



## WORKING OPPORTUNITY FUND – DECEMBER UPDATE

Working Opportunity Fund (EVCC) Ltd. (“Fund”) continues to actively work with the management teams of portfolio companies to support them through their growth and exit positioning.

We are pleased to report on developments with both the Commercialization Series and the Venture Series Portfolios.

### **Commercialization Series**

On December 18, 2020 the Fund [announced](#) and paid a \$1.7 million dividend (or \$1.70 per share) for shareholders of the Commercialization Series (fund codes WOF 104/105). This dividend represented over 60% of the value of the Commercialization Series at the date of payment. Following payment of the dividend, net asset value was \$0.9 million (including \$0.5 million of private venture investments) or \$0.97 per share. In July 2020, the Fund paid a \$3.8 million dividend representing \$3.79 per share for the Commercialization Series and reported that the Fund would continue to seek to monetize the series’ remaining private venture investments. Since that time, the Fund has completed exits from two private venture investments in the Commercialization Series’ portfolio, which enabled the Fund to distribute further cash to shareholders through the \$1.7 million dividend.

Shares of WOF 104/105 were initially issued at \$10.00, with shareholders receiving a \$3.00 tax credit and \$2.50 in dividends within the first three years. With the July 2020 dividend of \$3.79 per share and the December 2020 dividend of \$1.70 per share, shareholders will have received a total of \$7.99 in dividends. Combining the dividends with the tax credit, shareholders have received over 100% of their original investment back, so far.

### **Venture Series & Commercialization Series**

On December 21, 2020 the Fund [reported](#) that it has entered into a non-binding Letter of Intent (“LOI”) for the acquisition of all of the outstanding shares of the Fund. Under the LOI, Venture Series and Commercialization Series shareholders would receive a cash payment for their shares at a discount to Net Asset Value. In addition, Venture Series shareholders would have the option to instead elect to remain invested to continue to participate in the portfolio of investments.

As previously reported, the Board of the Fund has undertaken a strategic review to evaluate ways in which to reduce costs and enhance liquidity options for shareholders. The Board believes this proposed transaction, if completed, would give Venture Series shareholders the ability to make their own choice. This recognizes that there are two types of shareholders: those that want and need liquidity now and those that would like to continue to participate in the potential upside of the companies in the portfolio over time. While the cash consideration will be at a discount to NAV, this proposed transaction would achieve the goal of providing liquidity.

Pursuant to the terms of the LOI, the parties will work towards finalizing and executing a definitive agreement for the transaction in early 2021. A detailed explanation of the potential transaction will be mailed to shareholders prior to holding a meeting at which the transaction is considered for approval.

## Fund Overview

The Working Opportunity Fund consists of two investment portfolios, the Venture Series and the Commercialization Series, both of which are invested in private, BC-based technology companies. The Fund's Venture Series and the Commercialization Series are closed for redemption and the Fund has a dividend distribution policy in place whereby available cash from the portfolio is distributed proportionately to all shareholders.

The applicable fund codes are provided in the following table.

WOF – Venture Series	WOF 141, 142, 888, 890, 892, 894, 895, 896
WOF – Commercialization Series	WOF 104, 105

The Fund has historically relied on exits from its private portfolio companies to generate liquidity for shareholders and as WOF's investments in these companies are all minority equity positions, the timing and ability to effect realization of exits are largely beyond the control of the Fund. We believe that the long-term outlook for a number of portfolio companies continues to be positive and there is potential for the Fund's investments to provide value and meaningful liquidity to shareholders over time.

If you have more questions about your investment in WOF, please contact Prometa Fund Support Services by phone (888-787-9561), fax (888-747-0984) or email ([workingopportunityfund@prometa.ca](mailto:workingopportunityfund@prometa.ca)).

<https://www.penderfund.com/funds/working-opportunity-fund>



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