

WORKING OPPORTUNITY FUND (EVCC) LTD.

Venture Series:

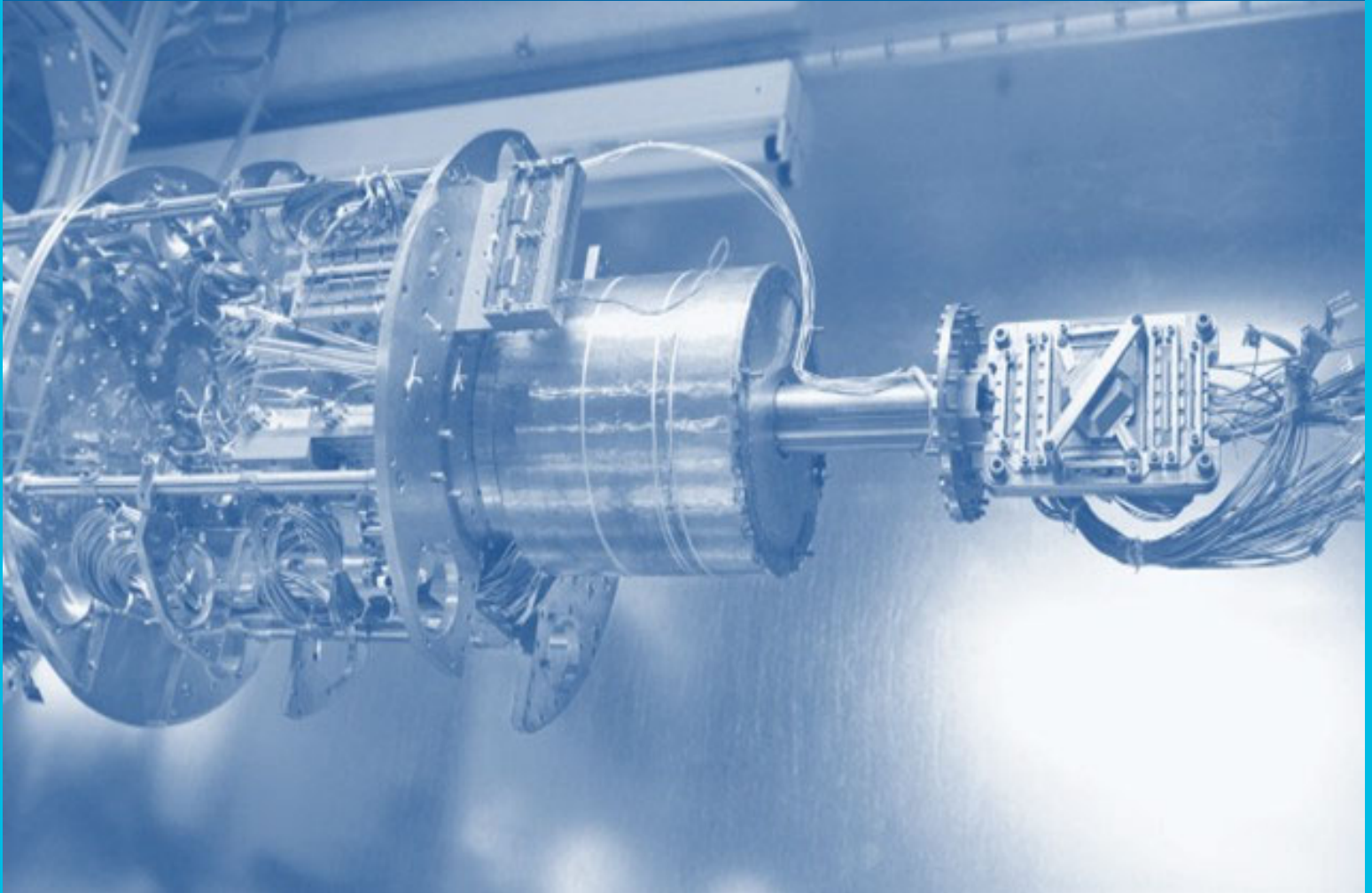
Balanced Shares (series 1 & 2)

Commercialization Series:

Commercialization Shares (series 2) (the “05 Commercialization Shares”)

2019 Condensed Interim Financial Statements (unaudited)

For the six months ended June 30, 2019
(expressed in Canadian dollars)



NOTICE OF NO AUDITOR REVIEW OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

These Semi-Annual Financial Statements have not been reviewed by an auditor in accordance with standards established by the Chartered Professional Accountants of Canada.

Working Opportunity Fund

Shareholder Update – June 30, 2019

To our shareholders,

As previously announced, the Board of the Fund is pleased to report that PenderFund Capital Management Ltd. (“Pender”) assumed management of the Fund in March 2019. The Fund secured a management fee under the new management agreement of 1.5% and now pays its own administrative expenses. Trailer commissions for Venture Series shares were also eliminated. Given the continuing lack of liquidity from the venture capital investments, these measures are aimed at providing savings in operating costs, which positions the Fund to maximize value for shareholders. At the Funds’ next shareholder meeting, shareholders will be asked to ratify the transition of management.

Under the new management agreement, the Fund and Pender have agreed to work toward effecting a reorganization of the assets of the Fund and since March, the Fund’s Board and Pender have been evaluating numerous aspects of the previously announced reorganization, including working through tax considerations and reviewing opportunities for liquidity and further cost savings. The potential reorganization would require certain approvals, including shareholder approval and approvals of the boards of the Fund and its sponsor.

A summary of the key portfolio companies held by each of the Venture Series and Commercialization Series is provided below.

Venture Series Portfolio

The companies in the Venture Series investment portfolio are primarily in the information technology industry and clean technologies sectors. A description of the top five investments is provided below.

- Teradici creates secure virtual workspaces, through its PCoIP technology, which powers the spectrum of local, remote, mobile and collaborative work styles, simplifying how computing is provisioned, managed, and used throughout multi-cloud environments.
- D-Wave Systems is a quantum computer hardware and software developer. Initial applications are for use with hybrid supercomputer quantum computer applications. Customers with systems installed onsite include NASA, Google, Lockheed Martin, Los Alamos National Labs and the University of Southern California.
- General Fusion is developing a commercial nuclear fusion energy power plant to generate electricity for residential and industrial customers.
- Copperleaf develops and sells software that is used by utilities for asset investment planning & management (“AIPM”). The company uses real-time data and extensive knowledge on asset management to help energy companies find the balance between maximizing profitability and minimizing risk and cost.
- Switch Materials has developed an innovative optical filter platform technology that allows glass to adjust how much light can be shown through – Switch Materials currently works with the automotive industry.

Commercialization Series Portfolio

The companies in the Commercialization Series investment portfolio are all in the information technology sector. A description of the top four investments is provided below.

- D-Wave Systems is a quantum computer hardware and software developer. Initial applications are for use with hybrid supercomputer quantum computer applications. Customers with systems installed onsite include NASA, Google, Lockheed Martin, Los Alamos National Labs and the University of Southern California.
- BuildDirect is a home improvement Ecommerce business. BuildDirect specializes in shipping heavy building materials direct to homes and job sites in Canada and the United States.
- Vitrium Systems delivers enterprise content security and digital rights management software to control and protect documents and images for secure distribution.
- Inetco provides real-time transaction monitoring software for a variety of payment processing and banking environments.

Our Outlook

The Venture Series and the Commercialization Series venture investments are minority positions in BC based private technology companies. The Fund's portfolios are positioned to benefit from healthy levels of investment activity, both in terms of availability of growth capital and availability of exit opportunities. Unfortunately venture capital investments in private companies are not immediately saleable.

We believe there are companies in the portfolio with the potential to generate liquidity – though it will take some time. In the meantime, we need to ensure that the Fund is able to operate cost effectively and be in a position to protect the current holdings in the portfolio companies. We are working to identify options to maximize value and provide liquidity to shareholders, and to completing work on the previously announced potential reorganization.

On behalf of the board and management of the Fund, I thank our shareholders for their patience and investment in the Fund.

Yours truly,



Cindy Oliver

On behalf of the Board of Directors of Working Opportunity Fund (EVCC) Ltd.

Forward Looking Statements and Disclaimer: This report contains forward looking statements which primarily relate to future cost savings, opportunities for liquidity and maximizing shareholder value. All forward looking statements are based on the Fund's and Pender's current beliefs and assumptions including M&A and IPO market conditions generally, performance and stage of development of portfolio companies, future cost savings including under the new management agreement, enhanced liquidity and positioning the Fund for the future including a possible future reorganization of Fund assets. While the Fund's manager considers such beliefs and assumptions to be reasonable based on information currently available to it, no assurance can be given that such beliefs and assumptions will prove to be correct which are subject to numerous known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such factors include delays in obtaining third party information, any required regulatory and approval from the Fund's shareholder, its board, Pender and/or the Fund's sponsor. There can be no guarantee that these required approvals will be received and/or that the Fund completes a reorganization as previously described or otherwise. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Neither the Fund nor Pender assumes any obligation to update any forward-looking statements made in this report.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Financial Position (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(in Canadian Dollars)

As at June 30, 2019 and December 31, 2018

	Notes	2019	2018
Assets			
Cash		\$ 3,436,986	\$ 485,476
Bonds, deposits and other investments		-	4,029,891
Accounts receivable		244,737	208,921
Accrued interest receivable		5,225	162,203
Divestment proceeds receivable		86,545	86,545
Venture investments	6, 14	83,406,956	81,754,601
Total Assets		87,180,449	86,727,637
Liabilities			
Accrued service fees payable	8	-	105,162
Other accounts payable and accrued liabilities		337,573	429,224
Total Liabilities		337,573	534,386
Net assets, attributable to holders of Balanced Shares		\$ 86,842,876	\$ 86,193,251
Net assets, attributable to holders of Balanced Shares per series			
Balanced Shares (series 1)		\$ 23,275,504	\$ 23,166,401
Balanced Shares (series 2)		63,567,372	63,026,850
		86,842,876	86,193,251
Balanced Shares outstanding per series			
Balanced Shares (series 1)	8	4,013,041	4,013,041
Balanced Shares (series 2)		12,421,473	12,421,473
Net assets, attributable to holders of Balanced Shares per share			
Balanced Shares (series 1)		\$ 5.80	\$ 5.77
Balanced Shares (series 2)		\$ 5.12	\$ 5.07

The accompanying notes are an integral part of these financial statements.

Approved for issue on behalf of the Board and signed on August 22, 2019:

"Nikolas O. Worhaug"

Director

"Cindy Oliver"

Director

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Comprehensive Income (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(in Canadian Dollars)

Six months ended June 30, 2019 and 2018

	Notes	2019	2018
Income			
Investment income			
Interest - venture investments		\$ 1,458	\$ (21,991)
Interest - bonds, deposits and other investments		30,861	30,778
Net realized gain (loss) from the sale of			
Venture investments		77,709	(1,543,794)
Bonds, deposits and other investments		(8,699)	48,438
Net change in unrealized appreciation (depreciation) of investments			
Venture investments		2,145,034	3,163,437
Bonds, deposits and other investments		13,499	(49,317)
Total revenue		2,259,862	1,627,551
Expenses			
Management and administration fees	11	939,198	1,545,888
Professional fees		277,712	315,678
Operating expenses		216,149	-
Custody and recordkeeping fees		159,454	-
Directors' fees		12,786	-
Independent review committee costs		4,234	1,683
Other expenses		704	2,221
Service fees	8	-	216,504
Total expenses		1,610,237	2,081,974
Net increase (decrease) in net assets attributable to holders of Balanced Shares		\$ 649,625	\$ (454,423)
Net increase (decrease) in net assets attributable to holders of Balanced Shares per series			
Balanced Shares (series 1)		\$ 109,103	\$ (236,083)
Balanced Shares (series 2)		540,522	(218,340)
Weighted average Balanced Shares outstanding during the period			
Balanced Shares (series 1)		4,013,041	4,013,041
Balanced Shares (series 2)		12,421,473	12,421,473
Increase (decrease) in net assets attributable to holders of Balanced Shares per share			
Balanced Shares (series 1)		\$ 0.03	\$ (0.06)
Balanced Shares (series 2)		0.05	(0.02)

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Changes in Net Assets (Unaudited)

Attributable to Venture Series – Balanced Shares (series 1 & 2)

(in Canadian Dollars)

Six months ended June 30, 2019 and 2018

	<u>Balanced Shares (series 1)</u>		<u>Balanced Shares (series 2)</u>		<u>Balanced Shares (series 1 & 2)</u>	
	Six month period ended		Six month period ended		Six month period ended	
	June 30,		June 30,		June 30,	
	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of Balanced Shares, beginning of period	\$ 23,166,401	\$ 24,582,911	\$ 63,026,850	\$ 66,869,242	\$ 86,193,251	\$ 91,452,153
Net increase (decrease) in net assets attributable to holders of Balanced Shares	109,103	(236,083)	540,522	(218,340)	649,625	(454,423)
Net assets attributable to holders of Balanced Shares, end of period	\$ 23,275,504	\$ 24,346,828	\$ 63,567,372	\$ 66,650,902	\$ 86,842,876	\$ 90,997,730

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Cash Flows (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(in Canadian Dollars)

Six months ended June 30, 2019 and 2018

	2019	2018
Cash provided by (used in):		
Operating:		
Net increase (decrease) in net assets attributable to holders of Balanced Shares	\$ 649,625	\$ (454,423)
Adjustments for:		
Interest - venture investments	(1,458)	21,991
Interest - bonds, deposits and other investments	(30,861)	(30,778)
Net realized gain (loss) from the sale of venture investments	(77,709)	1,543,794
Net realized gain (loss) from the sale of bonds, deposits and other investments	8,699	(48,438)
Net change in unrealized (appreciation) depreciation of venture investments	(2,145,034)	(3,114,120)
Net change in unrealized (appreciation) depreciation of bonds, deposits and other investments	(13,499)	-
Divestment proceeds receivable	-	(86,545)
Accounts receivable	(35,816)	(29,977)
Accrued service fees payable	(105,162)	153,210
Other accounts payable and accrued liabilities	(91,651)	(11,677)
	(1,842,866)	(2,056,963)
Proceeds on disposal of investments		
Venture investments	570,388	7,530,588
Bonds, deposits and other investments	4,015,901	1,699,768
Purchase of investments		
Venture investments	-	-
Bonds, deposits and other investments	-	(7,384,135)
Interest received	208,087	9,270
	2,951,510	(201,472)
Financing:		
	-	-
Net increase (decrease) in cash during the period	2,951,510	(201,472)
Cash, beginning of period	485,476	855,144
Cash, end of period	\$ 3,436,986	\$ 653,672

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolios (Unaudited)

Venture Series – Balanced Shares (series 1 & 2)

(in Canadian Dollars)

As at June 30, 2019

Investee Companies	Number of shares	Cost \$	Percentage of net assets %
VENTURE INVESTMENTS			
Information Technology			
Seed Stage			
Bootup Labs (VCC) Inc., Class C Common Shares	20,000	200,000	
Highline, Canada AcceleratorCo Inc., Common Shares	26,690	-	
Highline, Canada AcceleratorCo Inc., Class GL-1 Special Shares	26,690	81,446	
Early Stage			
Copperleaf Technologies Inc., Class B-2 Preferred Shares	7,657,847	2,000,028	
D-Wave Systems Inc., Class A Common Shares	537,035	1,002,647	
D-Wave Systems Inc., Class A Ratchet Shares	358,469	-	
D-Wave Systems Inc., Class A-1 Preferred Shares	642,858	900,007	
D-Wave Systems Inc., Class A-2 Preferred Shares	185,522	166,986	
D-Wave Systems Inc., Class A-3 Preferred Shares	175,410	78,937	
D-Wave Systems Inc., Class A-4 Preferred Shares	1,296,896	1,282,644	
D-Wave Systems Inc., Class B-1 Preferred Shares	360,959	360,964	
D-Wave Systems Inc., Class C-1 Preferred Shares	2,702,702	3,000,026	
D-Wave Systems Inc., Class G Preferred Shares	263,042	572,091	
4300092 Canada Inc., Class A-1 Preferred Shares	3,418,803	4,000,914	
4300092 Canada Inc., Class A-2 Preferred Shares	1,611,135	2,256,514	
1150818 B.C. Ltd., Common Shares	33,746,116	4,425,949	
Later Stage			
BuildDirect.com Technologies Inc., Class AA-1 Preferred Shares	52,268	3,563,281	
Teradici Corp., Class A-1 Preferred Shares	2,750,000	3,418,193	
Teradici Corp., Class A-2 Preferred Shares	1,527,777	2,060,544	
Teradici Corp., Class A-3 Preferred Shares	1,780,803	3,146,679	
Teradici Corp., Class A-4 Preferred Shares	1,747,377	4,144,172	
Teradici Corp., Class A-5 Preferred Shares	587,666	1,749,606	
Teradici Corp., Class A-3 Preferred Shares Warrants, Strike price US\$3.00, expiry date Jul. 31, 2020	50,000	-	
		38,411,628	44.23%
Cleantech			
Early Stage			
Arborgen Inc, 5% Common Share Warrant	1	-	
Cooledge Lighting Inc., Class A-1 Preferred Shares	394,256	365,149	
Cooledge Lighting Inc., Class A-2 Preferred Shares	1,716,405	1,451,545	
General Fusion Inc., Common Shares	300,000	150,000	
General Fusion Inc., Class A/B Preferred Shares	4,770,992	2,792,750	
General Fusion Inc., Class C/D Preferred Shares	2,173,610	1,754,670	
General Fusion Inc., Class G/H Preferred Shares	383,847	500,000	
Redlen Technologies Inc., Common Shares	3,862,870	5,780,859	
Switch Materials Inc., Class A-1 Preferred Shares	250,000	250,000	
Switch Materials Inc., Class A-2 Preferred Shares	625,000	750,000	
Switch Materials Inc., Class B-1 Preferred Shares	1,000,000	1,500,000	
Switch Materials Inc., Class C-1 Preferred Shares	514,285	503,861	
Switch Materials Inc., Class C-2 Preferred Shares	359,900	899,999	
Switch Materials Inc., Class A-2 Warrants Strike price \$1.20, expiry date Dec. 20, 2022	300,000	-	
		16,698,833	19.23%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolios (Unaudited) - Continued

Venture Series – Balanced Shares (series 1 & 2)

(in Canadian Dollars)

As at June 30, 2019

VENTURE INVESTMENTS	Number of shares	Cost \$	Percentage of net assets %
Investee Companies			
Life Sciences			
<i>Pre-clinical</i>			
Boreal Genomics, Class B Preferred Shares	1,058,242	517,815	
<i>Clinical</i>			
Methylation Sciences Inc., Class A Preferred Shares	1,436,498	1,268,029	
Methylation Sciences Inc., Common Shares	1,500,000	1,500,731	
		3,286,575	3.78%
Total Venture Investments, Venture Series, at cost		58,397,036	67.24%
Unrealized appreciation (depreciation) of venture investments		25,009,920	28.80%
Venture Investments, Venture Series, at fair value		83,406,956	96.04%

Stage of Development	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Seed / Pre-Clinical Stage	3	799,261	1.37%	187,254	0.23%
Early / Clinical Stage	10	39,515,300	67.67%	58,437,607	70.06%
Later Stage	2	18,082,475	30.96%	24,782,095	29.71%
	15	58,397,036	100.00%	83,406,956	100.00%

Sector	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Information Technology	8	38,411,628	65.78%	65,077,582	78.02%
Cleantech	5	16,698,833	28.60%	18,198,424	21.82%
Life Sciences	2	3,286,575	5.63%	130,950	0.16%
	15	58,397,036	100.00%	83,406,956	100.00%

Public vs. Private	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Private	15	58,397,036	100.00%	83,406,956	100.00%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Financial Position (Unaudited)

Commercialization Series - 05 Series

(in Canadian Dollars)

As at June 30, 2019 and December 31, 2018

	Notes	2019	2018
Assets			
Cash		\$ 9,075,817	\$ 535,389
Bonds, deposits and other investments		-	5,559,465
Accounts receivable		10,904	7,938
Accrued interest receivable		16,510	165,364
Divestment proceeds receivable		58,334	58,334
Venture investments	6, 14	4,271,217	10,930,439
Total Assets		13,432,782	17,256,929
Liabilities			
Accrued service fees payable	8	17,731	23,590
Other accounts payable and accrued liabilities		51,523	7,613
Share redemptions payable		39,823	-
Accrued contingent/conditional incentive participation dividend	8, 11	497,448	518,911
Total Liabilities		606,525	550,114
Net assets, attributable to holders of Commercialization Series Shares			
	12	\$ 12,826,257	\$ 16,706,815
Commercialization Series Shares outstanding per series			
	8	1,495,665.08	1,833,385.00
Net assets, attributable to holders of Commercialization Series Shares per share			
	12	\$ 8.58	\$ 9.11

The accompanying notes are an integral part of these financial statements.

Approved for issue on behalf of the Board and signed on August 22, 2019:

"Nikolas O. Worhaug"

Director

"Cindy Oliver"

Director

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Comprehensive Income (Unaudited)

Commercialization Series - 05 Series

(in Canadian Dollars)

Six months ended June 30, 2019 and 2018

	Notes	2019	2018
Income			
Investment income			
Interest - venture investments		\$ 92,956	\$ 140,855
Interest - bonds, deposits and other investments		69,837	34,294
Net realized gain (loss) from the sale of			
Venture investments		7,034	(1,223,733)
Bonds, deposits and other investments		(14,530)	26,995
Net change in unrealized appreciation (depreciation) of investments			
Venture investments		(653,449)	875,454
Bonds, deposits and other investments		15,301	(21,867)
Net change in conditional incentive participation dividend		21,463	(33,843)
Total revenue		(461,388)	(201,845)
Expenses			
Management and administration fees	11	168,349	371,971
Professional fees		45,838	-
Service fees	8	37,140	78,468
Operating expenses		30,009	-
Custody and recordkeeping fees		25,575	-
Directors' fees		1,962	-
Independent review committee costs		666	379
Other expenses		98	-
Total expenses		309,637	450,818
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares			
		\$ (771,025)	\$ (652,663)
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares per series:			
05 Series		\$ (771,025)	\$ (652,663)
Weighted average Commercialization Series Shares outstanding during the period			
05 Series		1,649,487	1,995,031
Increase (decrease) in net assets attributable to holders of Commercialization Series Shares per share:			
05 Series		\$ (0.47)	\$ (0.33)

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Changes in Net Assets (Unaudited)
Attributable to Commercialization Series - 05 Series
(in Canadian Dollars)

Six months ended June 30, 2019 and 2018

	2019	2018
Net assets attributable to holders of Commercialization Series shares, beginning of period	\$ 16,706,815	\$ 23,318,018
Increase/(decrease) in net assets attributable to holders of Commercialization Series shares	(771,025)	(652,663)
Payments for redemption of shares	(3,109,533)	(2,895,115)
Net assets attributable to holders of Commercialization Series shares, end of period	\$ 12,826,257	\$ 19,770,240

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Statements of Cash Flows (Unaudited)

Commercialization Series - 05 Series

(in Canadian Dollars)

Six months ended June 30, 2019 and 2018

	2019	2018
Cash provided by (used in):		
Operating		
Net increase (decrease) in net assets attributable to holders of Commercialization Series Shares	\$ (771,025)	\$ (652,663)
Adjustments for:		
Interest - venture investments	(92,956)	(140,855)
Interest - bonds, deposits and other investments	(69,837)	(34,294)
Net realized gain (loss) from the sale of venture investments	(7,034)	1,223,733
Net realized gain (loss) from the sale of bonds, deposits and other investments	14,530	(26,995)
Net change in unrealized (appreciation) depreciation of venture investments	653,449	(875,454)
Net change in unrealized (appreciation) depreciation of bonds, deposits and other investments	(15,301)	21,867
Net change in conditional incentive participation dividend	(21,463)	33,843
Divestment proceeds receivable	-	(58,334)
Accounts receivable	(2,966)	-
Accrued service fees payable	(5,859)	22,611
Other accounts payable and accrued liabilities	43,910	
	(274,552)	(486,541)
Proceeds on disposal of investments		
Venture investments	6,012,807	2,141,958
Bonds, deposits and other investments	5,554,283	5,417,132
Purchase of investments		
Venture investments	-	(500,042)
Bonds, deposits and other investments	-	(4,058,627)
Interest received	317,600	410,084
	11,610,138	2,923,964
Financing		
Payments of redemption of shares	(3,069,710)	(2,895,116)
	(3,069,710)	(2,895,116)
Net increase (decrease) in cash during the period	8,540,428	28,848
Cash, beginning of period	535,389	668,845
Cash, end of period	\$ 9,075,817	\$ 697,693

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Schedule of Investment Portfolios (Unaudited)

Venture Investments, Commercialization Shares, 05 Series

(in Canadian Dollars)

As at June 30, 2019

VENTURE INVESTMENTS	Number of shares / par value (\$)	Cost \$	Percentage of net assets %
Investee Companies			
Information Technology			
Early Stage			
D-Wave Systems Inc., Class E-2 Preferred Shares	631,590	822,834	
D-Wave Systems Inc., Class G Preferred Shares	18,179	39,449	
D-Wave Systems Inc., Preferred Share Warrants Strike price \$2.17, expiry date Apr 29, 2025	368,000	-	
INETCO Systems Ltd., Class C-2 Preferred Shares	2,347,667	2,351,731	
INETCO Systems Ltd., Common Shares	1,173,333	-	
INETCO Systems Ltd., Common Shares Warrants, Strike price \$0.75, expiry date Mar 31, 2021	66,666	-	
INETCO Systems Ltd., Convertible loan, 14%, due Sep 29, 2020	250,000	250,000	
4300092 Canada Inc., Promissory Note, 14%, due Dec 31, 2020	750,000	219,597	
4300092 Canada Inc., Promissory Note, 8%, due Dec 31, 2020	650,000	651,770	
Sandbox Technologies Inc. (dba Vitrium Systems Inc.), Common Shares	15,714,286	1,150,000	
Later Stage			
BuildDirect.com Technologies Inc., Class AA-1 Preferred Shares	150,720	523,679	
BuildDirect.com Technologies Inc., Class AA-2 Preferred Shares	484,693	500,042	
Teradici Corp., Class A-3 Preferred Shares Warrants, Strike price US\$3.00, expiry date Jul 31, 2020	50,000	-	
Total Venture Investments, at cost	-	6,509,102	50.75%
Unrealized appreciation (depreciation) of venture investments		(2,237,885)	-17.45%
Total Venture Investments, Commercialization Series, at fair value		4,271,217	33.30%

Stage of Development	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Early Stage	4	5,485,381	84.27%	3,749,983	87.80%
Later Stage	2	1,023,721	15.73%	521,234	12.20%
	6	6,509,102	100.00%	4,271,217	100.00%

Sector	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Information Technology	6	6,509,102	100.00%	4,271,217	100.00%

Public vs. Private	Number of Holdings	Cost \$	% of Venture Investments at cost %	Fair Value \$	% of Venture Investments at fair value %
Private	6	6,509,102	100.00%	4,271,217	100.00%

The accompanying notes are an integral part of these financial statements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

1. CORPORATE STATUS

Working Opportunity Fund (EVCC) Ltd. (the “Fund”) is a company incorporated under the laws of British Columbia on November 5, 1991, as a vehicle for individual British Columbians to invest, indirectly and with the objective of long-term capital appreciation, in certain small and medium-sized businesses in British Columbia. The address of the principal place of business of the Fund is 1830 – 1066 West Hastings Street, Vancouver, BC V6E 3X2. The manager of the Fund is PenderFund Capital Management Ltd. (the “Manager”). The Manager became manager effective March 1, 2019, under a new management agreement dated December 21, 2018 (the “New Management Agreement”). Prior to March 1, 2019 the Fund manager (the “Initial Manager”) and principal distributor was GrowthWorks Capital Ltd., which managed the Fund pursuant to an amended and restated management agreement dated November 6, 2007 (the “IM Management Agreement”).

All information for prior periods included in these financial statements are as reported by the Initial Manager.

The Fund is registered as an employee venture capital corporation under the *Employee Investment Act (British Columbia)* (the “Act”), which entitles subscribers of the Fund’s Class A shares to obtain a British Columbia tax credit and requires the Fund to comply with the Act and the employee venture capital plan (the “Plan”) filed with the Administrator of the Act. The Act defines the investments which the Fund may make, and the regulations under the Act and Plan define the period over which venture investments must be made. As required under the Act, the Fund has a labour sponsor which is Working Enterprises Ltd.

The Fund is also a prescribed labour sponsored venture capital corporation under the *Income Tax Act (Canada)*, which entitles subscribers of the Fund’s Class A shares to obtain Federal tax credits.

The Fund has two types of Class A shares: Venture Series, consisting of the Balanced Shares (series 1) and Balanced Shares (series 2), and Commercialization Series, consisting of the 05 Commercialization Shares (series 2) (Note 8). “Series” and “Class A Shares” in these financial statements refers to any, some or all of the Venture Series and Commercialization Series, as the context requires. The Venture Series and Commercialization Series each participate in separate investment portfolios.

As provided for in the Fund’s articles, its Plan and the Act, the Fund is not required to redeem Class A Shares in certain circumstances. The Venture Series is currently closed for redemptions. On October 30, 2014, the Fund announced it had adopted a cash dividend distribution policy for the Venture Series to distribute available cash through an orderly realization of value from dispositions of investments. The Fund does not expect to reopen redemptions of the Venture Series (Note 15). The Commercialization Series continues to be open for redemptions as the Fund manages liquidity separately for the Venture Series and the Commercialization Series.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

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1. CORPORATE STATUS (continued)

Under the New Management Agreement, the Fund and the Manager have agreed to use reasonable commercial efforts to effect a reorganization of the assets of the Fund and since March 1, 2019, the Manager and the Fund have been evaluating numerous aspects of the previously announced potential reorganization, including working through tax considerations and reviewing opportunities for liquidity and further cost savings.

The potential reorganization transaction would require shareholder approval, certain regulatory approvals and approvals of the boards of the Fund, its sponsor and the Manager acting reasonably. A detailed information circular describing the potential reorganization is required to be mailed to shareholders in conjunction with seeking any such shareholder approval. At the Fund's next shareholder meeting, shareholders will be asked to ratify the transition of management. The Fund has received an extension to January 2020 to hold its next annual general meeting. There can be no guarantee that these required approvals will be received and/or that the Fund will complete a reorganization as previously described or otherwise.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

Effective January 1, 2018, the Fund adopted IFRS 9 *Financial instruments* which replaces the previous standard IAS 39 *Financial instruments: recognition and measurement*. The new standard requires financial assets to be carried at amortized cost, fair value with changes in fair value recognized in other comprehensive income ("FVOCI"), or fair value with changes in fair value recognized in profit and loss ("FVTPL") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessments of and decisions on the business model approach used is an accounting judgement.

The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at FVTPL. For these liabilities, fair value changes attributable to changes in the Fund's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income.

The Fund's financial assets and financial liabilities previously designated as FVTPL under IAS 39 continue to be measured at FVTPL under IFRS 9. There were no changes in the classification or measurement attributes of the Fund's financial assets and financial liabilities upon adoption of IFRS 9.

These financial statements were approved by the Board on August 22, 2019.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for financial instruments classified as “at fair value through profit or loss” (Note 3) which are measured at fair value.

c) Investment entity

The Fund has determined that it is an Investment Entity under IFRS, as the business purpose of the Fund is to provide investment income and long term capital growth to investors in the Fund and the Fund measures and evaluates the performance of all of its investments on a fair value basis.

d) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Fund’s functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

The Fund recognizes financial instruments when it becomes party to a contract. Regular way or normal course purchases and sales of financial assets are recognized at their settlement date. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial instruments are measured at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured subsequently at FVTPL. Measurement subsequent to initial recognition depends on the classification of the financial instrument.

Financial assets measured at fair value through profit and loss

Financial assets are classified as FVTPL when they are held within a business model which manages and evaluates the assets on a fair value basis. The Fund’s cash and investments, including bonds, deposits and other investments and venture investments, are classified as FVTPL and are measured at fair value with changes in fair value recognized in the statements of comprehensive income.

Financial assets and financial liabilities measured at amortized cost

The Fund’s other financial assets and financial liabilities are held in order to collect contractual cash flows which consist solely of principal and interest, and are measured at amortized cost, net of a loss allowance for expected credit losses. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted when appropriate at the contract’s effective interest rate. The effective interest rate is the rate that discounts the estimated future cash flows (including all transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount on initial recognition.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Fair value measurements

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.

Publicly-traded venture investments

Venture investments with quoted prices in an active market are valued at each reporting date based on the closing bid price, unless there is evidence that another price within the bid-ask spread better represents fair value.

Privately-owned venture investments

Venture investments which do not have quoted market prices are valued on the basis of generally accepted valuation methods that best and most objectively reflect the expected realizable value that would be agreed upon in an open and unrestricted market between fully informed, knowledgeable and willing parties dealing at arm's length and without constraints. The initial transaction price of a venture investment is considered to be a reasonable approximation of its fair value on the date on which the investment is made. Thereafter, a variety of valuation methods are used and assumptions made that are based on market conditions that exist at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions or bona fide enforceable offers, multiple-based techniques where there is a track record of relevant performance and other valuation techniques commonly used by market participants. The valuation techniques used make the maximum use of market inputs and rely as little as possible on entity-specific or unobservable inputs.

The process of valuing venture investments for which no public market exists is based on inherent uncertainties, and the resulting values may differ from values that would have been observed had a ready market existed for the venture investments. These differences could be material to the fair value of the Fund's venture investment portfolio.

c) Impairment of financial assets measured at amortized cost

At each reporting date, the Fund assesses the risk of default for financial assets measured at amortized cost and recognizes a loss allowance equal to weighted average expected credit losses. Credit losses are recognized as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and the cash flows that the entity expects to receive, discounted at instrument's original effective interest rate. Expected credit loss allowances on financial assets measured at amortized cost are reversed in subsequent years if the amount of the expected credit loss decreases.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Classification of redeemable shares

The Fund's Class A shares are redeemable at the option of the holder, subject to certain restrictions and exceptions described in Note 8. As the Fund's Class A shares do not meet the exception criteria in IAS 32 for classification as equity, the Fund's Class A shares are classified as financial liabilities and the financial obligation to redeem Class A shares has been presented on the statements of financial position as "Net assets, attributable to holders of Balanced Shares/Commercialization Series Shares".

e) Income and expense recognition and allocation

Interest, dividends and other income from investments are recorded on the accrual basis when the right to payment is established and collection is reasonably assured, using the effective interest rate method. Realized gains or losses arising on the sale of investments are determined using the weighted average cost basis.

The Fund's Venture Series participate in the same venture investment portfolio and in the same non-venture portfolio. The Fund's Commercialization Series participate in a common portfolio of venture and non-venture investments that is separate from the Venture Series' portfolio.

Generally, income and realized and unrealized gains or losses on investments are allocated to each of the Venture Series on the basis of specifically identifiable ownership of investments in the portfolio or on the basis of the shared interest of each Series in the investment portfolio. Expenses are allocated to each Venture Series on a specifically identifiable basis or on the basis of the shared interest of each Series in the Net Assets of the Fund.

f) Income taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses, credits and other deductions carried forward. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. A valuation allowance is recorded against any deferred income tax asset if it is not probable that the asset will be realized. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the year that enactment or substantive enactment occurs.

The Fund is a single entity for income tax purposes and computes its taxable capital and income or loss for tax purposes as such. All revenue, expenses, capital gains and losses, either common to all Series or to a particular Series, will be taken into account in determining the income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole. Income taxes recorded within each Series' financial statements are determined on an individual Series basis as if each Series were filing a separate income tax return. The Fund's tax loss pools are allocated as needed to the Series with taxable income and thereafter on a proportionate basis.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currency translation

Purchases and sales of venture investments denominated in foreign currencies and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction. The Venture Series and the Commercialization Series hold certain venture investments which are denominated in US dollars. The fair value of these investments is translated to Canadian dollars at the rate of exchange at each reporting date. Net realized and unrealized gains and losses from these investments include the realized and unrealized foreign exchange gains and losses.

h) Net assets attributable to holders of Class A shares per share

Net assets attributable to holders of Class A shares per share is calculated based on the number of shares outstanding at the end of the year. The increase (decrease) in net assets attributable to holders of Class A shares per share is calculated based on the weighted-average number of shares outstanding during the year. Net assets attributable to holders of Class A shares which are calculated using IFRS for financial reporting purposes may be different from the pricing net asset value used for the purposes of share sales and redemptions (Note 12).

i) Incentive participation dividends and conditional incentive participation dividends

In the comparative period and until February 28, 2019, incentive participation dividends (“IPA dividends”) on Class B shares (the “IPA Shares”) were accrued weekly when certain investment performance conditions are met (Note 11) and are paid following the end of each quarter subject to approval and declaration by the Board. Conditional incentive participation dividends (“Conditional IPA dividends”) on the IPA Shares are a provisional estimate of the IPA dividends that would be payable if the entire venture portfolio were disposed of at the estimated fair value as at each reporting date. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment (the “Contingent IPA dividend”) (Note 8 and 11).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of certain assets and liabilities at the date of these financial statements and the reported amounts of certain income and expenses during the year.

a) Fair value of venture investments

The fair value of venture investments which are not quoted in an active market are estimated using valuation techniques which require significant judgment, including an assessment of the financial condition of the investee, achievement of performance milestones, and other factors. Assumptions underlying investment valuations are limited by the availability of reliable data and the uncertainty of predictions concerning future events. Refer to Note 6 for further information about fair value measurements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

b) Recoverability of divestment proceeds receivable

The sale of venture investments of the Fund may include holdbacks of certain portions of the sale proceeds by the purchasers in order to account for future contingencies and uncertain financial outcomes. The Fund makes judgments about the likelihood that holdback conditions will be breached and estimates the amount of holdbacks that are recoverable at each reporting date.

c) Measurement and recognition of Conditional IPA dividends

Conditional IPA dividends are a provision based on the amount that would be payable if the Fund's investment portfolio were disposed of at its fair value at the reporting date. IPA dividends which become payable based on actual realized gains and losses may differ from the provision for Conditional IPA dividends. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment (Note 8 and 11).

5. CAPITAL MANAGEMENT

The Fund defines net assets attributable to holders of Class A Shares ("Net Assets") as its capital for capital management purposes. The Fund's capital management objectives are to enhance the Net Assets of the Fund through managing its funds in order to have sufficient cash flows from investments to provide all its liquidity requirements. The Fund manages and monitors liquidity and assesses the capital resources and requirements separately for the Commercialization Series and the Venture Series.

The Fund is subject to investment requirements imposed by the Act (Note 1). The Act defines the investments which the Fund may make, and the regulations under the Act and Plan define the period over which venture investments must be made. Until eligible venture investments are made, an amount equivalent to 30% of the proceeds from the issue of Class A shares of the Fund must be held in an Investment Protection Account. Amounts may only be withdrawn from the Investment Protection Account with the concurrence of the Administrator as eligible investments are made. As at June 30, 2019 and December 31, 2018, the Fund did not have funds held in an Investment Protection Account as it is ahead of its pacing requirements.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

6. FAIR VALUE MEASUREMENTS

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. Fair value measurements are based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability accessible by the Fund or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

a) Classification of financial instruments

The following is a summary of the classification of the Fund's financial instruments, excluding provisions and redeemable shares, as at June 30, 2019 and December 31, 2018. Financial assets measured at FVTPL under IFRS 9 were previously designated at FVTPL under IAS 39. Financial assets measured at amortized cost were previously classified as loans and receivables and measured at amortized cost under IAS 39. Financial liabilities continue to be measured at amortized cost under IFRS 9.

	Balanced Shares (series 1 & 2)		Commercialization Series	
	2019	2018	2019	2018
Financial Assets				
Measured at FVTPL				
Cash	\$ 3,436,986	\$ 485,476	\$ 9,075,817	\$ 535,389
Bonds, deposits and other investments	-	4,029,891	-	5,559,465
Venture investments	83,406,956	81,754,601	4,271,217	10,930,439
	\$86,843,942	\$86,269,968	\$13,347,034	\$17,025,293
Measured at amortized cost				
Accounts receivable	\$ 244,737	\$ 208,921	\$ 10,904	\$ 7,938
Accrued interest receivable	5,225	162,203	16,510	165,364
Divestment proceeds receivable	86,545	86,545	58,334	58,334
	336,507	457,669	85,748	231,636
	\$87,180,449	\$ 86,727,637	\$13,432,782	\$17,256,929
Financial Liabilities - Measured at amortized cost				
Accrued service fees payable	\$ -	\$ 105,162	\$ 17,731	\$ 23,590
Redemptions payable	-	-	39,823	-
Other accounts payable	337,573	429,224	51,523	7,613
	\$ 337,573	\$ 534,386	\$ 79,077	\$ 31,203

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

6. FAIR VALUE MEASUREMENTS (continued)

b) Fair value measurement hierarchy

Fair value measurements are analyzed by level in the fair value hierarchy as follows:

- (i) Level 1 are measurements at quoted prices (unadjusted) within the bid-ask spread which best represents fair value in active markets for identical assets or liabilities
- (ii) Level 2 consist of bonds and deposits measured through valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly based on prices reported by an independent third-party pricing service, and
- (iii) Level 3 measurements are valuations based on generally accepted valuation techniques, as described in Note 3(b).

Management applies judgment in categorizing financial instruments using the fair value hierarchy. A fair value measurement which uses observable inputs that require significant adjustment is considered to be a Level 3 measurement. The following is a summary of the classification in the fair value hierarchy of the Fund's financial instruments measured at FVTPL as at June 30, 2019 and December 31, 2018:

2019	Level 1	Level 2	Level 3	Total
Balanced Shares (series 1 & 2)				
Cash	\$3,436,986	\$ -	\$ -	\$3,436,986
Bonds, deposits, and other investments	-	-	-	-
Venture investments	-	-	83,406,956	83,406,956
Commercialization Series				
Cash	9,075,817	-	-	9,075,817
Bonds, deposits, and other investments	-	-	-	-
Venture investments	-	-	4,271,217	4,271,217
2018	Level 1	Level 2	Level 3	Total
Balanced Shares (series 1 & 2)				
Cash	\$ 485,476	\$ -	\$ -	\$ 485,476
Bonds, deposits and other investments	-	4,029,891	-	4,029,891
Venture investments	-	-	81,754,601	81,754,601
Commercialization Series				
Cash	535,389	-	-	535,389
Bonds, deposits and other investments	-	5,559,465	-	5,559,465
Venture investments	-	-	10,930,039	10,930,039

All fair value measurements in the tables above are recurring. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the period. During the period ended June 30, 2019 and 2018 there were no transfers between any levels of the fair value hierarchy. The carrying value of other financial instruments, which are measured at amortized cost, approximate fair value due to their short-term maturities.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

6. FAIR VALUE MEASUREMENTS (continued)

b) Fair value measurement hierarchy (continued)

The manager of the Fund is responsible for preparing the valuations of venture investments in private entities in accordance with the Fund's Plan and for monitoring the performance of the investee companies and market conditions for changes on an ongoing basis. The Fund's Plan complies in all material respects with the IFRS requirements for measuring fair value. The valuations of venture investments are reviewed and accepted at December 31 of each year by the Fund's Valuation Committee and are reviewed by an independent business valuator annually (Note 14).

c) Sensitivity of quantitative inputs to Level 3 fair value measurements

The process of estimating the fair value of venture investments in private entities inherently involves measurement uncertainties and is based on techniques and assumptions that incorporate both qualitative and quantitative information and analysis. Fair value inputs primarily consist of the price of recent transactions or bona fide enforceable offers adjusted as deemed necessary for the existence of strategic interests and the subsequent performance of the investee compared to internally developed milestones or other available evidence of impairment or value creation. As such, there is no reasonable basis on which to estimate the impact of reasonably possible changes in these factors for many of the Fund's fair value measurements.

Venture investments in private entities with sustainable, recurring revenues may be valued using a comparable revenue multiple approach. In applying this approach, the manager of the Fund selects comparable public entities with similar risk and growth profiles and calculates an average Enterprise Value (EV) / Revenue multiple applicable to the investee. Revenue multiples derived from comparable public entities may be discounted for lack of liquidity and other relevant factors before being applied to the valuation of the investee. Venture investments in private entities may also be adjusted by a discount factor for risks related to performance against expectations and the time value of money. The following table shows the sensitivity of the Fund's fair value measurements which incorporate quantitative inputs to reasonably possible changes in those inputs:

June 30, 2019

Unobservable quantitative input	Fair value measured using the quantitative input	Weighted average input	Reasonably possible shift in input (+/-)	Estimated fair value impact of reasonably possible shift in input (+/-)	
				Balanced Shares (series 1 & 2)	Commercialization Series
Comparable trading multiple	\$ 16,815,609	5.5	0.5	\$ 1,797,000 (1,008,000)	\$ 357,000 (257,000)
Discount factor	\$ 27,120,955	28%	10%	\$ 4,146,000 (4,146,000)	\$ 110,000 (110,000)

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

6. FAIR VALUE MEASUREMENTS (continued)

c) Sensitivity of quantitative inputs to Level 3 fair value measurements (continued)

December 31, 2018

Unobservable quantitative input	Fair value measured using the quantitative input	Weighted average input	Reasonably possible shift in input (+/-)	Estimated fair value impact of reasonably possible shift in input (+/-)	
				Balanced Shares (series 1 & 2)	Commercialization Series
Comparable trading multiple	\$ 10,048,264	3.9	0.5	\$ 1,065,000 (1,071,000)	\$ 428,000 (257,000)
Discount factor	\$ 27,050,440	25%	10%	\$4,478,000 (4,471,000)	\$ 140,000 (140,000)

d) Reconciliation of Level 3 fair value measurements

The reconciliation of changes for investments measured at fair value using unobservable inputs (Level 3) for the six-month period ended June 30, 2019 and 2018 is:

2019	Balanced Shares (series 1 & 2)	Commercialization Series
Beginning balance	\$ 81,754,601	\$ 10,930,439
Purchases	-	-
Sales	(570,388)	(6,012,807)
Realized gains	77,709	7,034
Change in unrealized appreciation	2,145,034	(653,449)
Ending balance	\$ 83,406,956	\$ 4,271,217
Change in unrealized appreciation (depreciation) for venture investments held at the end of the period	\$ 2,222,743	\$ (646,415)
2018	Balanced Shares (series 1 & 2)	Commercialization Series
Beginning balance	\$ 90,387,716	\$ 15,450,039
Purchases	-	500,042
Sales	(7,530,588)	(2,141,958)
Realized gains	(1,543,794)	(1,223,733)
Change in unrealized appreciation	3,163,437	875,455
Ending balance	\$ 84,476,771	\$ 13,459,845
Change in unrealized appreciation (depreciation) for venture investments held at the end of the period	\$1,619,643	\$(348,278)

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

7. FINANCIAL RISKS AND RISK MANAGEMENT

The financial risks of the Fund and the management of these risks are:

a) Liquidity Risk

Liquidity risk is the risk that the Fund will have difficulty meeting its financial obligations as they become due. The Fund manages liquidity risk by monitoring the factors that draw on liquidity, managing the timing of asset realizations, and seeking to hold a portion of its portfolio in cash and investments readily convertible to cash. Venture investments in private companies are generally illiquid and exit opportunities may not arise when expected or at all.

The Fund's financial liabilities, except provisions and redeemable shares, are due on demand. The Balanced Shares (series 1 & 2) are currently not open for redemption as described in Note 1. Approximately 26% of the Commercialization Series is eligible for redemption, subject to the restrictions described in Note 8, at June 30, 2019, with the remaining shares becoming eligible for redemption over the next 1-3 years.

b) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge a payment obligation owed under the instrument, causing a financial loss. The maximum exposure to credit risk as at June 30, 2019 and December 31, 2018 is:

	2019		2018	
	Balanced Shares (series 1 & 2)	Commercialization Series	Balanced Shares (series 1 & 2)	Commercialization Series
Bonds, deposits, and other investments (i)	\$ -	\$ -	\$ 4,029,891	\$ 5,559,465
Venture debt investments (ii)	-	-	511,575	6,271,575
Accounts receivable	244,737	10,904	208,921	7,938
Accrued interest receivable	5,225	16,510	162,203	165,364
Divestment proceeds receivable	86,545	58,334	86,545	58,334
	\$ 336,507	\$ 85,748	\$ 4,999,135	\$ 12,062,676

i) Bonds, deposits and other investments

Bonds, deposits and other investments may be given a credit rating by credit rating agencies based on how much credit risk they represent; the higher the credit rating, the lower the credit risk. The Fund manages this risk by generally investing in instruments issued by governments, financial institutions and issuers with credit ratings at the higher end of the range. At June 30, 2019, the Fund did not have any bonds, deposits, and other investments outstanding. At December 31, 2018, all outstanding bonds, deposits and other investments had a credit rating of AAA based on credit ratings obtained from major credit rating agencies.

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

(in Canadian Dollars)

7. FINANCIAL RISKS AND RISK MANAGEMENT (continued)

b) Credit Risk (continued)

ii) Venture debt investments

The Fund's venture investments include debt instruments which expose the Fund to credit risk. Most debt instruments held by the Series are convertible into equity securities or are expected to be converted before a divestment opportunity arises. In addition, the Series may hold debt instruments which are secured. In the event of a potential distressed liquidation, this security would rank senior to equity investors and often to many creditors. In the event the portfolio company fails and is unable to fully discharge its obligations, the Fund may be in a position through its security to monetize the company's assets, including intellectual property, and to recoup its principal to the extent possible. As at, June 30, 2019, the Commercialization Series held no venture debt investments that were past due but not impaired (December 31, 2018 - Nil), and held no (December 31, 2018 - \$510,000) venture debt investments which are impaired as the expected recovery from a transaction affecting the underlying investee is less than the face value of the debt investment.

c) Currency Risk

Currency risk is the risk that financial instruments denominated in a currency other than Canadian dollars will fluctuate due to changes in the exchange rate between the Canadian dollar and the currency in which the investment is measured. The Fund manages currency risk associated with its venture portfolios by seeking to minimize the number of venture investments it makes in currencies other than Canadian dollars, to the extent possible. As venture capital investments mature through additional rounds of financing and attract investment from the United States of America, the currency measurement of investments initially made in Canadian dollars often change to US dollars. The Fund's exposure to the US dollar as at June 30, 2019 and December 31, 2018 is:

	2019			2018		
	US dollar exposure	% of net assets	Impact of a 5% change in the USD/CAD exchange rate on net assets (+/-)	US dollar exposure	% of net assets	Impact of a 5% change in the USD/CAD exchange rate on net assets (+/-)
Balanced Shares	\$ 58,991,244	67.92%	3.40%	\$ 64,103,566	74.37%	3.72%
Commercialization Series	3,214,527	24.83%	1.24%	4,088,751	24.24%	1.22%

WORKING OPPORTUNITY FUND (EVCC) LTD.

Notes to the Financial Statements

June 30, 2019

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7. FINANCIAL RISKS AND RISK MANAGEMENT (continued)

d) 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's venture investment portfolios may contain debt instruments which are convertible into equity and which are generally expected to be converted before a divestment opportunity arises. The interest rate risk from venture debt investments is reduced as their valuation is generally based on the underlying equity securities of the entity into which the debt is convertible or expected to be converted.

Bonds, deposits and other investments are subject to interest rate risk which may affect the value of these instruments. When market interest rates rise, the value of traded interest-bearing instruments held by the Series generally falls due to a decline in demand for lower yielding instruments. The Fund's strategy for managing this risk is to monitor and adjust interest-bearing portfolio holdings in light of prevailing and expected movements in short, medium and long-term interest rates and bond prices. This may include incurring early redemption penalties in order to re-invest capital at higher rates.

As at June 30, 2019 the Fund had no exposure to interest rate risk as balance in bonds, deposits and other investments was \$nil and as at December 31, 2018, the Fund's exposure to interest rate risk from bonds, deposits and other investments is not significant due to the short-term maturities of these investments.

e) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than changes caused by interest rate or currency risk). The Fund held no publicly traded investments at June 30, 2019 or December 31, 2018.

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8. SHARE CAPITAL

Authorized

Unlimited number of Class A shares without par value, voting, with restrictions on transfer and redemptions, issuable in series and redeemable at the Pricing Net Asset Value (Note 12) of a series share. The currently authorized series are:

Venture Series

- Unlimited number of Balanced Shares (series 1)
- Unlimited number of Balanced Shares (series 2)
- Unlimited number of Growth Shares (series 1)
- Unlimited number of Growth Shares (series 2)
- Unlimited number of GIC Shares (series 2)
- Unlimited number of Income Shares (series 2)
- Unlimited number of Financial Services Shares (series 2)
- Unlimited number of Resource Shares (series 2)
- Unlimited number of Diversified Shares (series 2)

Commercialization Series

- Unlimited number of 05 Commercialization Shares (series 2)
- Unlimited number of Commercialization Shares (series 2-2006)
- Unlimited number of Commercialization Shares (series 2-2007)
- Unlimited number of Commercialization Shares (series 2-2008)
- Unlimited number of Commercialization Shares (series 2-2009)
- Unlimited number of Commercialization Shares (series 2-2010)
- Unlimited number of Commercialization Shares (series 2-2011)
- Unlimited number of Commercialization Shares (series 2-2012)
- Unlimited number of Commercialization Shares (series 2-2013)
- Unlimited number of Commercialization Shares (series 2-2014)

Unlimited number of Class B shares without par value, issuable in series. The currently authorized series is:

- Unlimited number of IPA Shares, non-transferable and non-voting

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8. SHARE CAPITAL (continued)

As a result of various consolidations among the Venture Series, the only issued and outstanding Venture Series shares are the Balanced Shares (series 1) and the Balanced Shares (series 2) and as a result of the various conversions of Commercialization Series shares into 05 Commercialization Shares, the only issued and outstanding Commercialization Series shares are the 05 Commercialization Shares. Prior to the change in manager, Balanced Shares (series 1) and Balanced Shares (series 2) differed only in the management fee structures relating to each series of shares (Note 11).

Class A Shares

The following Class A shares were redeemed during the six-month period ended June 30, 2019:

Number of Class A shares (in 000's)	Outstanding Shares, beginning of period	Redemption of Shares	Outstanding Shares, end of period
Balanced Shares (series 1)	4,013	-	4,013
Balanced Shares (series 2)	12,421	-	12,421
05 Commercialization Shares	1,833	(337)	1,496

The following Class A shares were redeemed during six-month period ended June 30, 2018:

Number of Class A shares (in 000's)	Outstanding Shares, beginning of period	Redemption of Shares	Outstanding Shares, end of period
Balanced Shares (series 1)	4,013	-	4,013
Balanced Shares (series 2)	12,421	-	12,421
05 Commercialization Shares	2,160	(267)	1,893

The Fund has always reserved the right to not pay the service/trailer commissions if the amount is less than a minimal amount or in other specific circumstances it may specify from time to time. The Fund's Board has now specified the Venture Series shares continuing to be off redemption as the Fund works towards a potential reorganization. Accordingly, the Fund ceased to pay service fees/trailer commissions with respect to Venture Series shares beginning January 1, 2019. As at June 30, 2019, the Fund, for the Commercialization Series, pays a service fee of 0.5% of Pricing NAV per annum or 1% of Pricing NAV per annum to all registered dealers for selling shares, depending on whether a 5% commission or 2% commission was paid by the Fund (as selected by the dealer) on the initial purchase. Services fees are payable until the related Commercialization Series shares are redeemed. During the period ended June 30, 2019, a total of \$37,140 (June 30, 2018: \$294,972) was paid by the Fund for service fees related to Commercialization Series shares (June 30, 2018: Class A shares).

The rights and restrictions attached to each Series provides holders of that Series the right to receive dividends if and when the Fund's board declares them, with the dividends being paid out of the assets attributed to that Series (Note 13).

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8. SHARE CAPITAL (continued)

The rights and restrictions attached to the Class A Shares also provide, among other matters, that shareholders may request redemption of their shares at any time after eight years from the date they were issued, except for Venture Series shares purchased between January 1, 2007 and March 1, 2007 for which redemption may be requested any time after five years from the date of issue, at the Pricing NAV (Note 12) of the shares on the date of redemption. As provided for in the Fund's articles, its Plan and the Act, the Fund is not required to redeem Class A Shares in certain circumstances which includes if the redemption would create a working capital deficiency for the Fund, cause it to be in default of its financial obligations under an arm's length loan agreement, if the Fund is insolvent or the redemption would cause the Fund to become insolvent, or if total redemptions in any fiscal year exceeded 20% of the Fund's retained earnings as at the last day of the immediately preceding financial year or 50% of the Fund's net earnings after taxes for the previous fiscal year. Following the adoption of the cash dividend distribution policy (Note 1) for the Venture Series only, the Fund does not expect to reopen redemptions of the Venture Series generally and expects to process Venture Series shares redemptions only in the very limited circumstances relating to hardship dispositions, provided there are available funds to do so. The cash dividend distribution policy only applies to the Fund's Venture Series shares and will not affect redemptions of Commercialization Series shares as the Fund manages liquidity separately for Venture Series shares and the Commercialization Series shares.

d) Class B Shares

There are 100 Class B Shares ("IPA Shares") issued and outstanding which are held by the Initial Manager. Until February 1, 2019, the Initial Manager was entitled to IPA dividends on the IPA Shares, paid quarterly, equal to 20% of the realized gains and income from a venture investment owned by or allocated to Series 2 shares when the following conditions are met:

- The total net realized and unrealized gains and income from the portfolio of venture investments allocated to the particular series of shares since the date on which that series was initially offered exceeds the average 5 year GIC rate plus 2%
- The return from that venture investment exceeds an annual rate of return on that investment of 12%
- The principal invested in that venture investment has been fully recovered.

From time to time, the Series is required to accrue Conditional IPA dividends. Conditional IPA dividends are not amounts that are actually paid or payable, but are an estimate of IPA dividends that would be payable if the entire venture portfolio were disposed of at the estimated fair value as of the period end. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which shall only be paid on the sale of the related portfolio investments (Note 11). All interest income received or accrued on venture investments that is used or will be used or allocated for the purposes of paying dividends in accordance with dividend policies for the Commercialization Series (Note 13) is excluded from the calculation of IPA dividends.

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9. INCOME TAXES

The Fund is a single entity for the purposes of reporting its income taxes under the Income Tax Act.

The Fund qualifies as a mutual fund corporation under the provisions of the Income Tax Act (Canada). As such, income taxes payable by the Fund on net realized capital gains will be fully refundable on a formula basis when shares are redeemed or capital gains dividends are paid or deemed to be paid by the Fund to its shareholders. Income taxes payable on net investment income, other than capital gains, and certain dividends received from Canadian corporations, will be partially refundable upon the payment or deemed payment of taxable dividends, other than capital gains dividends. The Fund will record the refundable portion of its income taxes as an asset to the extent that such amounts will be recovered through the distribution of a Class A share dividend from net investment income and/or realized capital gains on investments.

The Fund did not have taxable income after applying available unused capital and non-capital income tax losses carried forward and was not assessed income taxes for the years ended December 31, 2018 and 2017. As at the end of the 2018 tax year, the Fund has non-capital losses of approximately \$48.6 million available for deduction against future taxable incomes which, if unused, will expire between 2027 and 2038. The Fund also had capital losses, subject to certain restrictions, of approximately \$143.5 million available for deduction against future capital gains which have no expiry date.

The potential future benefits arising from the Fund's net deferred tax assets have not been recognized in these financial statements as their realization is uncertain.

10. SIGNIFICANT INFLUENCE OVER INVESTEEES

The Fund has significant influence over an investee when it has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence, as defined by IFRS, exists when the Fund holds at least 20% but not more than 50% of the voting power of the investee or if it participates significantly in the financial and operating policy decisions in other ways, such as through representation on the board of directors. As at June 30, 2019 and December 31, 2018, the Fund has assessed that it has significant influence over the following investees:

<u>Investee</u>	<u>Percentage ownership</u>
Sand Box Technologies Inc.	48.5%
1150818 B.C. Ltd.	33.8%
4300092 Canada Inc.	23.6%

The principal place of business of these investees is British Columbia, Canada. The Fund does not have control or joint control over any of its investees.

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11. MANAGEMENT AGREEMENT

During the six months ended June 30, 2019, there was a change in the manager of the Fund and the management agreement. Refer to Note 1 for additional details.

a) Fees payable up to February 28, 2019

Under the IM Management Agreement, the Initial Manager provided management services to the Fund until February 28, 2019.

Under the IM Management Agreement, the Initial Manager was responsible for paying the Fund's general operating expenses, with the following exceptions: management fees payable to the Initial Manager, applicable taxes, capital items, commissions, a portion of fees payable to the Fund's IRC and expenses unique to early stage, research and/or development company investing.

Fees payable by Balanced Shares (series 1) ("Series 1 shares") shareholders

Under the terms of the IM Management Agreement, the Fund paid the Initial Manager a monthly fee of 2.22% to 3.01% of the Fund's month end Pricing NAV of the Series 1 shares, less any fee or benefit, including finders' fees, directors' fees and consulting fees, received by the Initial Manager from investees or prospective investees, from which the Initial Manager paid all costs of operating the Fund other than certain share issue commissions and income taxes. The fees under this agreement for the two month period from January 1, 2019 to February 28, 2019 were \$120,228, including GST of \$5,725 (six months ended June 30, 2018: \$378,979 including GST of \$18,017).

The Initial Manager was also entitled to a performance bonus equal to 20% of the net return on the Series 1 shares' proportionate share of the venture investments in excess of a threshold return of the greater of 10% or the average 5-year GIC rate during the year plus 3%. No performance bonus was paid or payable by the Series 1 shares in the period or in 2018.

Fees payable by Balanced Shares (series 2) and Commercialization Series shares (together the "Series 2 shares")

Under the terms of the IM Management Agreement, the Fund pays the Initial Manager a monthly management fee of 2.00% and an administration fee of between 0.50% to 1.29% of the proportionate share of the Fund's month end Pricing NAV attributable to the Balanced Series 2 shares, less any fee or benefit, including finders' fees, directors' fees and consulting fees, received by the Initial Manager from investees or prospective investees, from which the Initial Manager paid all costs of operating the Fund other than certain share issue commissions and income taxes.

The management and administration fees under the IM Management Agreement for the Balanced Shares (series 2) for the period from January 1, 2019 to February 28, 2019 were \$357,247 including GST of \$17,011 (six months ended June 30, 2018: \$1.2 million including GST of \$55,567). The fees under this agreement for the Commercialization Series shares for the two month period from January 1 to February 28, 2019 were \$95,591, including GST of \$4,552 (six months ended June 30, 2018 - \$371,971, including GST of \$17,713).

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Notes to the Financial Statements

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11. MANAGEMENT AGREEMENT (continued)

a) Fees payable up to February 28, 2019 (continued)

Fees payable by Balanced Shares (series 2) and Commercialization Series shares (together the "Series 2 shares") (continued)

The Initial Manager also had a participating interest in the realized gains and income attributable to Commercialization Series shares, payable through dividends on the IPA Shares. During the period ended June 30, 2019, the Commercialization Series shares recorded no IPA dividends (June 30, 2018: \$Nil) nor were there IPA dividends payable as at June 30 2019. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment. The Series has accrued a Contingent IPA dividend payable to the Initial Manager only upon sale of the relevant portfolio company of \$497,448 (recorded as Conditional IPA dividend at December 31, 2018: \$518,911), with the decrease reflecting the change in the value of venture investments from December 31, 2018 to February 28, 2019 being the date on which the Initial Manager ceased being the Fund's manager (Note 1).

b) Fees payable after February 28, 2019

Under the New Management Agreement, the annual management fee payable is 1.5% of Pricing NAV of the all series of shares of the Fund and the Fund pays operating expenses set out in an annual budget approved by the Fund's Board and any expenditure by the Fund that is more than \$10,000 and not included in the annual budget must be approved by the Fund's Board, acting reasonably.

The management fees for the Balanced Shares (Series 1) for the four month period from March 1, 2019 to June 30, 2019 were \$123,710 including GST of \$6,025 (six months ended June 30, 2018: \$Nil). The fees under this agreement for the Balanced Shares (Series 2) for the four month period from March 1, 2019 to June 30, 2019 were \$338,013, including GST of \$16,463 (six months ended June 30, 2018: \$Nil). The management fees for the Commercialization Series shares for the four month period from March 1, 2019 to June 30, 2019 were \$72,758 including GST of \$3,544 (June 30, 2018: \$Nil).

In the period from December 21, 2018 to February 28, 2019, the Manager provided certain services to the Fund to ensure an efficient transfer of management, and received a fee in respect of the Venture Series shares of \$127,320 including GST, of which \$64,253 was paid during the six months ended June 30, 2019 and \$63,067 was paid in December 2018. Additionally, the Manager received a fee from Commercialization Series shares of \$24,930 including GST, of which \$11,872 was paid during the six months ended June 30, 2019 and \$13,058 was paid in December 2018.

There is no performance bonus for Pender under the New Management Agreement; however, on completion of a possible future reorganization of Fund assets, Pender will be entitled to a success fee on the same terms and conditions as currently calculated under the Fund's incentive participation shares provided that no such success fee would be paid or accrued until all preferred shares issued to Fund shareholders in connection with such reorganization have been redeemed.

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12. RECONCILIATION OF PRICING NET ASSET VALUE PER SHARE

The Fund records share issues net of commissions and certain fees and other costs in accordance with IFRS. This results in net assets attributable to holders of Class A shares (“Net Assets”) calculated in accordance with IFRS which differs from that used for the purposes of the sale and redemption of shares of the Fund (“Pricing NAV”). For the purposes of determining Pricing NAV, share issue commissions and certain fees and other costs are notionally capitalized and amortized on a straight-line basis over the 8-year hold period of the related shares.

The following reconciliation of Net Assets and Pricing NAV at June 30, 2019 identifies the differences between the trading prices of the Commercialization Series shares of the Fund and the net asset values of the shares disclosed in these financial statements:

Series Net Assets per share	\$ 8.58
Unamortized balance of share issue commissions, fees and other costs per share	0.08
Pricing NAV per share	\$ 8.66

Substantially all share issue commissions, fees and other costs related to the Balanced Shares (series 1 & 2) have been fully amortized and there is no difference between Net Assets and Pricing NAV for the Balanced Shares.

13. SERIES DIVIDEND POLICIES

The rights and restrictions attached to each Series provides holders of that Series the right to receive dividends if and when the Fund’s board declares them with the dividends being paid out of the assets attributed to that Series.

a) Venture Series Cash Dividend Distribution Policy

The Fund has adopted a cash dividend distribution policy for the Venture Series to distribute available cash through an orderly realization of value from dispositions in the Venture Series’ portfolio while maintaining funds for strategic follow-on investments (within the existing portfolio only), liabilities and anticipated operating expenses of the Venture Series. There were no cash dividends paid to Venture Series shareholders during the six-month period ended June 30, 2019.

b) Commercialization Series Specific Dividend Policy and Conversions

The Board adopted a dividend policy to pay dividends on each Commercialization Series equal in total to 25% of the purchase price of the shares during the three year period after the Series was offered for sale. Since its initial offering of the Commercialization Series shares in 2005, the Fund has met this dividend policy each year, completing the final dividend payment on previously offered series in February 2016. Once a Series has completed its dividend payments and has been allocated interest and other income at least equal to the amount of dividends paid under its dividend policy, that Series is converted into shares of the 05 Commercialization Shares at the relative net asset value at that time.

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14. INDEPENDENT VALUATOR

A qualified chartered business valuator within the valuations practice of Hay & Watson, Chartered Professional Accountants, the Fund's independent auditor as at December 31, 2018, performed an independent review of the fair value of the Fund's venture investment portfolio at the Fund's most recent year end (December 31, 2018), as required by National Instrument 81-106 issued by the Canadian Securities Administrators, and reported that the estimated fair value of the venture investment portfolio as determined by the Initial Manager was, in all material respects, reasonable.