’s outlook for growth in the portfolio continues to be subdued for 2019 and no additional capital was invested in the reporting period.

Notwithstanding challenging market conditions, the Fund Manager is encouraged by positive milestones achieved within the portfolio over the past fiscal period. Burgess Creek Exploration Inc. reported a successful drilling program in 2018 with an 86% drill success rate, including a 100% success rate on several new concept wells. TORC Oil & Gas Ltd. achieved record production of 28,163 barrels of oil equivalent per day (boe/d) in the fourth quarter of 2018, a 29% increase from the same period in the previous fiscal year.

SUMMARY

Despite challenges in the equity markets and the oil and gas sector, as well as global geopolitical conflicts which capture our daily attention, Golden Opportunities remained focused on its investment philosophy to invest in healthcare, MBOs and innovation as demonstrated by the Fund’s two new portfolio investments. During this period, the Fund also reduced its position in Cannabis companies, Aurora Cannabis Inc. and Australis Capital Inc. Golden Opportunities experienced another sellout during the RRSP season and the Fund’s focused execution resulted in positive performance in the six-month reporting period, making your Fund the top performing RVC Fund in Saskatchewan.¹

Thank you for your continued support and investment into Golden Opportunities Fund as we celebrate 20 years of investing at home, creating value for our shareholders and impacting the local economy.

Sincere regards,

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

Brian L. Barber
Chair

Lorraine A. Sali
Vice Chair

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 or SEDAR at www.sedar.com. 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 9 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.

Risk

The risks of investing in Golden remain as discussed in Golden's prospectus dated December 19, 2018. 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, 2019, 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, 2019, 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. 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. Please see Note 14 to the financial statements for disclosure about the nature and extent of risks relative to financial instruments and how Golden manages those risks.

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, 2019, the Class A Fund's top four sectors based on cost were health care, oil & gas, building supplies, and manufacturing. For diversification, as at February 28, 2019, the Class A Fund is invested in 12 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, 2019, the Class A Fund's venture investment portfolio, based on investment cost, was 24.94% mature, 59.75% growth, and 15.31% start-up. The total cost base of the Class A Fund's venture investment portfolio represents 79.92% of the Class A Fund's net asset value, and the cost base of the top five portfolio holdings represents 35.45% 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 28% - 36%.

At February 28, 2019, the fair value of the investment in Aurora Cannabis Inc. represents 16.11% of the Class A Fund venture investment portfolio and 11.92% of the Class A Fund net asset value. As a result, fluctuations in the value of this publicly traded security could have an effect on the net asset value of the Class A Fund. The Fund Manager continues to evaluate market opportunities to divest the Fund's remaining position.

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, 2019, the Class I Fund was invested in 12 entities within four different industry sectors. Within the different stages of the business development cycle, as at February 28, 2019, the Class I Fund's venture investment portfolio, based on investment cost, was 13.41% mature, 79.15% growth and 7.44% start-up. The total cost base of the Class I Fund venture investments represents 35.21% of the Class I Fund's net asset value.

Based on fair value, as at February 28, 2019, the investment in Aurora Cannabis Inc. represents 31.30% of the Class I Fund venture investment portfolio and 10.48% of the Class I Fund net asset value. As a result, fluctuations in the value of this publicly traded security could have an effect on the net asset value of the Class I Fund. The Fund Manager continues to evaluate market opportunities to divest the Fund's remaining position.

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, 2019, 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, 2019, the Class R Fund's venture investment portfolio, based on investment cost, was 14.32% mature, 50.06% growth and 35.62% start-up. The total cost base of the Class R Fund's venture investments represents 49.55% of the Class R Fund's net asset value.

Results of Operations

Net Assets

The net assets of the Class A Fund increased from \$290.2 million as at August 31, 2018 to \$292.7 million as at February 28, 2019, an increase of \$2.5 million. Net asset value per Class A share increased from \$17.08 as at August 31, 2018 to \$17.28 as at February 28, 2019, an increase of 1.17%. The net asset value per Class A-F share increased by 3.16%, from \$18.97 at August 31, 2018 to \$19.57 at February 28, 2019.

The increase in the net assets of the Class A Fund from operations was \$3.5 million for the six months ended February 28, 2019. The Class A Fund raised proceeds of \$19.7 million from the issue of Class A and Class A-F shares during the period ended February 28, 2019 and incurred \$20.7 million of redemptions, representing 8.31% of the outstanding share capital. During the six months ended February 28, 2019, the number of Class A shares outstanding decreased from 16,740,873 to 16,588,348, and the number of Class A-F shares outstanding increased from 222,067 to 306,066.

Cash and short-term investments of the Class A Fund increased from \$90.2 million at August 31, 2018 to \$109.1 million as at February 28, 2019 largely due to \$33.8 million of proceeds on dispositions of venture investments in the period, partially offset by venture investment purchases of \$16.9 million and net share capital redemptions of \$1.0 million paid in the period. The Class A Fund continues to hold cash and liquid short-term investments to maintain enough liquidity to meet shareholder redemptions, operational requirements, and future venture investments.

As at February 28, 2019, the net assets of the Class I Fund totaled \$46.6 million, an increase of \$4.2 million from August 31, 2018. The net asset value per Class I share increased from \$15.01 as at August 31, 2018 to \$15.40 as at February 28, 2019, an increase of 2.60%. The net asset value per Class I-F share increased from \$17.32 at August 31, 2018 to \$18.23 at February 28, 2019, an increase of 5.25%.

The increase in the net assets of the Class I Fund from operations was \$1.1 million for the six months ended February 28, 2019. During the six months ended February 28, 2019, the Class I Fund raised proceeds of \$4.4 million from the issue of Class I and Class I-F shares and incurred \$1.3 million of redemptions, representing 3.86% of the outstanding share capital. The number of Class I shares outstanding increased from 2,797,201 to 2,987,126 during the six months ended February 28, 2019, and the number of Class I-F shares outstanding increased from 22,326 to 32,121 during the period. Cash and short-term investments of the Class I Fund were \$37.0 million at February 28, 2019, an increase of \$5.8 million from August 31, 2018. The increase is largely attributable to \$4.6 million of proceeds on dispositions of venture investments and \$3.1 million in net share capital raised, partially offset by venture investment purchases of \$2.0 million during the period.

As at February 28, 2019, the net assets of the Class R Fund totaled \$8.5 million, a decrease of \$70 thousand from August 31, 2018. The decrease in net assets of the Class R Fund is attributable to a decrease in net assets from operations of \$392 thousand, partially offset by an increase in share capital of \$322 thousand after redemptions for the six months ended February 28, 2019. Net asset value per Class R share decreased from \$8.00 as at August 31, 2018 to \$7.58 as at February 28, 2019, a decrease of 5.25%. The net asset value per Class R-F share decreased from \$8.98 at August 31, 2018 to \$8.72 at February 28, 2019, a decrease of 2.90%.

During the six months ended February 28, 2019, the Class R Fund raised proceeds of \$376 thousand from the issue of Class R shares and incurred redemptions of \$54 thousand, representing 0.50% of the outstanding share capital. The number of Class R shares outstanding increased from 1,064,656 to 1,107,474 during the six months ended February 28, 2019, and no Class R-F shares were issued or redeemed during the period. At February 28, 2019, the Class R Fund had cash and short-term investments of \$4.9 million, an increase of \$104 thousand from August 31, 2018.

Statement of Comprehensive Income

Income

Excluding net realized gains and unrealized losses, income for the Class A Fund for the six months ended February 28, 2019 was \$11.5 million compared to \$9.8 million for the six months ended February 28, 2018. Partnership income increased by \$1.2 million from the comparative period due to an increase in income allocations received from investments in partnerships. The increase in interest income of \$435 thousand from the six months ended February 28, 2018 was mainly due to an increase in cash and short-term investments from the comparative period.

Income for the Class I Fund excluding net realized and unrealized gains was \$1.3 million for the six months ended February 28, 2019 compared to \$637 thousand for the comparative period. The increase of \$443 thousand in partnership income is due to increased partnership income allocations in the current period. Interest income increased by \$193 thousand due to an increase in cash and short-term investments from the comparative period.

Excluding net unrealized losses, income for the Class R Fund increased from \$19 thousand in the six months ended February 28, 2018 to \$44 thousand in the current period due to dividends received from a publicly-traded portfolio company and an increase in interest earned on cash and short-term investments.

Expenses

Excluding the change in the contingent incentive participation amount ("IPA") and the IPA, expenses for the Class A Fund increased from \$6.4 million in the six months ended February 28, 2018 to \$6.9 million 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, 2019, the average net asset value of the Class A Fund was \$297.0 million, and for the comparative period the average net asset value of the Class A Fund was \$274.7 million.

For the Class I Fund, expenses excluding the IPA and the change in contingent IPA increased from \$861 thousand in the six months ended February 28, 2018 to \$1.1 million in the current period. The average net asset value of the Class I Fund was \$43.9 million for the six months ended February 28, 2019 and the average net asset value was \$35.1 million in the comparative period.

Expenses for the Class R Fund for the six months ended February 28, 2019 were \$237 thousand compared to \$223 thousand for the comparative period. The average net asset value for the current period was \$8.2 million, compared to \$8.5 million for the six months ended February 28, 2018.

Unrealized Gains and Losses

For the six months ended February 28, 2019, the Class A Fund had a net increase of \$475 thousand in the unrealized depreciation of venture investments, and had net realized gains of \$2.2 million. During the period, net unrealized gains of \$3.0 million were reclassified to realized gains upon dispositions of Aurora Cannabis Inc. and PM Power Group Holdings Ltd. Net unrealized gains of \$11.9 million on investments in public companies and net unrealized losses of \$9.5 million on investments in privately held investees were recognized in the six months ended February 28, 2019. During the six months ended February 28, 2019, there was a decrease of \$3.8 million in the contingent IPA on the Class A Fund, which is not payable until a full exit from the applicable investments is realized and cash is received.

During the six months ended February 28, 2019, the Class I Fund recognized a net decrease of \$788 thousand in the unrealized depreciation of venture investments, and had net realized gains of \$240 thousand. During the period, net unrealized gains of \$417 thousand were reclassified to realized gains upon the disposition of Aurora Cannabis Inc. and PM Power Group Holdings Ltd. The balance of change in net unrealized depreciation is comprised of unrealized gains of \$1.4 million on investments in public companies and net unrealized losses of \$190 thousand on investments in privately held investees. A decrease of \$301 thousand 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, 2019, as per the terms of the WD Agreement. The \$301 thousand has been recognized as an increase in unrealized loss recovery during the current period. There was a decrease of \$574 thousand in the contingent IPA on the Class I Fund during the six months ended February 28, 2019, which is not payable until a full exit from the applicable investment is realized and cash is received.

For the six months ended February 28, 2019, the Class R Fund had a net increase in the unrealized depreciation of venture investments of \$200 thousand, which is comprised of an increase of \$451 thousand in the value of public company investees and a net increase in the value of private investee companies of \$251 thousand. At February 28, 2019, there is no contingent IPA attributable to the Class R Fund.

Investment Portfolio

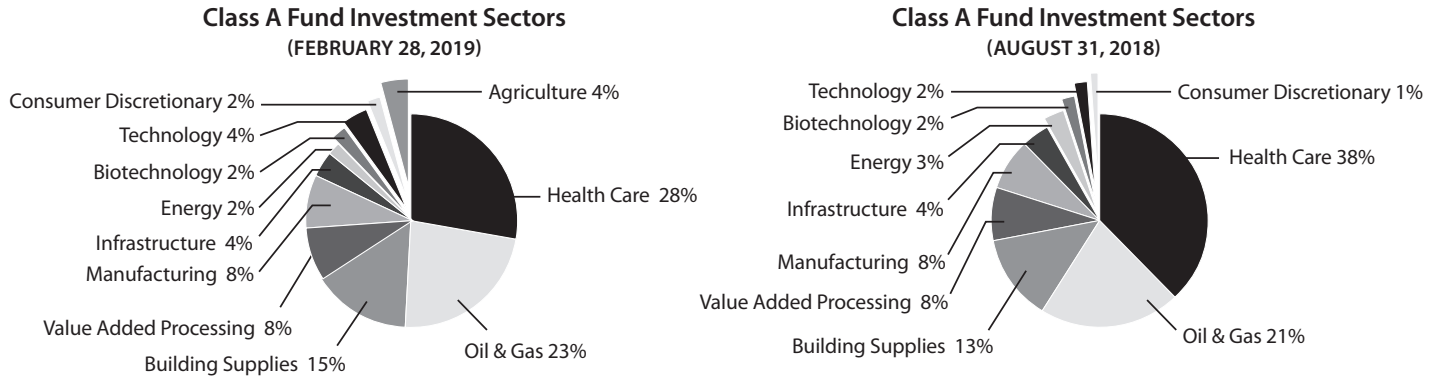
Class A Fund

The cost base of the Class A Fund's investments decreased from \$247.9 million at August 31, 2018 to \$233.8 million as at February 28, 2019. The decrease of \$14.1 million is attributable to investments of \$16.9 million and capitalized partnership income of \$10.2 million, offset by partnership distributions of \$9.6 million and disposals of investments with a cost base totaling \$31.6 million. Investments in the six months ended February 28, 2019 were as follows:

- a new investment of \$9.8 million in G-Mac's AgTeam LP, a Saskatchewan-based crop input retailer;
- a new investment of \$6.0 million in Retail Innovation Labs Inc., a Saskatchewan-based company offering cloud-based solutions for the cannabis dispensary industry;
- a follow-on investment of \$716 thousand in Med-Life Discoveries LP, a biotechnology partnership based in Saskatoon, SK;
- a follow-on investment of \$214 thousand in Terra Grain Fuels Inc., a Saskatchewan-based ethanol producer; and
- a follow-on investment of \$114 thousand in GHC Warman Realty Inc., a company headquartered in Saskatoon, SK operating a personal care home in Warman, SK.

Under the Saskatchewan Act, and pursuant to ministerial discretion, Golden must divest existing investments in companies with a capitalization of \$500 million or more before the date that is 24 months after the last day of the fiscal year in which the capitalization of the eligible business first exceeded \$500 million. Included in the Class A Fund investment portfolio are two publicly traded investments with an aggregate fair value of \$36.5 million and representing 12.48% of the Class A Fund net asset value, that must be disposed of in the fiscal year ending August 31, 2020. Golden will divest the investments in these publicly traded companies in an orderly manner by the required date.

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



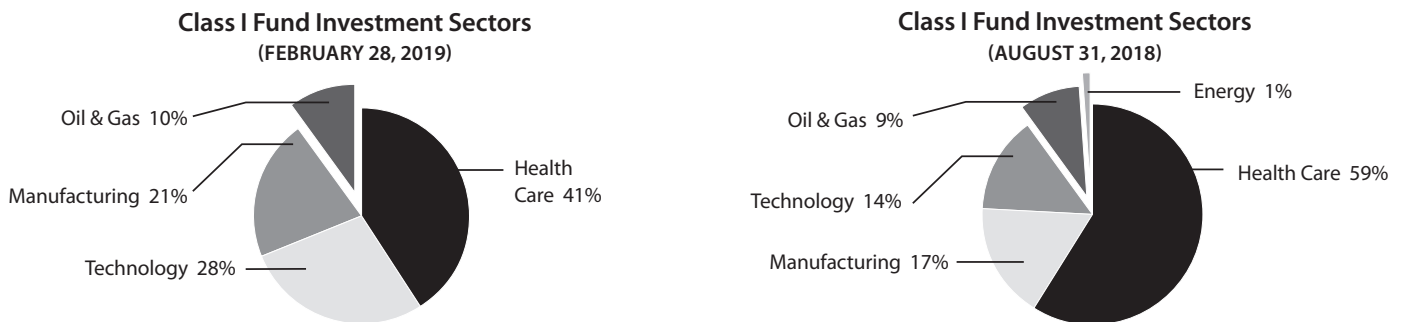
During the six months ended February 28, 2019, the Class A Fund's investment in the Health Care sector decreased from 38% to 28% due to dispositions of shares of Aurora Cannabis Inc. This significant decrease in the Health Care sector, increased the weighting of other sectors in the portfolio accordingly and is the sole reason for the increase in the weighting of the Oil & Gas sector from 21% to 23%. The Building Supplies sector increased from 13% to 15% due to partnership income allocations that were added to the cost base of the investments. The weighting of the Technology sector increased from 2% to 4% due to the investment in Retail Innovation Labs Inc., and 4% of the portfolio is now weighted in the Agriculture sector due to the new investment in G-Mac's AgTeam LP during the period. The Energy sector decreased from 3% to 2% as a result of the disposal of PM Power Group Holdings Ltd. during the period.

Class I Fund

The cost base of the Class I Fund's venture investments decreased from \$18.7 million as at August 31, 2018 to \$16.4 million as at February 28, 2019. The decrease of \$2.3 million is attributable to \$802 thousand in partnership income distributions received and the disposition of investments with a cost base of \$4.4 million, partially offset by partnership income allocations of \$918 thousand and new investments of \$2.0 million in Retail Innovation Labs Inc. and \$34 thousand in Med-Life Discoveries LP.

Included in the Class I Fund portfolio is one investment in a publicly traded entity with a capitalization greater than \$500 million. The investment has a fair value of \$4.9 million, which represents 10.48% of the Class I Fund net asset value, and must be disposed of in the fiscal year ending August 31, 2020 in accordance with the requirements of the Saskatchewan Act. Golden will divest the investment in this publicly traded company in an orderly manner by the required date.

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



The Class I Fund's investment in the Health Care sector decreased from 59% to 41% during the six months ended February 28, 2019 due to dispositions of shares of Aurora Cannabis Inc. This significant decrease in the Health Care sector has increased the weighting of other sectors in the portfolio accordingly. The Technology sector was further increased by the new investment in Retail Innovation Labs Inc. During the six months ended February 28, 2019, the Class I Fund disposed of PM Power Group Holdings Ltd., its sole investment in the Energy sector.

Class R Fund

At February 28, 2019, the cost base of the Class R Fund's venture investments remained unchanged from \$4.2 million at August 31, 2018. All Class R Fund venture investments are in the Oil & Gas sector.

Included in the Class R Fund portfolio is one investment in a publicly traded entity with a capitalization greater than \$500 million. The investment has a fair value of \$377 thousand, which represents 4.49% of the Class R Fund net asset value and must be disposed of in the fiscal year ending August 31, 2020 in accordance with the requirements of the Saskatchewan Act. Golden will divest the investment in this publicly traded company in an orderly manner by the required date.

Related Party Transactions

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, 2019, management fees, including GST, for the Class A Fund of \$3.8 million (2018 - \$3.6 million) were paid or payable to the Fund Manager and management fees of \$169 thousand were waived during the period. The Fund Manager earned an IPA of \$6.9 million (2018 - \$2.6 million) on realized gains in the Class A Fund that have been received in cash. At February 28, 2019 a contingent IPA is accrued on the Class A Fund in the amount of \$19.1 million (August 31, 2018 - \$22.9 million).

For the Class I Fund, management fees of \$566 thousand were paid or payable during the six months ended February 28, 2019 (2018 - \$458 thousand), and management fees of \$13 thousand were waived during the period. The Fund Manager earned an IPA of \$991 thousand (2018 - \$593 thousand) on realized gains in the Class I Fund that have been received in cash. As at February 28, 2019, a contingent IPA is accrued on the Class I Fund in the amount of \$1.5 million (August 31, 2018 - \$2.0 million).

Management fees of \$107 thousand were paid or payable for the Class R Fund during the six months ended February 28, 2019 (2018 - \$111 thousand) and management fees of less than \$1 thousand were waived. No contingent IPA is accrued for the Class R Fund at February 28, 2019.

In respect of the Class A Fund, office costs totaling \$4 thousand were paid or payable to the Fund Manager in the six months ended February 28, 2019 (2018 - \$4 thousand). 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, 2019 or 2018.

At February 28, 2019, the accounts payable and accrued liabilities balance for the Class A Fund includes management fees payable to the Fund Manager of \$591 thousand (August 31, 2018 - \$622 thousand) and office and other costs payable to the Fund Manager of \$1 thousand (August 31, 2018 - \$1 thousand). At February 28, 2019, the accounts payable and accrued liabilities balance for the Class I Fund includes management fees payable to the Fund Manager of \$92 thousand (August 31, 2018 - \$90 thousand). Management fees payable to the Fund Manager of \$17 thousand are included in the accounts payable and accrued liabilities balance for the Class R Fund at February 28, 2019 (August 31, 2018 - \$19 thousand).

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 ⁽¹⁾

	Six months ended February 28, 2019	Year ended August 31				
		2018	2017	2016	2015	2014
Net assets, beginning of period	\$ 17.08	\$ 14.24	\$ 13.83	\$ 15.38	\$ 15.05	\$ 13.78
Increase (decrease) from operations:						
Total revenue	\$ 0.67	\$ 0.66	\$ 0.50	\$ 0.74	\$ 0.72	\$ 1.03
Total expenses	(0.40)	(0.77)	(0.68)	(0.71)	(0.72)	(0.70)
Realized (losses) gains	(0.28)	6.88	(0.21)	(0.55)	0.30	0.07
Unrealized gains (losses)	0.21	(3.88)	0.81	(1.03)	0.05	0.90
Total increase (decrease) from operations ⁽²⁾	\$ 0.20	\$ 2.89	\$ 0.42	\$ (1.55)	\$ 0.35	\$ 1.30
Net assets at end of period shown	\$ 17.28	\$ 17.08	\$ 14.24	\$ 13.83	\$ 15.38	\$ 15.05

(1) This information for the years ended August 31, 2014 – 2018 is derived from Golden's audited annual financial statements. The information for the six months ended February 28, 2019 is derived from Golden's unaudited interim financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 9 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.

Net Assets per Class A-F Share ⁽¹⁾

	Six months ended February 28, 2019	Period ended August 31		
		2018	2017	2016
Net assets, beginning of period	\$ 18.97	\$ 15.08	\$ 14.03	\$ 15.03
Increase (decrease) from operations:				
Total revenue	\$ 1.12	\$ 1.01	\$ 0.81	\$ 0.10
Total expenses	(1.04)	(0.14)	(0.11)	(0.07)
Total expenses waived/recovered	0.89	-	-	-
Realized (losses) gains	(0.34)	10.38	(0.37)	(0.28)
Unrealized losses	(0.16)	(8.78)	(0.40)	(0.94)
Total increase (decrease) from operations ⁽²⁾	\$ 0.47	\$ 2.47	\$ (0.07)	\$ (1.19)
Net assets at end of period shown	\$ 19.58	\$ 18.97	\$ 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 periods ended August 31, 2016 – 2018 is derived from Golden's audited annual financial statements. The information for the six months ended February 28, 2019 is derived from Golden's unaudited interim financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 9 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

	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 286,573	\$ 285,949	\$ 243,267	\$ 240,217	\$ 264,145	\$ 246,246
Number of shares outstanding ⁽¹⁾	16,588,348	16,740,873	17,106,601	17,372,851	17,179,569	16,357,822
Management expense ratio ⁽²⁾	6.66%	10.69%	5.53%	4.06%	7.31%	7.78%
Management expense ratio excluding IPA ⁽³⁾	4.59%	4.70%	4.71%	4.73%	4.90%	5.03%
Trading expense ratio ⁽⁴⁾	0.04%	0.03%	-	0.01%	-	0.02%
Portfolio turnover rate ⁽⁵⁾	46.39%	23.59%	1.97%	10.77%	4.57%	10.32%
Net asset value per share	\$ 17.28	\$ 17.08	\$ 14.22	\$ 13.83	\$ 15.38	\$ 15.05

(1) For 2014–2018, this information is provided as at August 31, of the year shown. For 2019, this information is provided as at February 28, 2019. The total net asset value refers to the net asset value determined for purposes of purchase and redemption of Class A shares.

(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.

(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

	2019	2018	2017	2016
Total net asset value (000's) ⁽¹⁾	\$ 5,990	\$ 4,212	\$ 1,857	\$ 253
Number of shares outstanding ⁽¹⁾	306,066	222,067	123,306	18,047
Management expense ratio ⁽²⁾	3.86%	4.35%	(0.44)%	(0.72)%
Management expense ratio excluding IPA ⁽³⁾	1.55%	0.74%	0.74%	0.88%
Management expense ratio before waiver/recovery ⁽⁴⁾	12.97%	4.35%	(0.44)%	(0.72)%
Management expense ratio before waiver/recovery & excluding IPA ⁽⁵⁾	10.65%	0.74%	0.74%	0.88%
Trading expense ratio ⁽⁶⁾	0.04%	0.04%	-	-
Portfolio turnover rate ⁽⁷⁾	46.39%	23.59%	1.97%	4.80%
Net asset value per share	\$ 19.57	\$ 18.97	\$ 15.06	\$ 14.03

(1) For 2016–2018, this information is provided as at August 31, of the period shown. For 2019, this information is provided as at February 28, 2019. Golden issued its first Class A-F shares on February 12, 2016. The total net asset value refers to the net asset value determined for purposes of purchase and redemption of Class A-F shares.

(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) Management expense ratio before waiver/recovery is based on total expenses before management fees waived and marketing service fees recovered and is expressed as an annualized percentage of weekly net asset value during the period. Management fees earned by the Fund Manager for the period prior to the Fund reaching \$5 million in aggregate gross sales of Class A-F Shares, Class I-F Shares and Class R-F Shares were waived by the Fund Manager. The Fund Manager also reimbursed the Fund for all marketing service fees earned by the Agent on the first \$5 million of aggregate sales of Class A-F Shares, Class I-F Shares and Class R-F Shares. This waiver of fees and reimbursement of expenses has now been discontinued, and all future management fees and marketing services will now be paid by the Fund.

(5) Management expense ratio before waiver/recovery and excluding IPA is based on total expenses before management fees waived and marketing service fees recovered, 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.

(6) 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.

(7) 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 period. The higher a fund's portfolio turnover in a period the greater the chance of an investor receiving taxable capital gains in the period. 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⁽¹⁾

	Six months ended February 28, 2019	Year ended August 31				
		2018	2017	2016	2015	2014
Net assets, beginning of period	\$ 15.03	\$ 11.57	\$ 10.87	\$ 10.65	\$ 10.61	\$ 10.07
Increase (decrease) from operations:						
Total revenue	\$ 0.44	\$ 0.34	\$ 0.27	\$ 0.57	\$ 0.53	\$ 0.37
Total expenses	(0.37)	(0.67)	(0.55)	(0.50)	(0.53)	(0.53)
Realized (losses) gains	(0.27)	6.49	(0.07)	(0.04)	-	-
Unrealized gains (losses)	0.59	(2.83)	1.00	0.19	0.07	0.80
Total increase from operations ⁽²⁾	\$ 0.39	\$ 3.33	\$ 0.65	\$ 0.22	\$ 0.07	\$ 0.65
Net assets at end of period shown	\$ 15.42	\$ 15.03	\$ 11.57	\$ 10.87	\$ 10.65	\$ 10.61

(1) This information for the years ended August 31, 2014 – 2018 is derived from Golden's audited annual financial statements. The information for the six months ended February 28, 2019 is derived from Golden's unaudited interim financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 9 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.

Net Assets per Class I-F Share⁽¹⁾

	Six months ended February 28, 2019	Period ended August 31		
		2018	2017	2016
Net assets, beginning of period	\$ 17.34	\$ 12.49	\$ 11.13	\$ 10.68
Increase (decrease) from operations:				
Total revenue	\$ 0.73	\$ 1.43	\$ 0.40	\$ 0.12
Total expenses	(0.85)	(0.12)	(0.09)	(0.07)
Total expenses waived/recovered	0.69	-	-	-
Realized (losses) gains	(0.34)	9.69	(0.12)	(0.02)
Unrealized gains (losses)	0.71	(7.36)	0.48	0.46
Total increase from operations ⁽²⁾	\$ 0.94	\$ 3.64	\$ 0.67	\$ 0.49
Net assets at end of period shown	\$ 18.25	\$ 17.34	\$ 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 per share. This information for the periods ended August 31, 2016 – 2018 is derived from Golden's audited annual financial statements. The information for the six months ended February 28, 2019 is derived from Golden's unaudited interim financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 9 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

	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 46,004	\$ 41,983	\$ 29,858	\$ 24,644	\$ 20,835	\$ 16,839
Number of shares outstanding ⁽¹⁾	2,987,126	2,797,201	2,583,726	2,267,259	1,955,588	1,587,133
Management expense ratio ⁽²⁾	6.76%	11.76%	7.26%	5.71%	6.00%	7.68%
Management expense ratio excluding IPA ⁽³⁾	4.85%	4.73%	4.80%	4.70%	5.05%	5.21%
Trading expense ratio ⁽⁴⁾	0.03%	0.03%	-	-	-	-
Portfolio turnover rate ⁽⁵⁾	92.68%	54.98%	-	31.98%	11.83%	0.54%
Net asset value per share	\$ 15.40	\$ 15.01	\$ 11.55	\$ 10.87	\$ 10.65	\$ 10.61

(1) For 2014 – 2018, this information is provided as at August 31, of the year shown. For 2019, this information is provided as at February 28, 2019. The total net asset value refers to the net asset value determined for purposes of purchase and redemption of Class I shares.

(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.

(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 I-F Shares

	2019	2018	2017	2016
Total net asset value (000's) ⁽¹⁾	\$ 586	\$ 387	\$ 104	\$ 2
Number of shares outstanding ⁽¹⁾	32,121	22,326	8,319	187
Management expense ratio ⁽²⁾	4.23%	4.49%	1.86%	2.96%
Management expense ratio excluding IPA ⁽³⁾	1.90%	0.70%	0.73%	1.29%
Management expense ratio before waiver/recovery ⁽⁴⁾	11.93%	4.49%	1.86%	2.96%
Management expense ratio before waiver/recovery & excluding IPA ⁽⁵⁾	9.61%	0.70%	0.73%	1.29%
Trading expense ratio ⁽⁶⁾	0.04%	0.05%	-	-
Portfolio turnover rate ⁽⁷⁾	92.68%	54.98%	-	58.46%
Net asset value per share	\$ 18.23	\$ 17.32	\$ 12.47	\$ 11.13

(1) For 2016 – 2018, this information is provided as at August 31, of the period shown. For 2019, this information is provided as at February 28, 2019. Golden issued its first Class I-F shares on February 19, 2016. The total net asset value refers to the net asset value determined for purposes of purchase and redemption of Class I-F shares.

(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) Management expense ratio before waiver/recovery is based on total expenses before management fees waived and marketing service fees recovered and is expressed as an annualized percentage of weekly net asset value during the period. Management fees earned by the Fund Manager for the period prior to the Fund reaching \$5 million in aggregate gross sales of Class A-F Shares, Class I-F Shares and Class R-F Shares were waived by the Fund Manager. The Fund Manager also reimbursed the Fund for all marketing service fees earned by the Agent on the first \$5 million of aggregate sales of Class A-F Shares, Class I-F Shares and Class R-F Shares. This waiver of fees and reimbursement of expenses has now been discontinued, and all future management fees and marketing services will now be paid by the Fund.

(5) Management expense ratio before waiver/recovery and excluding IPA is based on total expenses before management fees waived and marketing service fees recovered, 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.

(6) 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.

(7) 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 period. The higher a fund's portfolio turnover in a period the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

Class R Fund

Net Assets per Class R Share ⁽¹⁾

	2019	2018	2017	2016	2015	2014
Net assets, beginning of period	\$ 8.02	\$ 8.48	\$ 8.64	\$ 10.54	\$ 10.24	\$ 10.22
Increase (decrease) from operations:						
Total revenue	\$ 0.04	\$ 0.05	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.05
Total expenses	(0.21)	(0.45)	(0.45)	(0.48)	(0.53)	(0.57)
Total expenses waived/recovered	-	-	-	-	-	0.10
Realized gains	-	0.11	-	0.07	0.02	-
Unrealized (losses) gains	(0.19)	(0.19)	0.24	(1.52)	0.79	0.47
Total (decrease) increase from operations ⁽²⁾	\$ (0.36)	\$ (0.48)	\$ (0.17)	\$ (1.88)	\$ 0.32	\$ 0.04
Net assets at end of period shown	\$ 7.64	\$ 8.02	\$ 8.48	\$ 8.64	\$ 10.54	\$ 10.24

(1) This information for the years ended August 31, 2014 – 2018 is derived from Golden's audited annual financial statements. The information for the six months ended February 28, 2019 is derived from Golden's unaudited interim financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 9 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 year.

Net Assets per Class R-F Share ⁽¹⁾

	Six months ended February 28, 2019	Period ended August 31		
		2018	2017	2016
Net assets, beginning of period	\$ 9.00	\$ 9.09	\$ 8.87	\$ 9.52
Increase (decrease) from operations:				
Total revenue	\$0.04	\$0.05	\$0.04	\$0.03
Total expenses	(0.64)	(0.08)	(0.07)	(0.06)
Total expenses waived/recovered	0.57	-	-	-
Realized gains (losses)	-	0.10	-	(0.42)
Unrealized (losses) gains	(0.18)	(0.16)	0.07	(0.19)
Total (decrease) increase from operations ⁽²⁾	\$ (0.21)	\$ (0.09)	\$ 0.04	\$ (0.64)
Net assets at end of period shown	\$ 8.79	\$ 9.00	\$ 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 per share. This information for the periods ended August 31, 2016 – 2018 is derived from Golden's audited annual financial statements. The information for the six months ended February 28, 2019 is derived from Golden's unaudited interim financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in Note 9 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

	2019	2018	2017	2016	2015	2014
Total net asset value (000's) ⁽¹⁾	\$ 8,394	\$ 8,519	\$ 8,315	\$ 7,417	\$ 7,400	\$ 5,526
Number of shares outstanding ⁽¹⁾	1,107,474	1,064,656	980,641	858,747	702,193	539,534
Management expense ratio ⁽²⁾	5.89%	5.45%	5.24%	2.78%	7.72%	6.40%
Management expense ratio excluding IPA ⁽³⁾	5.89%	5.45%	5.24%	5.11%	5.23%	6.37%
Trading expense ratio ⁽⁴⁾	-	-	-	0.03%	-	-
Portfolio turnover rate ⁽⁵⁾	-	24.10%	-	32.27%	4.25%	4.29%
Net asset value per share	\$ 7.58	\$ 8.00	\$ 8.48	\$ 8.64	\$ 10.54	\$ 10.24

(1) For 2014 – 2018, this information is provided as at August 31 of the year shown. For 2019, this information is provided as at February 28, 2019. The total net asset value refers to the net asset value determined for purposes of purchase and redemption of Class R shares.

(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.

(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 R-F Shares

	2019	2018	2017	2016
Total net asset value (000's) ⁽¹⁾	\$8	\$8	\$9	\$2
Number of shares outstanding ⁽¹⁾	920	920	920	175
Management expense ratio ⁽²⁾	1.73%	0.90%	0.79%	(0.40)%
Management expense ratio excluding IPA ⁽³⁾	1.73%	0.90%	0.79%	1.21%
Management expense ratio before waiver/recovery ⁽⁴⁾	15.05%	0.90%	0.79%	(0.40)%
Management expense ratio before waiver/recovery & excluding IPA ⁽⁵⁾	15.05%	0.90%	0.79%	1.21%
Trading expense ratio ⁽⁶⁾	-	-	-	-
Portfolio turnover rate ⁽⁷⁾	-	24.10%	-	-
Net asset value per share	\$8.72	\$8.98	\$9.09	\$8.87

(1) For 2016 – 2018, this information is provided as at August 31, of the period shown. For 2019, this information is provided as of February 28, 2019. The total net asset value refers to the net asset value determined for purposes of purchase and redemption of Class R-F shares.

(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) Management expense ratio before waiver/recovery is based on total expenses before management fees waived and marketing service fees recovered and is expressed as an annualized percentage of weekly net asset value during the period. Management fees earned by the Fund Manager for the period prior to the Fund reaching \$5 million in aggregate gross sales of Class A-F Shares, Class I-F Shares and Class R-F Shares were waived by the Fund Manager. The Fund Manager also reimbursed the Fund for all marketing service fees earned by the Agent on the first \$5 million of aggregate sales of Class A-F Shares, Class I-F Shares and Class R-F Shares. This waiver of fees and reimbursement of expenses has now been discontinued, and all future management fees and marketing services will now be paid by the Fund.

(5) Management expense ratio before waiver/recovery and excluding IPA is based on total expenses before management fees waived and marketing service fees recovered, 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.

(6) 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.

(7) 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 period. The higher a fund's portfolio turnover in a period the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of Golden.

Management Fees

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 that the Fund has received in cash and the realized investment performance of Golden. The criteria are fully described in Golden's prospectus.

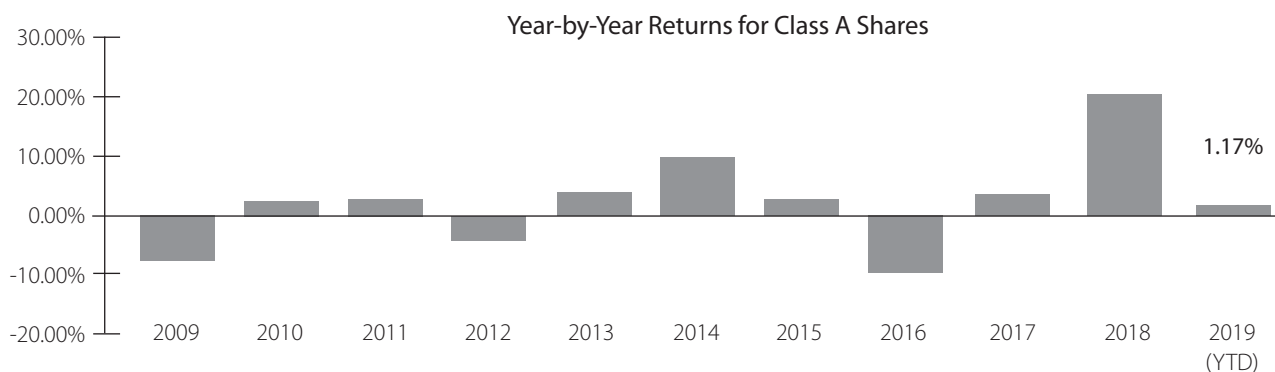
PAST PERFORMANCE

The performance data provided does not consider 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

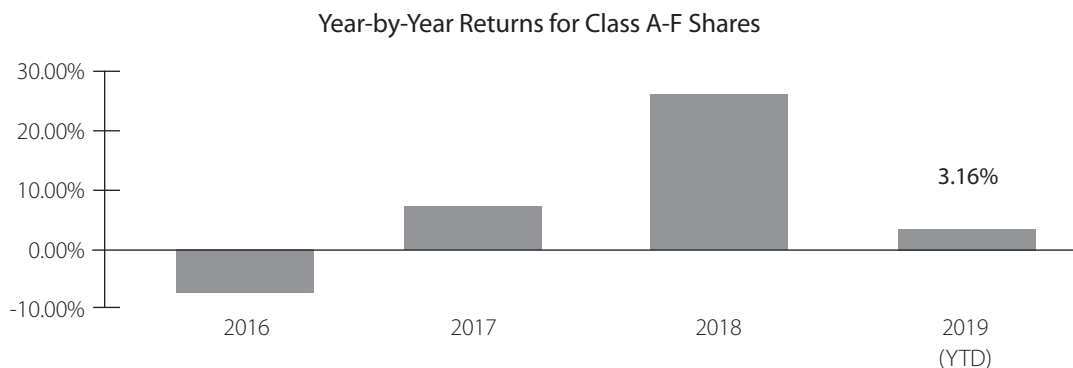
Class A Shares

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 2019 percentage indicates Golden's performance from September 1, 2018 to February 28, 2019.



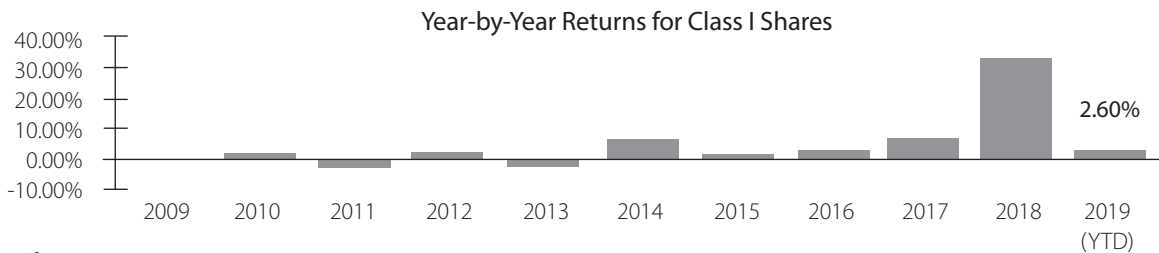
Class A-F Shares

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 2019 percentage indicates Golden's performance from September 1, 2018 to February 28, 2019.



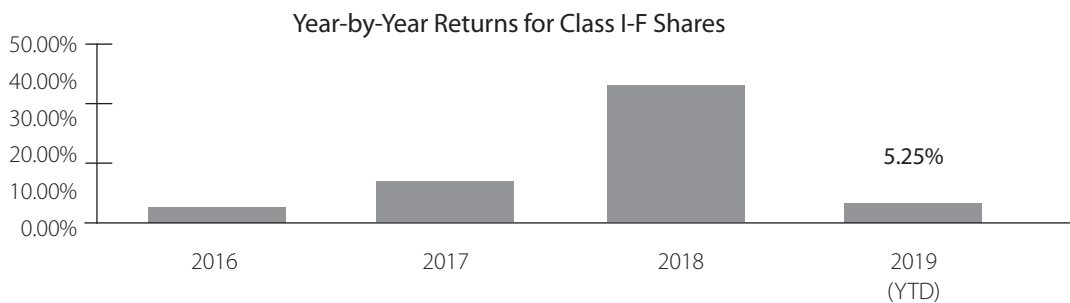
Class I Shares

The bar chart below shows the performance for each of the last ten 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 2019 percentage indicates Golden's performance from September 1, 2018 to February 28, 2019.



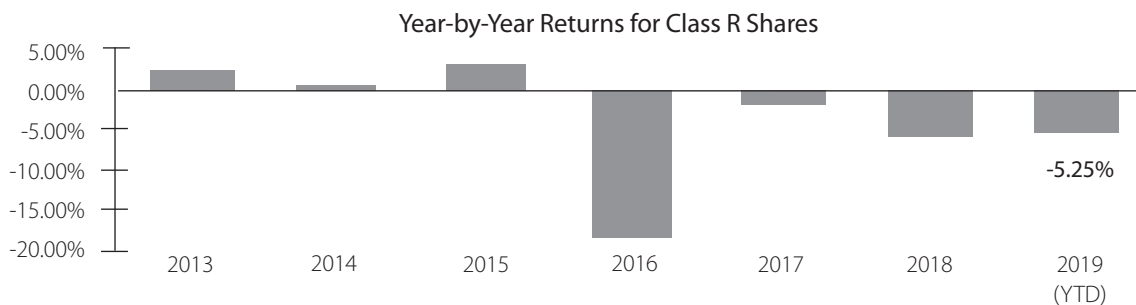
Class I-F Shares

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 each financial year would have grown by the last day of each financial year. 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 2019 percentage indicates Golden's performance from September 1, 2018 to February 28, 2019.



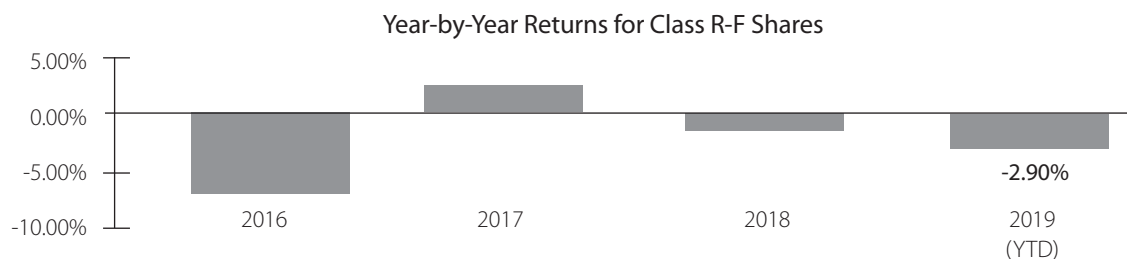
Class R Shares

The bar chart below shows the performance for each of the last six 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 each financial year would have grown by the last day of each financial year. 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 2019 percentage indicates Golden's performance from September 1, 2018 to February 28, 2019.



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 each financial year would have grown by the last day of each financial year. 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 2019 percentage indicates Golden's performance from September 1, 2018 to February 28, 2019.



SUMMARY OF INVESTMENT PORTFOLIO

Class A Fund

Below is a summary of the Class A Fund's investment portfolio as at February 28, 2019. 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, 2019. 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. Aurora Cannabis Inc.	Equity	11.92%
2. Cash		10.79%
3. Royal Bank of Canada Due March 25, 2019	Bankers Acceptance	9.56%
4. Warman Home Centre LP	Equity	8.97%
5. Golden Health Care Inc.	Equity 7.23%, Debt 0.25%	7.47%
6. Dyna Holdings LP	Equity	4.86%
7. H.J.R. Asphalt LP	Equity	4.39%
8. Affinity Credit Union Due April 1, 2019	Term Deposit	3.42%
9. G-Mac's AgTeam LP	Equity	3.36%
10. Avalon Oil & Gas Ltd.	Equity	3.13%
11. Conexus Credit Union Due February 11, 2020	Term Deposit	2.97%
12. Prairie Meats LP	Equity	2.67%
13. SuperiorFarms Solutions LP	Equity	2.57%
14. Credence Resources II LP	Debt 2.55%, Equity n/m*	2.55%
15. Can Pro Ingredients Ltd.	Equity 1.65%, Debt 0.77%	2.42%
16. Med-Life Discoveries LP	Equity 1.55%, Debt 0.86%	2.41%
17. GHC Warman Realty Inc.	Equity	2.38%
18. Jump.ca Wireless Supply Corp.	Equity	2.16%
19. Retail Innovation Labs Inc.	Equity	2.05%
20. Field Exploration LP	Debt 1.91%, Equity n/m*	1.91%
21. Western Building Centres Ltd.	Equity 0.99%, Debt 0.58%	1.57%
22. Affinity Credit Union Due February 25, 2020	Term Deposit	1.54%
23. Can Pro Capital Corp.	Debt 1.14%, Equity 0.31%	1.45%
24. Fort Garry Brewing Company LP	Equity	1.27%
25. Cornerstone Credit Union Due April 30, 2019	Term Deposit	1.23%

*n/m – not material; less than 0.01%

Class A Fund Venture Investments – By Sector

Health Care	32.73%
Oil & Gas	15.05%
Building Supplies	14.25%
Manufacturing	10.11%
Value Added Processing	8.83%
Technology	6.28%
Infrastructure	5.93%
Agriculture	4.54%
Consumer Discretionary	1.72%
Energy	0.33%
Other	0.23%
	<hr/>
	100.00%

Class I Fund

Below is a summary of the Class I Fund's investment portfolio as at February 28, 2019. 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, 2019. 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. Cash		14.25%
2. Aurora Cannabis Inc.	Equity	10.48%
3. Bank of Nova Scotia Due March 28, 2019	Bankers Acceptance	7.56%
4. HSBC Bank Canada Due March 28, 2019	Bankers Acceptance	7.56%
5. Royal Bank of Canada Due March 28, 2019	Bankers Acceptance	7.56%
6. National Bank of Canada Due March 8, 2019	Bankers Acceptance	7.54%
7. Innovation Credit Union Due May 1, 2019	Term Deposit	5.58%
8. Dyna Holdings LP	Equity	5.45%
9. Conexus Credit Union Due February 28, 2020	Term Deposit	5.28%
10. Paradigm Consulting Group Inc.	Equity	4.52%
11. Retail Innovation Labs Inc.	Equity	4.29%
12. Synergy Credit Union Due May 4, 2019	Term Deposit	4.29%
13. Cornerstone Credit Union Due April 30, 2019	Term Deposit	3.00%
14. Innovation Credit Union Due May 1, 2019	Term Deposit	3.00%
15. Med-Life Discoveries LP	Equity	2.88%
16. Affinity Credit Union Due February 25, 2020	Term Deposit	2.83%
17. SuperiorFarms Solutions LP	Equity	2.75%
18. Affinity Credit Union Due April 29, 2019	Term Deposit	2.36%
19. Diamond North Credit Union Due May 23, 2019	Term Deposit	1.93%
20. Librestream Technologies Inc.	Equity	1.62%
21. MATRRIX Energy Technologies Inc.	Equity	1.48%
22. Cornerstone Credit Union Due May 1, 2019	Term Deposit	1.29%
23. Affinity Credit Union Due August 29, 2019	Term Deposit	1.07%
24. New Community Credit Union Due November 15, 2019	Term Deposit	1.07%
25. Conexus Credit Union Due March 15, 2019	Term Deposit	0.91%

Class I Fund Venture Investments – By Sector

Health Care	39.92%
Technology	31.17%
Manufacturing	24.49%
Oil & Gas	4.42%
	<hr/>
	100.00%

Class R Fund

Below is a summary of the Class R Fund's investment portfolio as at February 28, 2019. 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, 2019. 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		19.44%
2. Burgess Creek Exploration Inc.	Equity	12.81%
3. Credence Resources II LP	Debt 8.84%, Equity n/m*	8.84%
4. Affinity Credit Union Due February 25, 2020	Term Deposit	6.31%
5. Avalon Oil & Gas Ltd.	Equity	5.32%
6. MATRRIX Energy Technologies Inc.	Equity	5.25%
7. Synergy Credit Union Due May 4, 2019	Term Deposit	4.76%
8. TORC Oil & Gas Ltd.	Equity	4.49%
9. Bank of Nova Scotia Due March 28, 2019	Bankers Acceptance	3.40%
10. HSBC Bank Canada Due March 28, 2019	Bankers Acceptance	3.40%
11. Royal Bank of Canada Due March 29, 2019	Bankers Acceptance	3.40%
12. National Bank of Canada Due March 8, 2019	Bankers Acceptance	3.39%
13. Field Exploration LP	Debt 2.42%, Equity n/m*	2.42%
14. Cornerstone Credit Union Due April 30, 2019	Term Deposit	2.38%
15. Cornerstone Credit Union Due May 1, 2019	Term Deposit	2.38%
16. Innovation Credit Union Due May 1, 2019	Term Deposit	2.38%
17. Innovation Credit Union Due May 1, 2019	Term Deposit	2.38%
18. Affinity Credit Union Due March 7, 2019	Term Deposit	2.26%
19. Lex Energy Partners LP	Equity	1.84%
20. Conexus Credit Union Due February 28, 2020	Term Deposit	1.43%
21. Affinity Credit Union Due February 28, 2020	Term Deposit	1.31%
22. 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, 2019				August 31, 2018			
	Class A	Class I	Class R	Total	Class A	Class I	Class R	Total
ASSETS								
Cash	\$ 31,558	\$ 6,638	\$ 1,633	\$ 39,829	\$ 32,130	\$ 7,304	\$ 1,674	\$ 41,108
Short-term investments	77,538	30,369	3,293	111,200	58,033	23,932	3,148	85,113
Subscriptions receivable	5	3	-	8	160	52	9	221
Interest and other receivables	6,701	708	32	7,441	6,564	750	51	7,365
Venture investments (Note 6)	216,549	15,759	3,598	235,906	231,153	17,231	3,798	252,182
	332,351	53,477	8,556	394,384	328,040	49,269	8,680	385,989
LIABILITIES								
Accounts payable and accrued liabilities	1,504	344	81	1,929	2,541	457	135	3,133
Redemptions payable	-	-	-	-	164	12	-	176
Loss support program contributions and advances (Note 7)	-	2,485	-	2,485	-	2,786	-	2,786
Incentive participation amount payable	19,130	2,541	-	21,671	12,239	1,550	-	13,789
Contingent incentive participation amount (Note 10(g))	19,064	1,472	-	20,536	22,907	2,046	-	24,953
	39,698	6,842	81	46,621	37,851	6,851	135	44,837
Total net assets attributable to holders of redeemable shares	\$ 292,653	\$ 46,635	\$ 8,475	\$ 347,763	\$ 290,189	\$ 42,418	\$ 8,545	\$ 341,152

Net assets attributable to holders of redeemable shares

Class A	\$ 286,661			\$ 285,977			
Class A-F	5,992			4,212			
Class I		\$ 46,049			\$ 42,031		
Class I-F		586			387		
Class R			\$ 8,466			\$ 8,536	
Class R-F			9			9	
	\$ 292,653	\$ 46,635	\$ 8,475	\$ 290,189	\$ 42,418	\$ 8,545	

Number of redeemable shares outstanding (Note 8)

Class A	16,588,348			16,740,873			
Class A-F	306,066			222,067			
Class I		2,987,126			2,797,201		
Class I-F		32,121			22,326		
Class R			1,107,474			1,064,656	
Class R-F			920			920	

Net assets attributable to holders of redeemable shares per share (Note 9)

Class A	\$ 17.28			\$ 17.08			
Class A-F	19.58			18.97			
Class I		\$ 15.42			\$ 15.03		
Class I-F		18.25			17.34		
Class R			\$ 7.64			\$ 8.02	
Class R-F			8.79			9.00	

Commitments (Note 17)

Approved by the Board



Chair

Brian L. Barber

See accompanying notes.



Director

Douglas W. Banzet

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Six months ended February 28

(in thousands of Canadian dollars except per share amounts)

	2019				2018			
	Class A	Class I	Class R	Total	Class A	Class I	Class R	Total
Income								
Partnership income	\$ 10,182	\$ 918	\$ -	\$ 11,100	\$ 8,947	\$ 475	\$ -	\$ 9,422
Interest income for distribution purposes	1,278	355	34	1,667	843	162	19	1,024
Dividend income	85	-	10	95	32	-	-	32
Other income	-	-	-	-	27	-	-	27
Increase (decrease) in unrealized loss recovery (Note 7)	-	301	-	301	-	(215)	-	(215)
Other changes in fair value of venture investments								
Net realized gain	2,183	240	-	2,423	11,107	2,784	-	13,891
Net (increase) decrease in unrealized depreciation of venture investments	(475)	788	(200)	113	66,397	11,250	187	77,834
	13,253	2,602	(156)	15,699	87,353	14,456	206	102,015
Expenses								
Administration fees	328	49	16	393	323	44	16	383
Audit fees	45	13	4	62	44	6	2	52
Custodian fees	63	11	6	80	71	10	6	87
Directors' fees and expenses	5	3	1	9	8	2	1	11
Incentive participation amount (Note 10(g))	6,890	991	-	7,881	2,628	593	-	3,221
(Decrease) increase in contingent incentive participation amount	(3,843)	(574)	-	(4,417)	15,730	2,131	-	17,861
Legal fees	122	31	1	154	144	44	-	188
Management fees (Note 10(a))	3,989	579	107	4,675	3,555	458	111	4,124
Marketing service fees	230	47	4	281	125	32	4	161
Office expenses	20	6	-	26	12	3	1	16
Other expenses	40	17	8	65	38	12	4	54
Percentage based payments and amortized commissions (Notes 10(c) and 10(d))	1,061	152	51	1,264	1,063	135	47	1,245
Share issue costs	182	38	13	233	161	31	11	203
Shareholder reporting costs	61	14	5	80	99	(3)	(1)	95
Trailing commissions (Note 10(b))	721	106	20	847	782	87	21	890
Transaction costs	53	7	-	60	-	-	-	-
	9,967	1,490	236	11,693	24,783	3,585	223	28,591
Total increase (decrease) in net assets attributable to holders of redeemable shares before undernoted items	3,286	1,112	(392)	4,006	62,570	10,871	(17)	73,424
Management fees waived (Note 10(a))	169	13	-	182	-	-	-	-
Marketing service fees recovered (Note 10(f))	41	4	-	45	-	-	-	-
Total increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 3,496	\$ 1,129	\$ (392)	\$ 4,233	\$ 62,570	\$ 10,871	\$ (17)	\$ 73,424
Increase (decrease) in net assets attributable to holders of redeemable shares from operations								
Class A	\$ 3,385				\$ 62,006			
Class A-F	111				564			
Class I		\$ 1,105				\$ 10,804		
Class I-F		24				67		
Class R			\$ (392)				\$ (17)	
Class R-F			-				-	
	\$ 3,496	\$ 1,129	\$ (392)		\$ 62,570	\$ 10,871	\$ (17)	
Increase (decrease) in net assets attributable to holders of redeemable shares from operations per share								
Class A	\$ 0.20				\$ 3.63			
Class A-F	0.47				4.19			
Class I		\$ 0.39				\$ 4.12		
Class I-F		0.94				5.76		
Class R			\$ (0.36)				\$ (0.02)	
Class R-F			(0.21)				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)

	2019						Total
	Class A	Class A-F	Class I	Class I-F	Class R	Class R-F	
Net assets attributable to holders of redeemable shares, beginning of period	\$ 285,977	\$ 4,212	\$ 42,031	\$ 387	\$ 8,536	\$ 9	\$ 341,152
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	3,385	111	1,105	24	(392)	-	4,233
Redeemable share transactions							
Issue of redeemable shares	18,007	1,669	4,253	175	376	-	24,480
Redemption of redeemable shares	(20,708)	-	(1,340)	-	(54)	-	(22,102)
Net (decrease) increase from redeemable share transactions	(2,701)	1,669	2,913	175	322	-	2,378
Net assets attributable to holders of redeemable shares, end of period	\$ 286,661	\$ 5,992	\$ 46,049	\$ 586	\$ 8,466	\$ 9	\$ 347,763

	2018						Total
	Class A	Class A-F	Class I	Class I-F	Class R	Class R-F	
Net assets attributable to holders of redeemable shares, beginning of period	\$ 243,531	\$ 1,859	\$ 29,900	\$ 104	\$ 8,315	\$ 9	\$ 283,718
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	62,006	564	10,804	67	(17)	-	73,424
Redeemable share transactions							
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)
Net (decrease) increase from redeemable share transactions	(6,009)	1,465	1,722	153	389	-	(2,280)
Net assets attributable to holders of redeemable shares, end of period	\$ 299,528	\$ 3,888	\$ 42,426	\$ 324	\$ 8,687	\$ 9	\$ 354,862

See accompanying notes.

STATEMENTS OF CASH FLOWS (UNAUDITED)

Six months ended February 28

(in thousands of Canadian dollars)

	2019				2018			
	Class A	Class I	Class R	Total	Class A	Class I	Class R	Total
Cash flows from (used in) operating activities								
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	\$ 3,496	\$ 1,129	\$ (392)	\$ 4,233	\$ 62,570	\$ 10,871	\$ (17)	\$ 73,424
Adjustments for non-cash items:								
Partnership income	(10,182)	(918)	-	(11,100)	(8,947)	(475)	-	(9,422)
Net realized gain on disposition of venture investments	(2,183)	(240)	-	(2,423)	(11,107)	(2,784)	-	(13,891)
Net increase (decrease) in unrealized depreciation of venture investments	475	(788)	200	(113)	(66,397)	(11,250)	(187)	(77,834)
Venture investments purchased	(16,877)	(2,033)	-	(18,910)	(2,489)	(3,338)	(1,170)	(6,997)
Venture investments repaid	-	-	-	-	357	-	-	357
Partnership distributions	9,605	802	-	10,407	5,046	359	-	5,405
Proceeds on disposition of venture investments	33,766	4,649	-	38,415	13,655	3,511	-	17,166
Purchase of short-term investments	(185,743)	(47,935)	(3,656)	(237,334)	(9,159)	(19,403)	(3,097)	(31,659)
Maturity of short-term investments	166,238	41,498	3,511	211,247	9,159	24,236	5,396	38,791
Net change in non-cash balances (Note 11)	1,874	45	(35)	1,884	15,593	2,437	(44)	17,986
	469	(3,791)	(372)	(3,694)	8,281	4,164	881	13,326
Cash flows (used in) from financing activities								
Proceeds from issue of redeemable shares	19,831	4,477	385	24,693	14,682	3,479	462	18,623
Amounts paid on redemption of redeemable shares	(20,872)	(1,352)	(54)	(22,278)	(19,221)	(1,604)	(73)	(20,898)
	(1,041)	3,125	331	2,415	(4,539)	1,875	389	(2,275)
Net (decrease) increase in cash	(572)	(666)	(41)	(1,279)	3,742	6,039	1,270	11,051
Cash, beginning of period	32,130	7,304	1,674	41,108	15,577	2,100	897	18,574
Cash, end of period	\$ 31,558	\$ 6,638	\$ 1,633	\$ 39,829	\$ 19,319	\$ 8,139	\$ 2,167	\$ 29,625
Supplemental cash flow information								
Interest received	\$ 782	\$ 152	\$ 23	\$ 957	\$ 241	\$ 76	\$ 20	\$ 337
Dividends received	85	-	10	95	-	-	-	-

See accompanying notes.

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2019

(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	Affinity Credit Union, 2.25% term deposit	March 7, 2019	\$ 1,400	\$ 1,400
27,960,520	Royal Bank of Canada, 1.84% bankers acceptance	March 25, 2019	27,961	27,961
10,000,000	Affinity Credit Union, 2.50% term deposit	April 1, 2019	10,000	10,000
3,600,000	Cornerstone Credit Union, 2.35% term deposit	April 30, 2019	3,600	3,600
3,100,000	Innovation Credit Union, 2.30% term deposit	May 1, 2019	3,100	3,100
2,500,000	Innovation Credit Union, 2.75% term deposit	May 1, 2019	2,500	2,500
3,600,000	Synergy Credit Union, 2.00% term deposit	May 4, 2019	3,600	3,600
1,100,000	Diamond North Credit Union, 2.15% term deposit	May 23, 2019	1,100	1,100
1,000,000	Affinity Credit Union, 3.05% term deposit	August 29, 2019	1,000	1,000
1,500,000	New Community Credit Union, 3.00% term deposit	November 15, 2019	1,500	1,500
8,700,000	Conexus Credit Union, 2.50% term deposit	February 11, 2020	8,700	8,700
4,500,000	Affinity Credit Union, 3.00% term deposit	February 25, 2020	4,500	4,500
3,100,000	Affinity Credit Union, 3.00% term deposit	February 25, 2020	3,100	3,100
1,600,000	Affinity Credit Union, 3.00% term deposit	February 25, 2020	1,600	1,600
2,800,000	Conexus Credit Union, 2.40% term deposit	February 28, 2020	2,800	2,800
1,077,000	Conexus Credit Union, 2.40% term deposit	February 28, 2020	1,077	1,077
Short-term investments (26.49%)*			\$ 77,538	\$ 77,538

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2019

(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
100	102049367 Saskatchewan Ltd., common shares		\$ -
90	Associated Energy Holdings LP, limited partnership units		-
3,528,613	Aurora Cannabis Inc., common shares		39,658
7,332,486	Avalon Oil & Gas Ltd., class A common shares		6,365
35,754	stock options, exercisable at \$0.80 per share	April 21, 2022	-
1,963,000	Burgess Creek Exploration Inc., class A common shares		1,963
3,800	Can Pro Capital Corp., class A common shares		4
3,329,838	0% demand debenture		3,330
19,117,629,955	Can Pro Ingredients Ltd., class A common shares		7,257
2,250,000	15% debenture	June 30, 2019	2,250
1	Credence Resources Inc., class A common share		-
100,000	class B common shares		100
1	Credence Resources LP, 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
1	Credence Resources II Inc., class A common share		-
100,000	class B common shares		100
1	Credence Resources II LP, 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
46	Diamond House Inc., class A common shares		-

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2019

(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
50	Dyna Holdings GP Inc., class A common shares		\$ -
10,675,971	Dyna Holdings LP, limited partnership units		12,329
1	Field Exploration Inc., class A common share		-
100,000	class B common shares		100
1	Field Exploration LP, 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
666	Fort Garry Brewing Company GP Inc., common shares		-
3,982,674	Fort Garry Brewing Company LP, limited partnership units		3,860
2,000,000	G5 Energy LP, class B units		895
4,560,000	GHC Warman Realty Inc., class A common shares		6,954
100	GOF Care Homes Inc., class A common shares		-
27,525	0% demand promissory notes		28
10,000	Golden Health Care Inc., class A common shares		12,936
561,478	0% demand promissory notes		561
9,833,333	G-Mac's AgTeam LP, limited partnership units		9,833
32	H.J.R. Asphalt GP Inc., class A common shares		-
10,528,000	H.J.R. Asphalt LP, limited partnership units		9,197
703,241	Jump.ca Wireless Supply Corp., class B preferred shares		1,974
5,338	Lex Energy Partners LP, limited partnership units		1,884

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2019

(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
1,307	Lex Energy Partners LP II, limited partnership units		\$ 685
186,336	Librestream Technologies Inc., series B preferred shares		120
110,396	series C preferred shares		84
2,000,000	MATRIX Energy Technologies Inc., common shares		2,000
48	Med-Life Discoveries GP Inc., common shares		-
47,702	0% demand promissory note		48
8,105,562	Med-Life Discoveries LP, limited partnership units		1,919
2,286,692	11% demand promissory notes		2,287
238,249	15% demand promissory note		238
446,250	NorAmera Properties Inc., class A common shares		721
1,000,000	Paradigm Consulting Group Inc., class A preferred shares		1,000
4,508,118	Performance Plants Inc., common shares		4,518
78	Prairie Meats Inc., class A common shares		-
7,263,750	Prairie Meats LP, limited partnership units		6,170
497,260	Retail Innovation Labs Inc., class B preferred shares		6,000
2,854,238	Rite Way Mfg. Co. Ltd., class A common shares		-
435,762	RW Roads Solutions Inc., class A common shares		-
435,762	RW Roads Solutions LP, limited partnership units		-
100,000	Safety Seven Manufacturing Inc., class A common shares		-
20,000	class C preferred shares		200
459,149	0% demand promissory note		459
2,854,238	SuperiorFarms Solutions LP, limited partnership units		7,108

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS A (UNAUDITED)

As at February 28, 2019

(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
	Terra Grain Fuels Inc.,		
4,214	common shares (through 101247441 Saskatchewan Ltd.)		\$ -
214,132	5% senior debenture		214
5,056,417	12% debenture	January 1, 2020	5,056
	TORC Oil & Gas Ltd.,		
336,819	common shares		2,607
	Warman Home Centre Inc.,		
41	class A common shares		-
	Warman Home Centre LP,		
13,785,429	class A limited partnership units		23,588
	Western Building Centres Limited,		
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% demand promissory note		713
	WestMan Exploration Ltd.,		
800,000	common shares		800
	Venture investments at cost (79.89%)*		\$ 233,811
	Unrealized depreciation of venture investments		(17,262)
	Venture investments at fair value (74.00%)*		\$ 216,549

*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, 2019

(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
Health Care	7	\$ 64,628	\$ 70,955	27.64%	32.78%
Oil & Gas	14	52,949	32,543	22.65%	15.03%
Building Supplies	3	34,549	30,847	14.78%	14.24%
Manufacturing	7	20,096	21,882	8.59%	10.10%
Value Added Processing	4	19,011	19,111	8.13%	8.83%
Technology	4	9,178	13,600	3.93%	6.28%
Infrastructure	2	9,197	12,838	3.93%	5.93%
Agriculture	2	9,833	9,833	4.21%	4.54%
Consumer Discretionary	2	3,860	3,713	1.65%	1.71%
Energy	2	5,271	712	2.25%	0.33%
Other	2	5,239	515	2.24%	0.23%
	49	\$ 233,811	\$ 216,549	100.00%	100.00%

Stage of Development	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Start-up	9	\$ 35,798	\$ 35,874	15.31%	16.57%
Growth	24	139,702	118,881	59.75%	54.89%
Mature	16	58,311	61,794	24.94%	28.54%
	49	\$ 233,811	\$ 216,549	100.00%	100.00%

See accompanying notes to the financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS I (UNAUDITED)

As at February 28, 2019

(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
3,509,341	National Bank of Canada, 1.91% bankers acceptance	March 8, 2019	\$ 3,509	\$ 3,509
425,000	Conexus Credit Union, 2.30% term deposit	March 15, 2019	425	425
350,000	Affinity Credit Union, 2.30% term deposit	March 16, 2019	350	350
3,520,455	Bank of Nova Scotia, 2.23% bankers acceptance	March 28, 2019	3,521	3,521
3,520,455	HSBC Bank Canada, 2.23% bankers acceptance	March 28, 2019	3,521	3,521
3,520,242	Royal Bank of Canada, 2.23% bankers acceptance	March 29, 2019	3,520	3,520
1,100,000	Affinity Credit Union, 2.50% term deposit	April 29, 2019	1,100	1,100
1,400,000	Cornerstone Credit Union, 2.35% term deposit	April 30, 2019	1,400	1,400
600,000	Cornerstone Credit Union, 2.45% term deposit	May 1, 2019	600	600
2,600,000	Innovation Credit Union, 2.30% term deposit	May 1, 2019	2,600	2,600
1,400,000	Innovation Credit Union, 2.75% term deposit	May 1, 2019	1,400	1,400
2,000,000	Synergy Credit Union, 2.00% term deposit	May 4, 2019	2,000	2,000
900,000	Diamond North Credit Union, 2.15% term deposit	May 23, 2019	900	900
500,000	Affinity Credit Union, 3.05% term deposit	August 29, 2019	500	500
500,000	New Community Credit Union, 3.00% term deposit	November 15, 2019	500	500
150,000	Affinity Credit Union, 3.00% term deposit	February 25, 2020	150	150
1,320,000	Affinity Credit Union, 3.00% term deposit	February 25, 2020	1,320	1,320
50,000	Affinity Credit Union, 3.00% term deposit	February 25, 2020	50	50
170,000	Affinity Credit Union, 3.00% term deposit	February 28, 2020	170	170

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS I (UNAUDITED)

As at February 28, 2019

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

Short-term investments (continued)

Par Value/ Number of Units	Issuer and Description of Security	Maturity Date	Cost	Fair Value
373,350	Affinity Credit Union, 3.00% term deposit	February 28, 2020	\$ 373	\$ 373
2,460,000	Conexus Credit Union, 2.40% term deposit	February 28, 2020	2,460	2,460
Short-term investments (65.12%)**			\$ 30,369	\$ 30,369

Venture investments

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
494,159	Aurora Cannabis Inc., common shares		\$ 5,553
1,903,805	Dyna Holdings LP, limited partnership units		2,199
590,062	Librestream Technologies Inc., series B convertible preferred shares		380
349,586	series C convertible preferred shares		266
4,174,194	MATRIX Energy Technologies Inc., common shares		1,570
2	Med-Life Discoveries GP Inc., class A common shares -		
2,248	0% demand promissory note		2
381,938	Med-Life Discoveries LP, limited partnership units		91
1,013,904	11% demand promissory notes		1,014
114,243	15% demand promissory note		114
2,000,000	Paradigm Consulting Group Inc., class A preferred shares		2,000
165,754	Retail Innovation Labs Inc., class B preferred shares		2,000
485,828	Rite Way Mfg. Co. Ltd., common shares		-
74,172	RW Roads Solutions Inc., common shares		-
74,172	RW Roads Solutions LP, limited partnership units		-

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS I (UNAUDITED)

As at February 28, 2019

(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
485,828	SuperiorFarms Solutions LP, limited partnership units		\$ 1,214
Venture investments at cost (35.17%)**			\$ 16,403
Unrealized depreciation of venture investments			(644)
Venture investments at fair value (33.79%)**			\$ 15,759

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

Venture portfolio breakdown

Industry Sector	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Health Care	3	\$ 6,774	\$ 6,245	41.30%	39.62%
Technology	3	4,646	4,861	28.32%	30.85%
Manufacturing	5	3,413	3,818	20.81%	24.23%
Oil & Gas	1	1,570	835	9.57%	5.30%
	12	\$ 16,403	\$ 15,759	100.00%	100.00%

Stage of Development	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Start-up	3	\$ 1,221	\$ 1,344	7.44%	8.53%
Growth	8	12,983	11,878	79.15%	75.37%
Mature	1	2,199	2,537	13.41%	16.10%
	12	\$ 16,403	\$ 15,759	100.00%	100.00%

See accompanying notes to the financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS R (UNAUDITED)

As at February 28, 2019

(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	Affinity Credit Union, 2.25% term deposit	March 7, 2019	\$ 190	\$ 190
285,110	National Bank of Canada, 1.91% bankers acceptance	March 8, 2019	285	285
286,000	Bank of Nova Scotia, 2.23% bankers acceptance	March 28, 2019	286	286
286,000	HSBC Bank Canada, 2.23% bankers acceptance	March 28, 2019	286	286
285,996	Royal Bank of Canada, 2.23% bankers acceptance	March 29, 2019	286	286
200,000	Cornerstone Credit Union, 2.35% term deposit	April 30, 2019	200	200
200,000	Innovation Credit Union, 2.30% term deposit	May 1, 2019	200	200
200,000	Cornerstone Credit Union, 2.45% term deposit	May 1, 2019	200	200
200,000	Innovation Credit Union, 2.75% term deposit	May 1, 2019	200	200
400,000	Synergy Credit Union, 2.00% term deposit	May 4, 2019	400	400
530,000	Affinity Credit Union, 2.00% term deposit	February 25, 2020	530	530
110,000	Affinity Credit Union, 3.00% term deposit	February 28, 2020	110	110
120,000	Conexus Credit Union, 2.40% term deposit	February 28, 2020	120	120
Short-term investments (38.86%)*			\$ 3,293	\$ 3,293

Venture investments

Par Value/ Number of Units	Issuer and Description of Security	Expiry/Maturity Date	Cost
357,993	Avalon Oil & Gas Ltd., class A common shares		\$ 311
1,746	stock options, exercisable at \$0.80 per share	April 21, 2022	-
815,000	Burgess Creek Exploration Inc., class A common shares		815

SCHEDULE OF INVESTMENT PORTFOLIO – CLASS R (UNAUDITED)

As at February 28, 2019

(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
	Credence Resources LP,		
1	series 5C limited partnership unit		\$ -
1	series 5E limited partnership unit		-
479,862	variable rate participating loan		480
	Credence Resources II LP,		
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
	Field Exploration LP,		
1	series 2D limited partnership unit		-
1	series 3C limited partnership unit		-
356,853	variable rate participating loan		357
	Lex Energy Partners LP,		
400	limited partnership units		106
	MATRIX Energy Technologies Inc.,		
2,677,419	common shares		830
	TORC Oil & Gas Ltd.,		
76,954	common shares		596
	Venture investments at cost (49.12%)*		\$ 4,163
	Unrealized depreciation of venture investments		(565)
	Venture investments at fair value (42.45%)*		\$ 3,598

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

Venture portfolio breakdown ⁽¹⁾

Stage of Development	Number of Investees	Cost	Fair Value	% of Cost	% of Fair Value
Start-up	3	\$ 1,483	\$ 1,726	35.62%	47.98%
Growth	4	2,084	1,516	50.06%	42.13%
Mature	1	596	356	14.32%	9.89%
	8	\$ 4,163	\$ 3,598	100.00%	100.00%

⁽¹⁾ 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, 2019

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. Investors who request a redemption of shares within the eight-year period following their purchase will, subject to certain exceptions, be subject to a withholding fee equal to the tax credits received on the purchase of such shares.

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 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 ("IAS") 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, 2019. 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. Application of new accounting standards

a) IFRS 9, Financial Instruments

Effective September 1, 2018, the Fund retrospectively without restatement adopted IFRS 9, "Financial Instruments". The new standard requires financial assets to be classified as amortized cost, FVTPL, or fair value through other comprehensive income based on an entity's business model for managing the financial assets and the contractual cash flow characteristics of these assets.

Upon transition to IFRS 9, the Fund's financial assets and financial liabilities previously classified as FVTPL under IAS 39, "Financial Instruments: Recognition and Measurement" continue to be classified as FVTPL, and other financial assets and liabilities will continue to be measured at amortized cost. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

b) IFRS 15, Revenue from Contracts with Customers

Effective September 1, 2018, the Fund adopted IFRS 15, "Revenue from Contracts with Customers". IFRS 15 replaces IAS 18, "Revenue" and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the Fund.

4. 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Subsequent to initial recognition, the Fund classifies and measures its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the objective of the Fund's business model. Consequently, all investments are measured at FVTPL.

The Fund's obligation for net assets attributable to holders of redeemable shares are presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost, which approximates their fair value. 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.

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 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 13 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) 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 can affect those returns through its power over the entity.

4. Summary of significant accounting policies (continued)

c) Investments in associates and subsidiaries (continued)

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

Investee	Relationship	February 28, 2019		August 31, 2018	
		Ownership interest	Voting interest	Ownership interest	Voting interest
102049367 Saskatchewan Ltd.	Subsidiary	100%	100%	-	-
Associated Energy Holdings LP	Subsidiary	90%	90%	90%	90%
Can Pro Capital Corp.	Subsidiary	100%	100%	100%	100%
Can Pro Ingredients Ltd.	Subsidiary	82%	82%	82%	82%
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%
Diamond House Inc.	Subsidiary	57%	57%	57%	57%
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%
GHC Warman Realty Inc.	Subsidiary	57%	57%	57%	57%
GOF Care Homes Inc.	Subsidiary	100%	100%	100%	100%
Golden Health Care Inc.	Associate	100%	100%	100%	100%
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%
NorAmera Properties Inc.	Associate	25%	25%	25%	25%
PM Power Group Holdings Ltd.	Associate	-	-	27%	27%
Prairie Meats Inc.	Subsidiary	78%	78%	78%	78%
Prairie Meats LP	Subsidiary	72%	72%	72%	72%
Rite Way Mfg. Co. Ltd.	Associate	50%	50%	50%	50%
SuperiorFarms Solutions LP	Associate	50%	50%	50%	50%
RW Roads Solutions LP	Associate	50%	50%	50%	50%
RW Roads Solutions Inc.	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%
Western Building Centres Ltd.	Subsidiary	71%	71%	71%	71%

4. Summary of significant accounting policies (continued)

c) Investments in associates and subsidiaries (continued)

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.

d) Investment transactions and income recognition

Investment transactions relating to private venture investments are accounted for on the closing date of the transaction, or in the case of funding tranches, that dates on which funds are advanced. Realized and unrealized gains and losses from venture investment transactions are calculated on an average cost basis. Regular way purchases and sales are accounted for on the trade date for financial reporting purposes and any unrealized and realized gains on such transactions are calculated on an average cost basis.

The interest income for distribution purposes shown in the Statements of Comprehensive Income represents the coupon interest received by the Fund and is accounted for on an accrual basis. Dividends are recognized as income on the ex-dividend date, and operating income from partnerships is recognized as earned.

e) 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.

f) Commissions

Trailing commissions are recorded on an accrual basis based on net assets attributable to holders of Class A Shares, Class I Shares, and Class R Shares. Percentage based payments are recorded on an accrual basis based on the amount of gross proceeds (net of redemptions) from the issue of redeemable shares during the current and previous seven calendar years. Amortized sales commissions are recorded on an accrual basis based the amount of gross proceeds (net of redemptions) from the issue of redeemable shares during the previous 96 months. No trailer commissions, percentage based payments or amortized sales commissions are payable on the F Series.

g) 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.

5. 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 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 an investment. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 13 for further information about the Fund's fair value measurements.

6. Venture investments

During the period, venture investments changed as follows:

a) Class A Fund

(thousands of dollars)

	Six months ended February 28,	
	2019	2018
Venture investments at fair value, beginning	\$ 231,153	\$ 233,836
Venture investments purchased	16,877	2,489
Partnership income recognized	10,182	8,947
Partnership distributions	(9,605)	(5,046)
Venture investments repaid	-	(357)
Proceeds from disposition of venture investments	(33,766)	(13,655)
Net realized gain on disposition of venture investments	2,183	11,107
Net (increase) decrease in unrealized depreciation of venture investments	(475)	66,397
Venture investments at fair value, ending	\$ 216,549	\$ 303,718

b) Class I Fund

(thousands of dollars)

	Six months ended February 28,	
	2019	2018
Venture investments at fair value, beginning	\$ 17,231	\$ 13,451
Venture investments purchased	2,033	3,338
Partnership income recognized	918	475
Partnership distributions	(802)	(359)
Proceeds from disposition of venture investments	(4,649)	(3,511)
Net realized gain on disposition of venture investments	240	2,784
Net decrease in unrealized depreciation of venture investments	788	11,250
Venture investments at fair value, ending	\$ 15,759	\$ 27,428

c) Class R Fund

(thousands of dollars)

	Six months ended February 28,	
	2019	2018
Venture investments at fair value, beginning	\$ 3,798	\$ 3,123
Venture investments purchased	-	1,170
Net (increase) decrease in unrealized depreciation of venture investments	(200)	187
Venture investments at fair value, ending	\$ 3,598	\$ 4,480

7. 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, 2019, the Fund has received loss support program contributions and advances of \$3.3 million (August 31, 2018 - \$3.3 million). As at February 28, 2019, the Class I Fund has realized losses of \$217 thousand (August 31, 2018 - \$217 thousand) and there are unrealized losses of \$809 thousand (August 31, 2018 - \$433 thousand) reflected within the Class I Fund venture investments. As a result, the amount of the loss support program contributions considered repayable to Western Economic Diversification Canada have been reduced by 80% of these losses or \$821 thousand (August 31, 2018 - \$520 thousand) as per the terms of the program. Details of the loss support program are contained in the Fund's prospectus.

8. 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 nonparticipating, 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, 2019 or 2018.

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

a) Class A Shares

	Six months ended February 28,	
	2019	2018
Class A (SK) shares		
Beginning of period	16,329,687	16,683,401
Shares issued	997,661	743,632
Shares redeemed	(1,138,034)	(1,071,512)
End of period	1,6189,314	16,355,521
Class A (MB) shares		
Beginning of period	411,186	423,200
Shares issued	30,660	25,778
Shares redeemed	(42,812)	(31,680)
End of period	399,034	417,298
	16,588,348	16,772,819

8. Redeemable shares (continued)

b) Class A-F Shares

	Six months ended February 28,	
	2019	2018
Class A-F (SK) shares		
Beginning of period	209,397	118,278
Shares issued	79,310	70,008
Shares redeemed	-	(321)
End of period	288,707	187,965
Class A-F (MB) shares		
Beginning of period	12,670	5,028
Shares issued	4,689	6,217
End of period	17,359	11,245
	306,066	199,210

c) Class I Shares

	Six months ended February 28,	
	2019	2018
Class I (SK) shares		
Beginning of period	2,736,836	2,532,733
Shares issued	270,829	219,981
Shares redeemed	(85,893)	(105,856)
End of period	2,921,772	2,646,858
Class I (MB) shares		
Beginning of period	60,365	50,993
Shares issued	5,866	8,406
Shares redeemed	(877)	(1,178)
End of period	65,354	58,221
	2,987,126	2,705,079

d) Class I-F Shares

	Six months ended February 28,	
	2019	2018
Class I-F (SK) shares		
Beginning of period	22,144	8,319
Shares issued	9,092	10,163
Shares redeemed	-	(323)
End of period	31,236	18,159
Class I-F (MB) shares		
Beginning of period	182	-
Shares issued	703	-
End of period	885	-
	32,121	18,159

8. Redeemable shares (continued)

e) Class R Shares

	Six months ended February 28,	
	2019	2018
Class R (SK) shares		
Beginning of period	1,064,656	980,641
Shares issued	50,082	53,970
Shares redeemed	(7,264)	(8,604)
End of period	1,107,474	1,026,007

f) Class R-F Shares

There are 920 Class R-F shares outstanding at February 28, 2019, and there were no transactions affecting the Class R-F shares during the six months ended February 28, 2019 or 2018.

9. 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 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 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.

9. Reconciliation of net asset values (continued)

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 A Shares at February 28, 2019 or August 31, 2018. A reconciliation of the net asset values for the Class A-F, Class I, Class I-F, Class R and Class R-F Shares is as follows:

a) Class A-F Shares

	February 28, 2019	August 31, 2018
Pricing NAV per Class A-F Share	\$ 19.57	\$ 18.97
Adjustments to closing prices per Class A-F Share	0.01	-
Net assets attributable to holders of Class A-F Shares per share	<u>\$ 19.58</u>	<u>\$ 18.97</u>

b) Class I Shares

	February 28, 2019	August 31, 2018
Pricing NAV per Class I Share	\$ 15.40	\$ 15.01
Adjustments to closing prices per Class I Share	0.02	0.02
Net assets attributable to holders of Class I Shares per share	<u>\$ 15.42</u>	<u>\$ 15.03</u>

c) Class I-F Shares

	February 28, 2019	August 31, 2018
Pricing NAV per Class I-F Share	\$ 18.23	\$ 17.32
Adjustments to closing prices per Class I-F Share	0.02	0.02
Net assets attributable to holders of Class I-F Shares per share	<u>\$ 18.25</u>	<u>\$ 17.34</u>

d) Class R Shares

	February 28, 2019	August 31, 2018
Pricing NAV per Class R Share	\$ 7.58	\$ 8.00
Adjustments to closing prices per Class R Share	0.06	0.02
Net assets attributable to holders of Class R Shares per share	<u>\$ 7.64</u>	<u>\$ 8.02</u>

e) Class R-F Shares

	February 28, 2019	August 31, 2018
Pricing NAV per Class R-F Share	\$ 8.72	\$ 8.98
Adjustments to closing prices per Class R-F Share	0.07	0.02
Net assets attributable to holders of Class R-F Shares per share	<u>\$ 8.79</u>	<u>\$ 9.00</u>

10. 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 waived the management fee for the period prior to the Fund reaching \$5 million in gross F Series subscriptions and, as a result, management fees of \$169 thousand on Class A-F Shares, \$13 thousand on Class I-F Shares and less than \$1 thousand on Class R-F Shares were waived during the six months ended February 28, 2019.

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) 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.

c) 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.

d) Amortized sales commissions

On September 28, 2018, the Fund launched an alternative sales commission structure. For investors that select this alternative sales commission structure, an amortized sales commission will be paid in eight annual instalments, each in the amount of 0.75% of the investor's cost of the purchase of Class A Shares, Class I Shares and Class R Shares (excluding the F Series for which no sales commissions are payable).

e) 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.

f) 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 1.00% of gross proceeds.

As a result of the Fund reaching \$5 million in gross F Series subscriptions during the six months ended February 28, 2019, the Agent earned marketing service fees of \$41 thousand on the Class A-F Shares, \$4 thousand on the Class I-F Shares and less than \$1 thousand on the Class R-F Shares. The Manager agreed to reimburse the Fund for these marketing service fees paid on the first \$5 million of F Series subscriptions.

g) 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, 2019, an IPA in respect of the Class A Fund was paid or payable to the Manager in the amount of \$6.9 million (2018 - \$2.6 million) on the portion of realized gains from the disposition of venture investments that have been received in cash. On an annualized basis, the IPA was 4.64% (2018 - 1.91%) expressed as a percentage of average net asset value for the Class A Fund for the period. During the six months ended February 28, 2019, an IPA in respect of the Class I Fund was paid or payable to the Manager in the amount of \$991 thousand (2018 - \$593 thousand) on the portion of realized gains from the disposition of venture investments that have been received in cash. On an annualized basis, the IPA was 4.52% (2018 - 3.38%) 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, 2019 or 2018.

An estimated contingent IPA in respect of the Class A Fund of \$19.1 million (August 31, 2018 - \$22,907) has been reflected in the financial statements in respect of unrealized gains and excess returns as at February 28, 2019. On an annualized basis, the decrease in the estimated contingent IPA of \$3.8 million during the six months ended February 28, 2019 (2018 - increase of \$15.7 million) represents an increase of 2.59% (2018 - decrease of 11.45%) in average Pricing NAV of the Class A Fund for the period.

10. Fees and expenses (continued)

g) Incentive participation amount (continued)

As at February 28, 2019, an estimated contingent IPA in respect of the Class I Fund of \$1.5 million (August 31, 2018 \$2.1 million) has been reflected in the financial statements in respect of unrealized gains and excess returns. On an annualized basis, the decrease in the estimated contingent IPA of \$574 thousand during the six months ended February 28, 2019 (2018 – increase of \$2.1 million) represents an increase of 2.62% (2018 – decrease of 3.38%) 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, 2019 or August 31, 2018, and there were no changes in the contingent IPA for the Class R Fund for the six months ended February 28, 2019 or 2018.

h) 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.

i) 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, 2019 and 2018, the MER for each share, along with the impact of excluding the IPA and contingent IPA, is as follows:

	Six months ended February 28,	
	2019	2018
Class A Shares		
MER	6.66%	18.24%
MER – excluding IPA and contingent IPA	4.59%	4.76%
Class A-F Shares		
MER	3.86%	13.41%
MER – excluding IPA and contingent IPA	1.55%	0.67%
MER – before waiver/recovery	12.97%	13.41%
MER – before waiver/recovery and excluding IPA and contingent IPA	10.65%	0.67%
Class I Shares		
MER	6.76%	20.62%
MER – excluding IPA and contingent IPA	4.85%	4.96%
Class I-F Shares		
MER	4.23%	13.59%
MER – excluding IPA and contingent IPA	1.90%	0.71%
MER – before waiver/recovery	11.93%	13.59%
MER – before waiver/recovery and excluding IPA and contingent IPA	9.61%	0.71%
Class R Shares		
MER	5.89%	5.34%
MER – excluding IPA and contingent IPA	5.89%	5.34%
Class R-F Shares		
MER	1.73%	0.81%
MER – excluding IPA and contingent IPA	1.73%	0.81%
MER – before waiver/recovery	15.05%	0.81%
MER – before waiver/recovery and excluding IPA and contingent IPA	15.05%	0.81%

11. Net change in non-cash balances

	Six months ended February 28,	
	2019	2018
a) Class A Fund		
<i>(thousands of dollars)</i>		
Increase in interest and other receivables	\$ (137)	\$ (1,667)
Decrease in accounts payable and accrued liabilities	(1,037)	(1,098)
Increase in IPA payable	6,891	2,628
(Decrease) increase in contingent IPA	(3,843)	15,730
	\$ 1,874	\$ 15,593

	Six months ended February 28,	
	2019	2018
b) Class I Fund		
<i>(thousands of dollars)</i>		
Decrease (increase) in interest and other receivables	\$ 42	\$ (422)
Decrease in accounts payable and accrued liabilities	(113)	(80)
(Decrease) increase in loss support program contributions and advances	(301)	215
Increase in IPA payable	991	593
(Decrease) increase in contingent IPA	(574)	2,131
	\$ 45	\$ 2,437

	Six months ended February 28,	
	2019	2018
c) Class R Fund		
<i>(thousands of dollars)</i>		
Decrease in interest and other receivables	\$ 19	\$ 2
Decrease in accounts payable and accrued liabilities	(54)	(46)
	\$ (35)	\$ (44)

12. 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

(thousands of dollars)

	Category	February 28, 2019	August 31, 2018
Cash	FVTPL \$	31,558 \$	32,130
Short-term investments	FVTPL	77,538	58,033
Subscriptions receivable	Amortized cost	5	160
Interest and other receivables	Amortized cost	6,701	6,564
Venture investments	FVTPL	216,549	231,153
		<u>\$ 332,351</u>	<u>\$ 328,040</u>

b) Class I Fund

(thousands of dollars)

	Category	February 28, 2019	August 31, 2018
Cash	FVTPL \$	6,638 \$	7,304
Short-term investments	FVTPL	30,369	23,932
Subscriptions receivable	Amortized cost	3	52
Interest and other receivables	Amortized cost	708	750
Venture investments	FVTPL	15,759	17,231
		<u>\$ 53,477</u>	<u>\$ 49,269</u>

c) Class R Fund

(thousands of dollars)

	Category	February 28, 2019	August 31, 2018
Cash	FVTPL \$	1,633 \$	1,674
Short-term investments	FVTPL	3,293	3,148
Subscriptions receivable	Amortized cost	-	9
Interest and other receivables	Amortized cost	32	51
Venture investments	FVTPL	3,598	3,798
		<u>\$ 8,556</u>	<u>\$ 8,680</u>

13. 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.

13. Fair value of financial instruments (continued)

a) Fair value hierarchy (continued)

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.

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, 2019 and August 31, 2018:

i. Class A Fund

(thousands of dollars)

	February 28, 2019			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 77,538	\$ -	\$ 77,538
Venture investments	36,962	-	179,587	216,549
	\$ 36,962	\$ 77,538	\$ 179,587	\$ 294,087

	August 31, 2018			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 58,033	\$ -	\$ 58,033
Venture investments	57,171	-	173,982	231,153
	\$ 57,171	\$ 58,033	\$ 173,982	\$ 289,186

ii. Class I Fund

(thousands of dollars)

	February 28, 2019			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 30,369	\$ -	\$ 30,369
Venture investments	5,738	-	10,021	15,759
	\$ 5,738	\$ 30,369	\$ 10,021	\$ 46,128

	August 31, 2018			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 23,932	\$ -	\$ 23,932
Venture investments	8,845	-	8,386	17,231
	\$ 8,845	\$ 23,932	\$ 8,386	\$ 41,163

13. Fair value of financial instruments (continued)

a) Fair value hierarchy (continued)

iii. Class R Fund

(thousands of dollars)

	February 28, 2019			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 3,293	\$ -	\$ 3,293
Venture investments	892	-	2,706	3,598
	\$ 892	\$ 3,293	\$ 2,706	\$ 6,891

	August 31, 2018			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 3,148	\$ -	\$ 3,148
Venture investments	1,343	-	2,455	3,798
	\$ 1,343	\$ 3,148	\$ 2,455	\$ 6,946

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 approximate their fair values as these instruments 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, 2019 and 2018:

i. Class A Fund

(thousands of dollars)

	Six months ended	
	February 28, 2019	February 28, 2018
Beginning balance	\$ 173,982	\$ 199,944
Purchases	16,877	2,432
Partnership income recognized	10,182	8,947
Partnership distributions received	(9,605)	(5,046)
Repayments	-	(357)
Dispositions	(634)	(13,655)
Net realized (losses) gains	(1,304)	11,107
Net unrealized losses	(9,911)	(26,686)
Ending balance	\$ 179,587	\$ 176,686
Net unrealized losses during the period included in the Statements of Comprehensive Income for Level 3 assets held at end of period	\$ (10,446)	\$ (17,644)

13. Fair value of financial instruments (continued)

b) Changes in Level 3 instruments (continued)

ii. Class I Fund

(thousands of dollars)

	Six months ended February 28,			
	2019		2018	
Beginning balance	\$	8,386	\$	8,789
Purchases		2,033		2,027
Partnership income recognized		918		475
Partnership distributions received		(802)		(359)
Dispositions		(10)		(3,511)
Net realized (losses) gains		(248)		2,784
Net unrealized losses		(256)		(2,164)
Ending balance	\$	10,021	\$	8,041
Net unrealized losses during the period included in the Statements of Comprehensive Income for Level 3 assets held at end of period	\$	(328)	\$	(306)

iii. Class R Fund

(thousands of dollars)

	Six months ended February 28,			
	2019		2018	
Beginning balance	\$	2,455	\$	3,123
Purchases		-		340
Net unrealized gains (losses)		251		(81)
Ending balance	\$	2,706	\$	3,382
Net unrealized gains (losses) during the period included in the Statements of Comprehensive Income for Level 3 assets held at end of period	\$	251	\$	(81)

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, 2019 and August 31, 2018.

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.

13. Fair value of financial instruments (continued)

c) Level 3 measurements (continued)

i. Class A Fund

(thousands of dollars)

Valuation technique	February 28, 2019				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 100,514	EBITDA Multiple	5.17x-5.67x	0.50x	\$9,415/\$(9,119)
Recent financing	28,843	Transaction price	100%	10%	2,884/(2,884)
NAV/unit	18,827	% variance	100%	10%	1,883/(1,883)
Value of recoverable reserves	11,757	% variance	100%	5%	4,742/(1,076)
Discounted cash flow	11,201	Discount rate	10.7%-50%	1.5%	607/(539)
Tangible book value	8,445	% variance	100%	10%	845/(845)
	<u>\$ 179,587</u>				

Valuation technique	August 31, 2018				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 105,063	EBITDA Multiple	4.35x-5.50x	0.50x	\$8,543/\$(10,025)
Recent financing	13,542	Transaction price	100%	10%	1,354/(1,354)
NAV/unit	20,071	% variance	100%	10%	2,007/(2,007)
Value of recoverable reserves	11,201	% variance	100%	5%	4,566/(919)
Discounted cash flow	15,312	Discount rate	11.4%-50%	1.5%	807/(730)
Tangible book value	8,793	% variance	100%	10%	879/(879)
	<u>\$ 173,982</u>				

ii. Class I Fund

(thousands of dollars)

Valuation technique	February 28, 2019				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 3,817	EBITDA multiple	5.00x-5.17x	0.50x	\$263/\$(263)
Recent financing	5,074	Transaction price	100%	10%	507/(507)
Discounted cash flow	1,130	Discount rate	11.4%	1.5%	47/(44)
	<u>\$ 10,021</u>				

Valuation technique	August 31, 2018				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Enterprise multiple	\$ 4,162	EBITDA multiple	5.00x-5.02x	0.50x	\$264/\$(248)
Recent financing	3,094	Transaction price	100%	10%	309/(309)
Discounted cash flow	1,130	Discount rate	11.4%	1.5%	47/(44)
	<u>\$ 8,386</u>				

13. Fair value of financial instruments (continued)

c) Level 3 measurements (continued)

iii. Class R Fund

(thousands of dollars)

Valuation technique	February 28, 2019				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Value of recoverable reserves	\$ 1,523	% variance	100%	5%	\$303/\$(108)
NAV/unit	1,183	% variance	100%	10%	118/(118)
	<u>\$ 2,706</u>				

Valuation technique	August 31, 2018				
	Fair value	Unobservable inputs	Range of inputs	Sensitivity of input value	Impact on fair value +/-
Value of recoverable reserves	\$ 1,266	% variance	100%	5%	\$230/\$(59)
NAV/unit	1,189	% variance	100%	10%	119/(119)
	<u>\$ 2,455</u>				

14. 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 Service rating of A or in instruments that are guaranteed by the Credit Union Deposit Guarantee Corporation.

For the Class A Fund, the maximum credit risk exposure as at February 28, 2019 is \$133.5 million (August 31, 2018 - \$113.3 million). 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, 2019 is \$32.1 million (August 31, 2018 - \$25.5 million). The Class I Fund's venture investment portfolio includes investments in three debt instruments at February 28, 2019 (August 31, 2018 - three). The credit risk on these investments is mitigated by the Western Economic Diversification Canada loss support program outlined in Note 7.

For the Class R Fund, the maximum credit risk exposure as at February 28, 2019 is \$4.8 million (August 31, 2018 - \$4.7 million). At February 28, 2019, the Class R Fund's venture investment portfolio includes investments in three debt instruments (August 31, 2018 - three).

14. Risks associated with financial instruments (continued)

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, 2019 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 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, 2019. The maturity of the contingent IPA is uncertain and is only payable to the Manager if specific criteria are met, as outlined in Note 10(g).

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, 2019 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, 2019, 29.99% (August 31, 2018 - 29.69%) of the Class A Fund debt venture investments and 100% (August 31, 2018 - 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, 2019, the Class A Fund was invested in 12 different industry sectors (August 31, 2018 - 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, 2019, publicly traded companies make up 17.07% (August 31, 2018 - 24.73%) of the Class A Fund venture investment portfolio. As at February 28, 2019, a 10% change in the value of the publicly traded securities will cause a change of \$0.17 per share (August 31, 2018 - \$0.27) or a 1.01% (August 31, 2018 - 1.57%) change in the Pricing NAV of the Class A Shares. A 10% change in the value of publicly traded securities at February 28, 2019 will cause a change of \$0.23 per share (August 31, 2018 - \$0.34) or a 1.18% (August 31, 2018 - 1.79%) change in the Pricing NAV of the Class A-F shares.

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, 2019, the Class I Fund was invested in 10 (August 31, 2018 - 10) private companies and two public companies (August 31, 2018 - two) in four (August 31, 2018 - five) different industry sectors. Based on fair value, as at February 28, 2019, the publicly traded companies make up 36.40% (August 31, 2018 - 51.33%) of the Class I Fund venture investment portfolio. As at February 28, 2019, a 10% change in the value of the publicly traded securities will cause a change of \$0.13 per share (August 31, 2018 - \$0.26) or a 0.86% (August 31, 2018 - 1.71%) change in the Pricing NAV of the Class I Shares. A 10% change in the value of publicly traded securities at February 28, 2019 will cause a change of \$0.19 per share (August 31, 2018 - \$0.35) or a 1.03% (August 31, 2018 - 2.01%) change in the Pricing NAV of the Class I-F shares.

14. 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 R Shares and Class R-F Shares in companies in the resource sector of the Saskatchewan economy. As at February 28, 2019, the Class R Fund was invested in six (August 31, 2018 - six) private companies and two (August 31, 2018 - two) public companies in the resource sector. Based on fair value, as at February 28, 2019, the publicly traded companies make up 24.79% (August 31, 2018 - 35.35%) of the Class R Fund venture investment portfolio. As at February 28, 2019, a 10% change in the value of the publicly traded securities will cause a change of \$0.08 per share (August 31, 2018 - \$0.13) or a 1.06% (August 31, 2018 - 1.57%) change in the Pricing NAV of the Class R Shares. A 10% change in the value of publicly traded securities at February 28, 2019 will cause a change of \$0.08 per share (August 31, 2018 - \$0.12) or a 0.88% (August 31, 2018 - 1.29%) 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, 2019 and August 31, 2018.

Based on fair value, as at February 28, 2019, the investment in Aurora Cannabis Inc. represents 16.16% (August 31, 2018 - 23.45%) of the Class A Fund venture investment portfolio and 11.96% (August 31, 2018 - 18.68%) of the Class A Fund net assets attributable to holders of redeemable shares. Based on fair value, as at February 28, 2019, the investment in Aurora Cannabis Inc. represents 31.11% (August 31, 2018 - 44.06%) of the Class I Fund venture investment portfolio and 10.51% (August 31, 2018 - 17.90%) of the Class I Fund net assets attributable to holders of redeemable shares.

e) Capital risk management

Redeemable shares issued and outstanding are 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 million.

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, 2019, Class A Fund cash and short-term investments of \$13.4 million (August 31, 2018 - \$10.4 million) are held within the trust fund. At February 28, 2019, Class I Fund cash and short-term investments of \$3.4 million (August 31, 2018 - \$2.6 million) are held within the trust fund. At February 28, 2019, Class R Fund cash and short-term investments of \$1 million (August 31, 2018 - \$949 thousand) 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, 2019, 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 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, 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.

15. 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.

15. Taxation (continued)

The Fund can minimize income taxes through the deemed payment of a dividend by capitalizing an amount of its taxable income as paidup 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 paidup 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, 2019, the Fund has estimated non-capital losses available for carryforward of \$15 million (August 31, 2018 - \$7.2 million) and estimated capital losses available for carryforward of \$nil (August 31, 2018 - \$2.4 million).

16. Related party transactions

The Manager is a company controlled by the President & Chief Executive Officer of the Fund. During the six months ended February 28, 2019, management fees, including GST, for the Class A Fund of \$3.8 million (2018 - \$3.6 million) were paid or payable to the Manager, and management fees of \$169 thousand were waived during the period. The Manager earned an IPA of \$6.9 million (2018 - \$2.6 million) on realized gains in the Class A Fund that have been received in cash. At February 28, 2019 a contingent IPA is accrued on the Class A Fund in the amount of \$19.1 million (August 31, 2018 - \$22.9 million).

For the Class I Fund, management fees of \$566 thousand were paid or payable during the six months ended February 28, 2019 (2018 - \$458 thousand) and management fees of \$13 thousand were waived during the period. The Manager earned an IPA of \$991 thousand (2018 - \$593 thousand) on realized gains in the Class I Fund that have been received in cash. As at February 28, 2019, a contingent IPA is accrued on the Class I Fund in the amount of \$1.5 million (August 31, 2018 - \$2 million).

Management fees of \$107 thousand were paid or payable for the Class R Fund during the six months ended February 28, 2019 (2018 - \$111 thousand) and management fees of less than \$1 thousand were waived during the period. No contingent IPA is accrued for the Class R Fund at February 28, 2019 or August 31, 2018.

In respect of the Class A Fund, office costs totaling \$4 thousand (2018 - \$4 thousand) were paid or payable to the Manager in the six months ended February 28, 2019. For the Class I Fund, office costs totaling \$1 thousand (2018 - \$nil) were paid or payable to the Manager in the six months ended February 28, 2019. There were no office or other costs paid or payable to the Manager by the Class R Fund in the six months ended February 28, 2019 or 2018.

At February 28, 2019, the accounts payable and accrued liabilities balance for the Class A Fund includes management fees payable to the Manager of \$591 thousand (August 31, 2018 - \$622 thousand) and office and other costs payable to the Manager of \$1 thousand (August 31, 2018 - \$1 thousand). At February 28, 2019, the accounts payable and accrued liabilities balance for Class I Fund includes management fees payable to the Manager of \$92 thousand (August 31, 2018 - \$90 thousand). Management fees payable to the Manager of \$17 thousand (August 31, 2018 - \$19 thousand) are included in the accounts payable and accrued liabilities balance for the Class R Fund at February 28, 2019.

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.

17. Commitments

At February 28, 2019, the Class A Fund has commitments for additional investments of \$2.7 million in Credence Resources II LP, and the Class R Fund has commitments for additional investments of \$61 thousand in Credence Resources II LP.

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

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Chief Financial Officer/Director

Chief Operating Officer, Westcap Mgt. Ltd.

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² Valuation Committee

³ Investment Committee

⁴ Governance and Nominations Committee

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