MANAGEMENT'S DISCUSSION & ANALYSIS

PENDER PRIVATE INVESTMENTS INC.

Three months and six months ended June 30, 2021

PENDER

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") dated August 27, 2021 presents a review of the unaudited financial results for Pender Private Investments Inc., (the "Company" or "PPI"), formerly Working Opportunity Company (EVCC) Ltd. ("WOF"), for the three months and six months ended June 30, 2021 and assesses factors that may affect future results. The financial condition and results of operations are analyzed and significant factors that affected the Company's statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows are discussed.

The MD&A is supplementary information and should be read in conjunction with the Company's unaudited condensed interim financial statements and the notes thereto for the three months and six months ended June 30, 2021 (the "Condensed Interim Financial Statements") and the Company's audited financial statements and the notes thereto for the year ended December 31, 2020 (the "Annual Audited Financial Statements"). All amounts shown in this MD&A are presented in Canadian dollars unless otherwise specified.

The Company's issued shares include the Legacy Shares (which were formerly designated as Balance Shares (series 2)) and Commercialization Shares (series 2) ("Commercialization Shares"), collectively referred to as "Class A shares". The Legacy Shares participate in a separate venture portfolio from that of the Commercialization Shares.

On March 1, 2019 PenderFund Capital Management Ltd. (the "Manager") became the Company's manager. All information for periods prior to March 1, 2019 included in this document is as reported by the Company's former manager, GrowthWorks Capital Ltd. (the "Initial Manager").

The MD&A has been prepared by the Manager and is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit Committee, which is made up of three directors, a majority of whom are independent directors. The Audit Committee has reviewed and recommended approval of the MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

Additional information about the Company is available on the SEDAR website at www.sedar.com.

Caution Regarding Forward-Looking Statements

This MD&A may contain forward-looking statements about the Company, including its strategy, prospects and further actions. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or negative versions thereof and similar expressions.

In addition, any statement made concerning future performance, strategies or prospects and possible future Company action is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Company and economic factors, among other things. Forward looking statements in this MD&A include, without limitation: statements with respect to the future performance of the Company and the companies in which it invests (each a "Portfolio Company"); concentration of the investment portfolios; the ability to make meet operating commitments; future economic and market conditions, including mergers and acquisitions ("M&A") and initial public offering ("IPO") market conditions and future divestment and investment activity including the ability to make follow on investments; and recent developments in the Company's operating climate and possible future developments that may affect the

Company and a Series' performance; future transactions involving its existing Portfolio Companies (including acquisitions of such Portfolio Companies) or other potential future transactions; outcomes following the WOF Transaction and the Divestment Objective; the Company's investment approach, objectives and strategies, including its focus on specific sectors; and the structuring of its investments and its expectations regarding the performance of certain sectors.

Forward-looking statements are not guarantees of future performance and actual events and results could differ materially from those expressed or implied in any forward-looking statements. While the Manager considers the foregoing expectations, assumptions and projections 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. Any number of important factors could contribute to these differences, including but not limited to: risks related to the technology sector and the high proportion of companies from this sector in the portfolio; the ability to dispose of investments in private companies rapidly or at favourable prices; risks inherent in a concentrated portfolio; the lack of an active trading market for the Company's Class A shares; general economic, political and public market factors in North America and internationally; interest and foreign exchange rates; global equity and capital markets; business competition; technological change; changes in government regulations; unexpected judicial or regulatory proceedings; global pandemics and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, except as may be required under applicable law, the Manager has no specific intention of updating any forward-looking statements whether as a result of new information or future events, or otherwise, prior to the release of the next MD&A.

Reporting Regime

The Company was incorporated under the Company Act (British Columbia) on November 5, 1991 by filing a memorandum and articles of incorporation with the B.C. Registrar of Companies and began offering common shares to the public on January 8, 1992. The Company was registered as an employee venture capital corporation ("EVCC") under the B.C. Employee Investment Act and as such purchasers of its shares were eligible to receive both federal and British Columbia tax credits relating to their share purchases.

Effective May 28, 2021 (the "Effective Date"), Pender Growth Fund Inc. ("PTF") acquired 100% of the Company's issued and outstanding Commercialization Series shares and 97% of the Venture Series shares from shareholders of the Company (the "WOF Transaction") under a plan of arrangement pursuant to the definitive agreement (the "Arrangement Agreement") announced on April 7, 2021. In conjunction with the WOF Transaction, the Company changed its name to Pender Private Investments Inc,. resigned as an EVCC, made an election to be a public corporation under the Income Tax Act, and transitioned from the Canadian securities regulatory regime for investment companies to the Canadian securities regulatory regime for reporting issuers who are not investment companies. Accordingly, the Company's financial statements are reported in accordance with National Instrument 51-102 Continuous Disclosure Obligations. As a result of the reclassification, the Company is required to file annual and interim MD&A reports. Under International Financial Reporting Standards ("IFRS"), the Company continues to be treated as an investment entity for accounting purposes.

Business Strategy

On the Effective Date of the WOF Transaction described in the "Recent Developments" section of this MD&A, the Company entered into an amended and restated management agreement with the Manager (the "Management Agreement") which describes the Company's new objective (the "Divestment Objective") as it relates to the Company's investments in the Portfolio Companies at the Effective Date. The Company's "Divestment Objective" is to seek an orderly realization of value to achieve returns for the holders of Legacy Shares and Commercialization Shares, as the case may be, through the divestment of series investments. The Company and the Manager may enter into additional management agreements to govern any new investment by the Company subsequent to the Effective Date. Prior to the Effective Date of the WOF Transaction, the Company's investment objective for all Series of Class A shares was to achieve long-term capital appreciation for shareholders.

As a former registered EVCC under the British Columbia Employee Investment Act, the Company was required to make certain venture investments in companies that met eligibility requirements. Eligibility requirements were focused on company size, measured by asset value and number of employees, and company location. The primary venture investment strategy for the Venture Series, while it was making new investments, was to diversify its venture portfolio by business sector, with major groupings being in information technologies, life sciences and clean technologies, and by stage of development. The Series venture investments were structured to participate in an appreciation in value of the investee business, as equity or debt instruments or a combination of both, and the Company typically took active minority positions that were frequently larger than the positions mutual funds would ordinarily take. The focus was entrepreneurial companies with high growth potential capable of supporting the Company's investment objectives. The Company applied a "true" venture capital investing strategy, having a diversified portfolio of businesses in different sectors and stages of development, implementing a disciplined investment strategy and adding value to those Portfolio Companies by actively managing them through participation on boards of directors as well as assisting in recruiting key personnel, securing additional financing and formulating long-term strategic plans, for example.

The Commercialization Series assembled a venture portfolio primarily consisting of companies with research and/or development activities in their operations. To help enhance return expectations on investments in companies with research and/or development activities, venture investments of the Commercialization Series were generally structured so that they were capable of generating both income (such as interest, royalties or dividends) and capital appreciation (such as conversion rights and warrants to purchase shares in the companies to whom loans were made).

The Company continues to play an active role with its remaining Portfolio Companies.

Non-IFRS Measures

The Company prepares and releases Condensed Interim Financial Statements and Annual Audited Financial Statements in accordance with IFRS. In this MD&A, we complement those IFRS disclosures with a number of the key indicators that we use to evaluate the performance and condition of our business. These supplementary key performance indicators include Net Assets, Net Assets per Share, Management Expense Ratio and Trading Expense Ratio. They are not recognized under IFRS nor do they have a standard meaning prescribed by IFRS. We present them to enhance the reader's ability to evaluate the Company. They may not be directly comparable to similar measures used by other companies and readers are cautioned not to view the non-IFRS measures as alternatives to IFRS measures.

Net Assets

The Company uses two financial measures that are individually recognized under IFRS, assets and liabilities, to calculate Net Assets, which is a non-IFRS measure. The calculation of Net Assets as at June 30, 2021 and December 31, 2020 is presented in the following table:

Net Assets	June 30, 2021	December 31, 2020
Assets	$ 81,398,226	$ 62,241,043
LESS: Liabilities	498,291	939,485
EQUALS Net Assets	$ 80,908,935	$ 61,301,558

Net Assets per Share

The Company uses three financial measures that are individually recognized under IFRS, assets, liabilities and number of shares outstanding, to calculate Net Assets per Share, which is a non-IFRS measure. The calculation of Net Assets per Share, as at June 30, 2021 and December 31, 2020 is presented in the following table:

	Balanced Shares (series 1)		Legacy Shares (frmly Balanced Shares (series 2))		Commercialization Shares (series 2)	
Net Assets per Share	June 30 2021	December 31 2020	June 30 2021	December 31 2020	June 30 2021	December 31 2020
Assets	$ -	$ 15,631,067	$ 80,823,435	$ 44,749,598	$ 574,791	$ 1,832,955
LESS: Liabilities	-	(978,393)	406,810	1,436,413	82,481	454,043
EQUALS Net Assets	$ -	$ 16,609,460	$ 80,416,625	$ 43,313,186	$ 492,310	$ 1,378,912
DIVIDED BY Number of Shares Outstanding	-	4,013,041	17,181,143	12,421,473	1,002,555	1,002,555
EQUALS Net Assets per Share	$ -	$ 4.14	$ 4.68	$ 3.49	$ 0.49	$ 1.38

Total shareholders' equity which is calculated using IFRS for financial reporting purposes may be different from the net asset value ("NAV") per share published periodically by the Company. The Company reports NAV monthly. Prior to the Effective Date of the WOF Transaction described in the Recent Developments section of this MD&A, the company reported NAV weekly. This weekly "Pricing NAV" included the unamortized balance of up-front sales commissions paid by the Company, as the price for purchasing, redeeming or switching shares of the Company, as and if applicable. In these financial statements, we use "NAV" to refer to applicable the metric, either the monthly NAV or the Pricing NAV, that was in effect during the applicable period and/or at the applicable period end being presented.

Management Expense Ratio

The Company uses Management Expense Ratio ("MER") to represent the total amount of management fees and operating expenses, including sales taxes and interest but excluding corporate taxes, commission and other portfolio transaction costs (together, the "MER Costs") that is borne by the Class A shareholders. The MER is an annualized percentage calculated by dividing total MER Costs by the average NAV.

Trading Expense Ratio

The Company uses Trading Expense Ratio ("TER") to represent the total amount of commissions and other portfolio transaction costs (the "TER Costs") that is borne by the Class A shareholders. The TER is an annualized percentage calculated by dividing total TER Costs by the average NAV.

Risk Factors

An investment in the Company is suitable for investors that have a high tolerance for risk and a long-term investment horizon.

The COVID-19 global health pandemic and the negative impact of measures taken to contain the virus resulted in significant volatility and turmoil in World markets in early 2020. This was mitigated, to an extent, by fiscal and monetary stimulus, measures taken to reopen world economies, and the development and rollout of vaccines. The situation had an impact on many entities and the markets for the securities that they issue and the impact may continue. Investment results will depend on future developments and new information that may emerge regarding COVID-19 and its variants, factors which are beyond the Company's control.

Historically, the Company's investments were focused in information technologies, life sciences and clean technologies companies including companies in the development stage. The prospects for success of emerging technology companies are critically dependent on numerous factors that may be difficult to evaluate, especially when they have limited operating histories. Investments in emerging technology companies are inherently risky, and in the case of failed businesses, may result in the total loss of the capital invested by the Company in a Portfolio Company. The technology companies in which the Company invests will typically require additional capital, which the Company's Divestment Objective does not enable it to provide, or which may not be available from other sources.

Private Companies, by their nature, will generally lack liquidity and involve a longer than usual investment time horizon. Although M&A markets showed signs of reviving recently, M&A activity was at a very low level in 2020, with few exits, and an extension of holding periods for private equity investments, as sellers continued to wait for the uncertainty resulting from the global pandemic to be resolved.

As at June 30, 2021, private companies comprise 100% of the Company's investment portfolio. It may be relatively difficult for the Company to dispose of its investment in a private company rapidly at favourable prices due to adverse market developments or other factors. The sale of such investments may also be subject to delays and additional costs and may only be possible at substantial discounts. Losses are typically realized before gains, and the Company may be required to dispose of Portfolio Companies before any returns are realized.

Despite the number of sources of private capital, financing for early-stage technology companies remains limited and is subject to pricing and terms that are based on the performance of the investee company, among other factors, and what is available may be on terms unfavourable to existing shareholders of these companies.

In March, our Portfolio Company BuildDirect.com Technologies Inc. ("BuildDirect"), announced that that it entered into a definitive agreement to complete a going public transaction and the company now trades on the TSXV, as further described in the Other Recent Developments and Portfolio of Investments sections of this MD&A. Public company securities prices are influenced by the company's performance outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will generally be good and the value of their stocks should rise. The opposite may also be true. Usually, the greater the potential reward, the greater the risk.

For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. The share prices of such companies are often more volatile than the share price of larger, more established companies. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance. Certain convertible securities may also be subject to interest rate risk.

Other risks include the high proportion of technology company investments in the portfolio, industry concentration and the relatively small number of investments in the portfolio.

There can be no assurance that the Company will be able to complete divestments of individual Portfolio Companies generally and/or complete an orderly realization of value (at current values or otherwise), therefore there can be no assurance that any Divestment Redemptions of Legacy Shares, as defined in the special rights and restrictions attached to the Legacy Shares, will occur.

Refer to the "Recent Developments" section of this MD&A for details on the WOF Transaction and shares of the Company following closing.

Recent Developments

The WOF Transaction

Effective May 28, 2021, the Company completed the WOF Transaction under a plan of arrangement pursuant to the definitive agreement announced on April 7, 2021, under which 100% of the Company's Commercialization Series shares and 97% of its Venture Series shares were acquired from its shareholders by Pender Growth Fund ("PTF"), a public company listed on the TSXV under the symbol PTF. Please refer to related disclosures regarding the WOF Transaction in the "Reporting Regime, "Business Strategy" and "Risk Factors" sections of this MD&A.

The Company and PTF are both managed by the Manager. To address this inherent conflict of interest, the WOF Transaction was subject to the approval of the Company's IRC and the special committee of the WOF board of directors engaged an independent financial advisor who provided a fairness opinion that the WOF Transaction was fair from a financial point of view to Company shareholders.

As part of the WOF Transaction, the Company distributed the excess cash of each Series to its shareholders as a dividend just prior to closing. PTF acquired all of the remaining outstanding Commercialization Series shares, being Commercialization Shares (series 2), in exchange for a cash payment equal to $508,096, being 75% of the BuildDirect subscription receipt financing price.

Further, the Balanced Shares (series 2) were renamed "Legacy Shares" and each outstanding Balanced Share (series 1) was exchanged for 1.18 Legacy Shares. Those Venture Series Shareholders that opted to continue to hold their Legacy shares and maintain their pro rata participating position in the Legacy portfolio, hold 3% of the total Legacy shares.

Those Venture Series shareholders that sold their shares (the "Exiting Shareholder") were issued shares from a new class designated as "Exit Venture Shares" without par value, with no maximum number and with special rights and restrictions attached to them. The Exiting Shareholders received a cash payment equal to 43.5% of the net asset value per Venture Series share on the day prior to the date of the Arrangement Agreement, adjusted based upon the per share NAV of the Venture Series portfolio as at the end of the business day immediately prior to May 28, 2021: the price for Balanced Shares (series 1) was $1.7977 and for Balanced Shares (series 2) was $1.5157.

The Exiting Shareholders have a limited and conditional right to an additional cash payment from the Company based on a percentage share of the net gains over carrying values at the Effective Date, from divestment activity in the Venture Series portfolio before May 18, 2022, specifically, (a) if a divestment completes on or before November 18, 2021, Exiting Shareholders will receive their pro rata portion of 60% of the net gain; (b) if a divestment completes on or before February 18, 2022, Exiting Shareholders will receive their pro rata portion of 45% of the net gain; and (c) if a letter of intent, term sheet or binding agreement for a divestment is entered into on or before February 18, 2022 and such divestment is subsequently completed by May 18, 2022, Exiting Shareholders will receive their pro rata portion of 20% of the net gain.

Other Recent Developments

The COVID-19 global health pandemic that began in late 2019 resulted in the implementation of measures to contain the virus, including quarantines, travel restrictions and restrictions on the operation of stores and facilities in most of the world, including temporary, intermittent closures. The negative economic impact of these measures together with the uncertainty of the situation led to significant volatility in equity markets, increasing the exposure of the Company to risk, particularly liquidity risk, market risk and investment risk. While governmental initiatives to reduce the economic impact, ongoing research and development of vaccines and the progress of vaccine rollouts mitigated volatility, exposure to investment risk and financial results will depend, to a large extent, on future developments and new information that may emerge regarding COVID-19 and its variants, factors that are beyond the Company's control. Given the nature and extent of the crisis, it is difficult to estimate the ultimate impact or duration of the situation on the Company.

We cannot control stock prices or volatility. However, we can and do control our disciplined investment management process. We continue to work with our core positions, aiming to help these Portfolio Companies develop and maintain their intrinsic value while they seek an orderly realization of that value. During Q2 2021, this included actively working with the management teams of Portfolio Companies and where applicable, supporting them in optimizing their business in connection with challenges and opportunities brought on by COVID-19.

Global markets seem to be on a recovery path in general and we are pleased to see private technology companies from within our portfolio having the opportunity to go public. In March, our Portfolio Company BuildDirect, announced that that it entered into a definitive agreement with VLCTY Capital Inc. (TSXV: VLCTY), a capital pool company listed on the TSXV, to complete a reverse takeover transaction. In connection with this announcement, BuildDirect announced in May that it closed an $20.1 million offering of subscription receipts. The transaction closed on August 16, 2021 and the resulting issuer now trades on the TSXV under the symbol "BILD".

Following a strong year in 2020, Canadian venture capital investment activity in Q1 2021 was the strongest quarter on record for VC investment with $2.7 billion invested in over 175 deals. There were a total of eleven exits valued at CAD $4.8 billion in Q1 2021 which is almost 50% of total exit value in all of 2020. With the recent increase in general awareness of the strength and depth of the Canadian technology sector, we have been partnering with well-run technology companies helping them to go public.

Outlook

M&A markets show good signs of recovery and strong pent-up demand. With the recent increase in public awareness of the strength and depth of the Canadian technology sector, we are seeing a very strong pipeline of mature, well run technology companies going public, and we are looking to partner with other companies as they take steps to go public.

Stock markets were volatile in the first quarter of 2021 but continued to push higher. Supportive monetary policies, a new $1.9 billion stimulus package, an uptick in vaccine supply and distribution, gradual reopening of economies and other factors all contributed to the positive movement of stock markets. Nevertheless, many uncertainties remain.

We are cautiously optimistic, but we remain fully aware that potential volatility is still on the horizon. COVID-19 is negatively impacting economies around the world, including those in which our Portfolio Companies do business.

We have evaluated the potential impact of COVID-19 on each of our Portfolio Companies and more information continues to become available as they continue to respond to the challenges and opportunities in the current market. Any potential impact on investment results will depend on future developments, including the duration and severity of COVID-19 and the actions taken by government authorities and other entities to contain the virus and its variants or to treat its impact, all of which are beyond our control.

We are steadfast investors and continue to work closely with our private Portfolio Companies with the aim of helping them crystallize their intrinsic value and seek an orderly realization of that value to achieve returns for our shareholders.

PORTFOLIO OF INVESTMENTS

During the six months ended June 30, 2021, there were no new investments in Portfolio Companies and there was a partial divestment of shares of DWSI Holdings Inc. (formerly D-Wave Systems Inc.).

Significant trends and events for the Company's Portfolio Companies in the six months ended June 30, 2021 are described in this section.

Teradici

Teradici Corporation ("Teradici") creates secure virtual workspaces, using its PCoIP technology which powers a spectrum of local, remote, mobile and collaborative work styles, simplifying how computing is provisioned, managed, and used throughout multi-cloud environments.

Teradici has received industry awards for technical progress, including receiving an Engineering Emmy award for its services to the media and entertainment industry. The company is positioned for growth and has relationships with key ecosystem players, such as a collaboration with Mac announced earlier this year. On July 27, 2021, the Company announced that Teradici had entered into a definitive agreement to be acquired by HP Inc. There can be no assurance that the Teradici will be able to close this transaction.

Copperleaf Technologies

Copperleaf Technologies Inc. (“Copperleaf”) provides decision analytics to companies managing critical infrastructure. Copperleaf’s enterprise software solutions leverage operational and financial data to help its clients make investment decisions that have the potential to deliver the highest business value. Copperleaf is based in Vancouver and its solutions are distributed and supported by regional staff and partners worldwide.

As an indication of the company’s global reach, in Q2 2021 Copperleaf announced that its decision analytics solution was selected by Northumbrian Water Ltd., a utility company that supplies water and wastewater services to over 4.5 million customers in England. This partnership is an example of Copperleaf’s ability to provide industry-leading asset management decision support and we believe there is a significant growth opportunity for Copperleaf as it continues to build out its business.

General Fusion

General Fusion Inc. (“General Fusion”) is a research and development stage company with the goal of developing a practical path to commercial fusion power, providing a powerful complement to renewables and a pathway to a zero-emission grid.

In Q2 2021, General Fusion announced that it will build and operate its fusion demonstration plant at an England-based campus of the UK Atomic Energy Authority. This initiative is intended to verify whether General Fusion’s technology can create fusion conditions in a practical and cost-effective manner at power plant relevant scales potentially leading to the subsequent design of a commercial fusion pilot plant.

BuildDirect

BuildDirect.com Technologies Inc. (“BuildDirect”) connects homeowners and home improvement professionals in North America with suppliers and sellers of building materials from around the world, with a focus on flooring. BuildDirect's year-over-year growth, heavyweight delivery network, and digital reach have served to grow its business targeted towards repeat pro builders based in the United States. In May 2021, BuildDirect closed a financing as part of a planned go-public transaction with VLCTY Capital Inc., a capital pool company listed on the TSX Venture Exchange. On August 16, 2021, this transaction was completed and common shares of the renamed entity, BuildDirect.com Technologies Inc., were listed on the TSX Venture Exchange and trade under the symbol “BILD”.

Redlen

Redlen Technologies Inc. (“Redlen”) manufactures high-resolution Cadmium Zinc Telluride (CZT) semiconductor radiation detectors enabling a new generation of high-performance detection and imaging equipment for applications that include nuclear cardiology, CT Scanning, baggage scanning and dirty bomb detection.

Portfolio Turnover

The Company’s portfolio turnover rate was nil during the six months ended June 30, 2021 (June 30, 2020 - Nil). The portfolio turnover rate is calculated based on the lesser of purchases and proceeds of sales of securities during a period as a percentage of the average value of the Company’s investments in that period. In general, lower turnover rates result in lower trading costs.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

The Company's Net Assets increased by $19,607,377, or 32%, during the six months ended June 30, 2021, to a level of $80,908,935, versus $61,301,558 as at December 31, 2020. This overall increase was the result of investment performance (unrealized gains and the reversal of unrealized losses) of $26,064,643, that were offset by net of realized losses of $4,143,055, operating costs net of operating income of $1,603,976, and $710,235 paid in dividends.

During the six months ended June 30, 2021, Net Assets per Share for Legacy Shares increased to $4.68 per share, from $3.49 at December 31, 2020, while Net Assets per Share for Commercialization Shares (series 2) decreased to $0.49 per share, from $1.38 at December 31, 2020.

There were no discontinued operations during the six months ended June 30, 2021 and 2020.

Please refer to the "Financial Performance" and "Financial Condition" sections of this MD&A for additional details and to the "Past Performance" section of this MD&A for the performance of Class A Shares. The sectors in which the Company was invested as at June 30, 2021 are listed under the "Summary of Investment Portfolio" section of this MD&A.

SELECTED FINANCIAL INFORMATION

The following tables present selected key financial information about the Company to provide an understanding of the Company's financial condition as at June 30, 2021 compared to June 30, 2020, and for the three preceding financial years, as well as its financial performance in the six months ended June 30, 2021, compared to the six months ended June 30, 2020. This section should be read together with the Condensed Interim Financial Statements and the Annual Audited Financial Statements.

Supplemental Data

	2021 Q2	2020 Q2	2020	2019	2018
Venture Series – Balanced Shares (series 1) & Legacy Shares Net Assets ($000s)	80,417	56,498	59,923	62,829	86,193
Balanced Shares (series 1) Shares Outstanding	-	4,013,041	4,013,041	4,013,041	4,013,041
Legacy Shares Outstanding	17,181,143	12,421,473	12,421,473	12,421,473	12,421,473
Exit Venture Shares Outstanding	16,661,429	-	-	-	-
Balanced Shares (series 1) Net Assets per Share ($)	-	3.94	4.14	4.33	5.77
Legacy Shares Net Assets per Share ($)	4.68	3.28	3.49	3.66	5.07
Balanced Shares (series 1) Total increase (decrease) from operations per Share ($)	(0.01)	(0.39)	(0.19)	(1.44)	(0.35)
Legacy Shares Total increase (decrease) from operations per Share ($)	1.54	(0.38)	(0.17)	(1.42)	(0.31)

Supplemental Data

	2021 Q2	2020 Q2	2020	2019	2018
Commercialization Shares (series 2) Net Assets ($000s)	492	6,160	1,379	9,371	16,707
Commercialization Shares (series 2) Shares Outstanding	1,002,555	1,003,468	1,002,555	1,423,581	1,833,385
Commercialization Shares (series 2) Net Assets per Share ($)	0.49	6.14	1.38	6.58	9.11
Commercialization Shares (series 2) Total increase (decrease) from operations per Share ($)	(0.26)	(0.21)	0.45	(2.34)	(1.61)

Financial Performance

	2021 Q2 (3 months)	2020 Q2 (3 months)	2021 Q1 & Q2 (6 months)	2020 Q1 & Q2 (6 months)
Net realized gain (loss)	$ -	$ -	$ (4,143,055)	$ -
Change in net unrealized gain (loss)	19,204,911	(8,225,660)	26,064,643	(5,418,357)
Dividend and interest income	494	11,842	1,248	62,221
Total income (loss)	**19,205,405**	**(8,213,818)**	**21,922,836**	**(5,356,136)**
Management fees	(295,963)	(263,646)	(531,572)	(562,856)
Other expenses	(790,841)	(298,006)	(1,073,652)	(654,951)
Total expenses	**(1,086,804)**	**(561,652)**	**(1,605,224)**	**(1,217,807)**
Net income (loss) before income taxes	18,118,601	(8,775,470)	20,317,612	(6,573,943)
Income tax (recovery)	-	-	-	-
Net comprehensive income (loss)	$ **18,118,601**	**$ (8,775,470)**	$ **20,317,612**	**$ (6,573,943)**
Management expense ratio	7.14%	3.50%	5.38%	3.51%
Trading expense ratio	0.00%	0.00%	0.00%	0.00%

Financial performance for the three months ended June 30, 2021

Highlights of the factors contributing to the Company's investment performance in the three months ended June 30, 2021 are presented in the "Portfolio of Investments" section of this MD&A.

(a) Net realized gain (loss)

Net realized gains and losses on investments are the result of the sale of Portfolio Companies. They are generally not comparable between periods because the investments that give rise to these gains and losses generally change each period.

During the three months ended June 30, 2021, the net realized loss on investments was $Nil (June 30, 2020 – $Nil) as there were no transactions in the quarter.

(b) Net unrealized gain (loss)

Net unrealized gains and losses on investments are the result of changes in the value of Portfolio Companies held throughout the period and are also adjusted upon the sale of Portfolio Companies when the unrealized gain or loss becomes recategorized as a realized gain or loss. Net unrealized gains and losses are generally not comparable between periods because the investments that give rise to these gains and losses generally change each period.

During the three months ended June 30, 2021, the net change in unrealized gain on investments reflected a gain of $19,204,911 (June 30, 2020 – loss of $8,225,660). The Canadian dollar appreciated against the US dollar in the three months ended June 30, 2021, resulting in a decrease in unrealized appreciation on the conversion for financial reporting purposes of the carrying value of US dollar-denominated investments to Canadian dollars.

(c) Dividend and interest income

As reported in the financial statements, interest from bonds, deposits and other investments was $494 during the three months ended June 30, 2021. This reflects a decrease from the $3,116 recorded for the three months ended June 30, 2020, as excess cash and capital available for investment decreased. Interest from venture investments decreased to $Nil in the three months ended June 30, 2021 (June 30, 2020 - $8,726). The decrease was due to the reduction in income-generating investments in comparison to prior period during which certain promissory notes were repaid.

(d) Management fees

The Company pays the Manager a management fee which is calculated as a percentage of NAV. It should be noted that the management fee is not retroactively adjusted for changes or adjustments to NAV that are made under IFRS for reporting purposes. The fee varies from period to period in proportion to the variance in the average balance of NAV. During the three months ended June 30, 2021, the increase in management fees paid by the Company reflected the increase in the average level of NAV, as compared to the previous quarter in 2020. The net increase in NAV was primarily the result of investment performance.

Overall for the quarter, management fee expense was $295,963, which was $32,317 higher than the fee of $263,646 in the three months ended June 30, 2020.

(e) Management Expense Ratio

The MER is an annualized percentage calculated by dividing the total of all expenses of the Company (other than commissions and other portfolio transaction costs) by the average NAV. The MER for the three months ended June 30, 2021 was 7.14%. This is 3.64% greater than the 3.50% MER for the three months ended June 30, 2020. This increase in MER in the period was due to the fact that the increase in expenses was proportionally greater than the decrease in the value of NAV in the period.

(f) Trading Expense Ratio

The TER is an annualized percentage calculated by dividing the total of all commissions and other portfolio transaction costs by the average NAV during the period. The small number of Portfolio Companies and the long-term investment horizon of the Company have resulted in a lack of transactions and a TER for the three months ended June 30, 2021 that of $Nil (June 30, 2020 – Nil).

Financial performance for the six months ended June 30, 2021

Highlights of the factors contributing to the Company’s investment performance in the six months ended June 30, 2021 are presented in the “Portfolio of Investments” section of this MD&A.

(a) Net realized gain (loss)

Net realized gains and losses on investments are the result of the sale of Portfolio Companies. They are generally not comparable between periods because the investments the investments that give rise to these gains and losses generally change each period.

During the six months ended June 30, 2021, the net realized loss on investments was $4,143,055 (June 30, 2020 – net realized gain or loss $Nil).

(b) Net unrealized gain (loss)

Net unrealized gains and losses on investments are the result of changes in the value of Portfolio Companies held throughout the period and are also adjusted upon the sale of Portfolio Companies when the unrealized gain or loss becomes recategorized as a realized gain or loss. Net unrealized gains and losses are generally not comparable between periods because the investments that give rise to these gains and losses generally change each period.

During the six months ended June 30, 2021, the net change in unrealized gain on investments reflected a gain of $26,064,643 (June 30, 2020 – loss of $5,418,357). The Canadian dollar appreciated against the US dollar in the six months ended June 30, 2021, resulting in a decrease in unrealized appreciation on the conversion for financial reporting purposes of the carrying value of US dollar-denominated investments to Canadian dollars.

(c) Dividend and interest income

As reported in the financial statements, interest from bonds, deposits and other investments was $1,248 during the six months ended June 30, 2021. This reflects a decrease from the $44,769 recorded for the six months ended June 30, 2020 as excess cash and capital available for investment decreased in the period. Interest from venture investments decreased to $Nil in the six months ended June 30, 2021 (June 30, 2020 - $17,452). The decrease was due to the reduction in income-generating investments in comparison to prior period during which certain promissory notes were repaid.

(d) Management fees

The Company pays the Manager a management fee which is calculated as a percentage of NAV. It should be noted that the management fee is not retroactively adjusted for changes or adjustments to Net Assets that are made under IFRS for reporting purposes. The fee varies from period to period in proportion to the variance in the average balance of NAV. During the six months ended June 30, 2021, the decrease in management fees paid by the Company reflected the decrease in the average level of NAV, as compared to the previous quarter in 2020. The net decrease in NAV was primarily the result of investment performance.

Overall for the six months ended June 30, 2021, management fee expense was $531,572, which was lower than the fee of $562,856 in the six months ended June 30, 2020.

(e) Management Expense Ratio

The MER is an annualized percentage calculated by dividing the total of all expenses of the Company (other than commissions and other portfolio transaction costs) by the average NAV. The MER for the six months ended June 30, 2021 was 5.38%. This is 1.87% more than the 3.51% MER for the six months ended June 30, 2020. This increase in MER is due to the fact that the impact of the increase in expenses was proportionally greater than that of the decrease in the value of NAV.

(f) Trading Expense Ratio

The TER is an annualized percentage calculated by dividing the total of all commissions and other portfolio transaction costs by the average NAV during the period. The small number of Portfolio Companies and the long-term investment horizon of the Company have resulted in a TER for the six months ended June 30, 2021 that is Nil (June 30, 2020 - Nil).

Financial Highlights

Legacy Shares (formerly Balanced Series 2)

Net Assets per share (1)	2021 Q2 (3 months)	2020 Q2 (3 months)	2020	2019	2018
Net Assets per share, beginning of period (2)	**$3.63**	**$3.79**	**$3.66**	**$5.07**	**$5.38**
Increase (decrease) from operations:					
Total revenue	$0.00	$0.00	$0.00	$0.00	$0.01
Total expenses and amortization [excluding distributions]	($0.07)	($0.03)	($0.11)	($0.17)	($0.26)
Realized gains (losses) for the period	$0.00	$0.00	$0.04	$0.00	($0.10)
Unrealized gains (losses) for the period	$1.44	($0.47)	($0.10)	($1.25)	$0.04
Total increase (decrease) from operations (2)	$1.37	($0.50)	($0.17)	($1.42)	($0.31)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital (7)	-	-	-	-	-
Total annual distributions	-	-	-	-	-
Net Assets per share at end of period (1)(2)	**$4.68**	**$3.28**	**$3.49**	**$3.66**	**$5.07**

Ratios and Supplemental Data					
Total Pricing NAV (000's) (3)	$80,417	$40,695	$41,219	$62,221	$63,050
Number of shares outstanding (000's) (3)	13,337	12,421	12,421	12,421	12,421
Operating management expense ratio (4)	5.38%	3.30%	3.08%	3.31%	4.85%
Amortization of share issue commissions and fees	0.00%	0.00%	0.00%	0.04%	0.07%
Financing fees	-	-	-	-	-
Total MER before w aivers or absorptions	5.38%	3.30%	3.08%	3.35%	4.92%
Trading expense ratio (5)	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate (6)	0.00%	0.00%	0.00%	0.00%	0.00%
Pricing NAV per share at end of period	**$3.53**	**$3.28**	**$3.32**	**$5.01**	**$5.07**

05 Commercialization Shares *Net Assets per share (1)*	2021 Q2 (3 months)	2020 Q2 (3 months)	2020	2019	2018
Net Assets per share, beginning of period (2)	**$1.32**	**$6.38**	**$6.58**	**$9.11**	**$10.79**
Increase (decrease) from operations:					
Total revenue	$0.00	$0.01	$0.06	$0.17	$0.36
Total expenses and amortization [excluding distributions]	($0.19)	($0.05)	($0.23)	($0.34)	($0.43)
Realized gains (losses) for the period	$0.00	$0.00	($2.49)	($0.04)	($0.73)
Unrealized gains (losses) for the period	($0.01)	($0.15)	$3.11	($2.14)	($0.81)
Total increase (decrease) from operations (2)	($0.20)	($0.19)	$0.45	($2.35)	($1.61)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	($0.63)	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital (7)	-	-	($5.49)	-	-
Total annual distributions	($0.63)	-	($5.49)	-	-
Net Assets per share at end of period (1)(2)	**$0.49**	**$6.14**	**$1.38**	**$6.58**	**$9.11**

Ratios and Supplemental Data					
Total Pricing NAV (000's) (3)	$492	$6,189	$1,266	$12,082	$16,852
Number of shares outstanding (000's) (3)	1,003	1,003	1,003	1,424	1,833
Operating management expense ratio (8)	88.71%	3.73%	4.70%	3.86%	4.10%
Amortization of share issue commissions and fees	0.00%	1.24%	0.82%	0.72%	0.66%
Earned IPA	0.00%	0.00%	0.00%	0.00%	0.00%
Conditional IPA	0.00%	0.00%	(3.35)%	(0.16)%	(0.39)%
Total MER before waivers or absorptions	88.71%	4.97%	2.17%	4.42%	4.37%
Trading expense ratio (5)	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate (6)	0.00%	0.00%	0.00%	0.00%	3.15%
Pricing NAV per share at end of period	**$0.49**	**$6.17**	**$1.26**	**$8.49**	**$9.19**

Notes:

(1) This information is derived from the unaudited interim and audited annual financial statements. Total shareholders' equity which is calculated using IFRS for financial reporting purposes may be different from the monthly reported net asset value per share or, for prior periods, from the weekly pricing net asset value. Commencing upon the May 28, 2021 Effective Date of the WOF Transaction, net asset value is reported on a monthly basis. Prior to that, the Company used a weekly calculation of pricing NAV ("Pricing NAV"), that included the unamortized balance of up-front sales commissions paid by the Company, as the price for purchasing, redeeming or switching shares of the Company, as and if applicable. In this MD&A, we use "NAV" to refer to the metric in effect, either the monthly net asset value or the Pricing NAV, during the applicable period and/or at the applicable period end being presented.

A reconciliation of Shareholders' Equity to NAV is included in the notes to the financial statements. As at December 31, 2019 an adjustment was made to Net Assets, for financial reporting purposes including this table. Refer to "Recent Developments" section in the MD&A for the year ended December 31, 2019, on SEDAR, for further details.

(2) The increase/decrease from operations is based on the weighted average number of shares outstanding during the financial period. Net Assets and distributions are based on the actual number of shares outstanding at the relevant time.

(3) This information is provided as at December 31 of the year shown.

(4) Under the new Management Agreement that took effect May 28, 2021, the Company pays the Manager a fee of the1/12th of 2.50% of NAV for all series of shares of the Company at each month end. The Company will pay director fees and transaction expenses, including the Company's WOF Transaction expenses up to $50,000 relating to the Legacy Shares, and the Manager pays the Company's operating expenses. Under the Original Management Agreement that took effect on March 1, 2019 the Company paid the Manager a fee of 1.50% of Pricing NAV and the Company paid its own operating expenses. Operating management expense ratio ("MER") means the total MER for the Series before taking into account amortization of share issue commissions, where applicable. Total MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of NAV during the applicable period.

(5) The trading expense ratio ("TER) represents total commissions and other portfolio transaction costs expressed as an annualized percentage of NAV during the applicable period.

(6) A Series' portfolio turnover rate indicates how actively the Series' portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Series buying and selling all of the securities in its portfolio once in the course of the period. While the portfolio turnover rate is not necessarily related to performance, in general, lower turnover rates result in lower trading costs and may reduce realized capital gains and losses. This rate is a blended rate of the turnover of the venture and non-venture investments, where applicable. Due to the nature of non-venture investments, in particular the bond and deposits portfolio, the turnover associated with these investments may be significantly higher than the turnover of the venture investments.

(7) As set out in the Dividend Policy section of the MD&A reports for the periods indicated, the Series paid two dividends during the year 2020 and one dividend in conjunction with the closing of the WOF Transaction in 2021.

(8) Operating management expense ratio ("MER") means the total MER for the Series before taking into account amortization of share issue commissions and fees, Earned IPA dividends and Conditional IPA dividends with respect to the Initial Manager. The Manager is not entitled to any IPA dividends. Earned IPA dividends reflects the Initial Manager's participating interest in gains and income realized on successful exits from the Company's venture investments. Conditional IPA dividends were not an amount actually paid or payable; rather, were an estimate of the IPA dividends that would be payable if the Company's entire venture portfolio was disposed of at the period end and this line reflects the change in the estimate from the previous period. Under the rights attached to the IPA Shares, certain amounts were to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Company 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, in connection with the Initial Manager ceasing to be the Company's manager, of $322,849 (December 31, 2019: $497,448). On March 5, 2021, the Company settled the amount owing to the Initial Manager with total consideration comprising cash in the amount of $322,849 and certain securities in the portfolio as well as other non-monetary consideration and redeemed and cancelled the IPA Shares. See "Related Party Transactions". Total MER is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of NAV as applicable during the period.

Financial Condition

		June 30 2021		December 31 2020
Assets				
Cash	$	295,117	$	2,446,381
Accounts receivable		70,019		281,326
Accrued interest receivable		-		465
Venture investments		81,033,090		59,512,871
Total assets		81,398,226		62,241,043
Liabilities				
Other accounts payable and accrued liabilities		456,754		599,356
Dividend payable		32,537		17,280
Accrued contingent incentive participation dividend		-		322,849
Total liabilities		489,291		939,485
Shareholders' equity	$	80,908,935	$	61,301,558

(a) Venture investments

As at June 30, 2021, the Company's Venture investments of $81,033,090 were comprised of private, unlisted Portfolio Companies. The increase of $21,520,219 from the investments balance of $59,512,871 at December 31, 2020 is a result of the divestment of shares of a private listed Portfolio Company and one or more valuation adjustments. Please refer to the "Recent Developments" section of this MD&A as well as the "Portfolio of Investments" section for a discussion of certain Portfolio Companies and significant factors that affected them in the six months ended June 30, 2021.

(b) Cash

Cash balances are monitored daily by the Manager. The $295,117 cash balance at June 30, 2021 was $2,151,264 less than the $2,446,381 balance at December 31, 2020. This decrease in cash was primarily due to the payment of expenses, dividends and accounts payable net of the divestment of shares of a privately listed Portfolio Company. Historically, the Company typically held cash balances as part of the Directed Funds of all series, as well as to pay expenses. Excess cash was maintained on deposit in a Premium Investment Account at the Royal Bank of Canada that provided interest at rates comparable to those investments under the Directed Funds investment strategy. See the Annual Information Form for WOF available on SEDAR for more information on the investment strategy for the Directed Funds of the Series.

(c) Accounts receivable

The $70,019 accounts receivable balance relates to withholding taxes paid on the behalf of clients and prepaid expenses. The amount of that payment is recorded as a 'fee' attached to the account going forward which the Company would seek payment of upon a liquidity event.

(d) Due to related parties

The $205,397 balance due to related parties as at June 30, 2021 comprises management and administration fees owed to the Manager and third-party expenses paid by the Manager on behalf of the Company. This balance will change during any period as a result of the timing of payments and the change in fees and other expenses due to the Manager. During the six months ended June 30, 2021 the balance increased by $108,578 from the prior year-end balance of $96,819, mainly due to management and administration fee and other expenses paid by the Manager.

(e) Accounts payable and accrued expenses

The Company's accounts payable and accrued expenses balance represent amounts due to third parties for operating expenses. During the six months ended June 30, 2021, this balance decreased by $142,602 to $456,754 (December 31, 2020 - $599,356) in the normal course of business and due primarily to legal fees relating to the WOF Transaction described in the "Recent Developments" section of this MD&A.

(f) Shareholders' equity

Shareholders' equity represents the equity in the Company owned by the holders of the 17,181,143 Legacy Shares (formerly Balanced Shares (series 2)) outstanding as at June 30, 2021 (December 31, 2020 - 12,421,473), 16,661,429 Exit Venture Shares outstanding as at June 30, 2021 (December 31, 2020 – Nil) and 1,002,555 Commercialization Shares (series 2) outstanding as at June 30, 2021 (December 31, 2020 - 1,002,555). At December 31, 2020, 4,013,041 Balanced Shares (series 1) were outstanding.

Cash Flows

For the six months ended June 30, 2021, Company's cash balance decreased by $2,151,264, primarily due to the payment of expenses, the payment of dividends prior to closing the WOF Transaction, as described in the "Recent Developments" section of this MD&A, and the settlement of the conditional incentive participation dividend, partially offset by proceeds from the partial disposition of shares of a Portfolio Company.

Shareholder Activity

Information about the formation and history of the Company is available in the WOF Annual Information Form dated March 31, 2021 available on SEDAR.

Effective May 28, 2021, the Company completed the WOF Transaction under which the 100% of the Commercialization Series shares and 97% of the Venture Series shares were acquired from shareholders by PTF for cash consideration. Under the WOF Transaction, the Venture Series Balanced Shares (series 2) were renamed "Legacy Shares" and each outstanding Venture Series Balanced Share (series 1) was exchanged for 1.18 Legacy Shares. Those Exiting Venture Series shareholders that sold their shares were issued shares from a new class designated as "Exit Venture Shares" without par value, with no maximum number and with special rights and restrictions attached. The remaining 3% of the shareholders of that series continued to hold the Legacy Shares.

The rights and restrictions attached to certain Class A Shares were revised upon the Effective Date of the WOF Transaction. The Legacy Share rights provide, among other things, that the holders of Legacy Shares are entitled to the pro rata redemption of their shares upon a divestment in the portfolio, with 5% being held in reserve to fund annual shareholder redemption requests, under the Legacy Share holders' annual limited redemption right which entitles them to request redemption of their Legacy Shares at 40% of the net asset value per Legacy Share during the 60-day period following publication of the audited financial statements. These redemption requests will be processed on a pro-rata basis. It should be noted that PTF does not have this annual redemption right.

In certain circumstances, PTF will have the right to trigger the redemption by the Company of some or all of the Legacy Shares at a redemption price equal to 50% of the net asset value per Legacy Share at the immediately preceding December 31st.

The rights of the Exit Venture Shares were established upon the Effective Date of the WOF Transaction and entitled each former Venture Series shareholder that took the default option and sold their shares under the transaction to receive 50% of the purchase price for their shares on closing with the remaining 50% payable as soon as practicable after the date that is six months after the Effective Date. The Exit Venture Shares will automatically be redeemed for no consideration on such date as is determined by the Company after such time as the additional cash payment described in the "Recent Developments" section of this MD&A has been paid to the holders of Exit Venture Shares or the right to any such additional cash payment has ceased.

The rights of the Commercialization Shares (series 2) remained unchanged.

The rights of the Legacy Shares, the Exit Venture Shares and the Commercialization Shares (series 2) are as described in the Company's Notice of Articles filed on SEDAR. Further information, which includes the historical share rights and restrictions, is also available in WOF's most recent Management Information Circular, also available on SEDAR.

SUMMARY OF QUARTERLY RESULTS

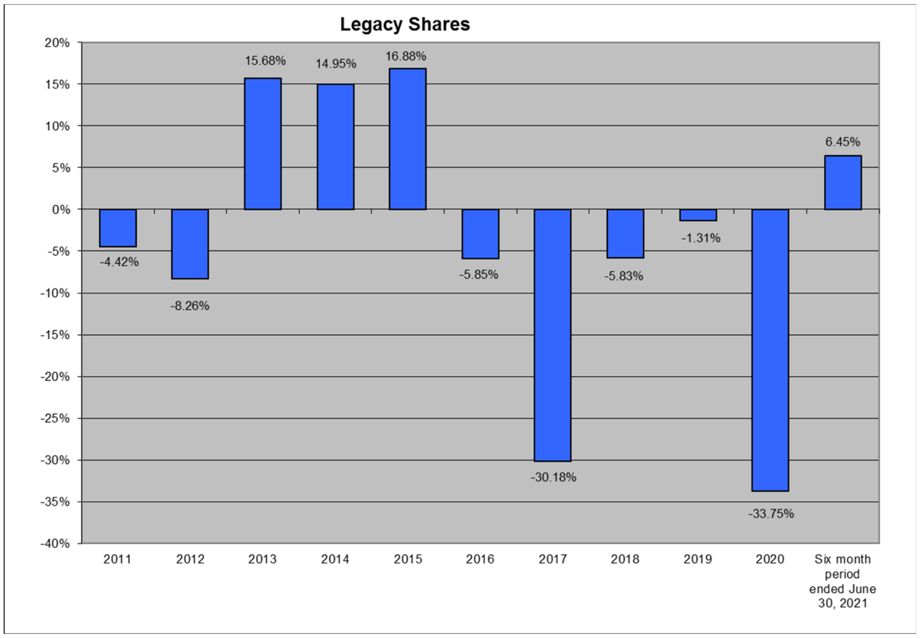
The tables below show information about the Company's financial performance for the most recently completed eight quarters. In each quarter, the net income or loss is a result of realized and unrealized gains and losses on investments, dividend, interest and securities lending income, and operating expenses. A comparison of the information presented from quarter-to-quarter does not necessarily indicate any meaningful pattern or correlation.

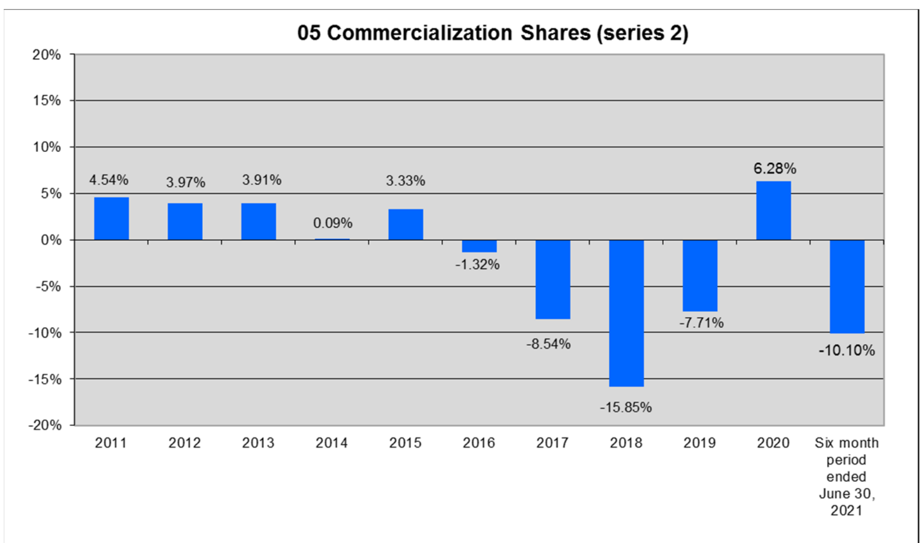
		2021 Q2		2021 Q1		2020 Q4		2020 Q3
Net realized gain (loss)	$	-	$	(4,143,055)	$	(1,202,988)	$	(792,689)
Net change in unrealized appreciation		19,204,911		6,859,732		4,518,710		2,564,300
Dividend, interest and securities lending income		494		754		1,309		8,182
Total income		19,205,405		2,717,431		3,317,030		1,779,794
Management fees		(295,963)		(235,609)		(234,101)		(240,109)
Other expenses		(790,841)		(282,810)		(238,426)		(239,338)
Total expenses		(1,086,804)		(518,419)		(472,527)		(479,447)
Net income before income taxes		18,118,601		2,199,012		2,844,503		1,300,347
Net comprehensive income	**$**	**18,118,601**	**$**	**2,199,012**	**$**	**2,844,503**	**$**	**1,300,347**
Net Assets per Share (beginning of period)								
Balanced Shares (series 1)	$	4.27	$	4.14	$	4.01	$	3.94
Legacy Shares (frmly Balanced Shares series 2)	$	3.63	$	3.49	$	3.35	$	3.28
Exit Venture Shares	$	-	$	-	$	-	$	-
Commercialization Shares (series 2)	$	1.32	$	1.38	$	2.39	$	6.14
Net Assets per Share (end of period)								
Balanced Shares (series 1)	$	-	$	4.27	$	4.14	$	4.01
Legacy Shares (frmly Balanced Shares series 2)	$	4.68	$	3.63	$	3.49	$	3.35
Exit Venture Shares	$	-	$	-	$	-	$	-
Commercialization Shares (series 2)	$	0.49	$	1.32	$	1.38	$	2.39

		2020 Q2		2020 Q1		2019 Q4		2019 Q3
Net realized gain (loss)	$	-	$	-	$	(135,953)	$	-
Net change in unrealized appreciation (depreciation)		(8,225,660)		2,807,304		(24,664,995)		(716,888)
Dividend, interest and securities lending income		11,842		50,379		60,043		64,678
Total income (loss)		(8,213,818)		2,857,683		(24,740,904)		(652,210)
Management fees		(263,646)		(299,209)		(387,830)		(393,699)
Other expenses		(298,006)		(356,945)		(334,397)		(369,895)
Total expenses		(561,652)		(656,154)		(722,227)		(763,594)
Net income (loss) before income taxes		(8,775,470)		2,201,529		(25,463,132)		(1,415,804)
Net comprehensive income (loss)	$	(8,775,470)		2,201,529	$	(25,463,132)	$	(1,415,804)
Net Assets per Share (beginning of period)								
Balanced Shares (series 1)	$	4.46	$	4.33	$	5.80	$	5.80
Legacy Shares (frmly Balanced Shares series 2)	$	3.79	$	3.66	$	5.12	$	5.12
Exit Venture Shares	$	-	$	-	$	-	$	-
Commercialization Shares (series 2)	$	6.38	$	6.58	$	8.59	$	8.58
Net Assets per Share (end of period)								
Balanced Shares (series 1)	$	3.94	$	4.46	$	4.33	$	5.80
Legacy Shares (frmly Balanced Shares series 2)	$	3.28	$	3.79	$	3.66	$	5.12
Exit Venture Shares	$	-	$	-	$	-	$	-
Commercialization Shares (series 2)	$	6.14	$	6.38	$	6.58	$	8.59

PAST PERFORMANCE

To illustrate how the Company's performance has varied over time, the following bar chart shows performance for the six months ended June 30, 2021 and for each of the previous years ended December 31. The bar charts show, in percentage terms, how much an investment made at the beginning of the period would have grown or decreased by the end of the period based on NAV. The past performance of the Company does not necessarily indicate how it will perform in the future.





SUMMARY OF INVESTMENT PORTFOLIO

The Company's largest Portfolio Company holdings as at the end of the period and the major asset classes in which Company was invested are indicated below. The investment portfolio may change due to ongoing portfolio transactions. Please also refer to the "Schedule of Investment Portfolio" in the Financial Statements.

Summary of Top 25 Holdings

	% OF NET ASSETS
ArborGen Inc. (Rubicon Ltd.)	
Boreal Genomics Inc.	
BuildDirect.com Technologies Inc.	
CopperLeaf Technologies Inc.	
General Fusion Inc.	
Redlen Technologies Inc.	
Switch Materials Inc.	
Teradici Corporation	
	100.2

Summary of Composition of the Portfolio

	% OF NET ASSETS
Information Technology	85.6
Cleantech	14.6
Life Sciences	-
TOTAL INVESTMENTS	100.2
Cash	0.3
Other assets less liabilities	(0.5)
TOTAL NET ASSETS	100.0

* The value of these companies is disclosed on an aggregate basis due to the nature of private, unlisted companies. Refer to the Financial Statements for more information.

DIVIDEND POLICY

Effective immediately prior to the Effective Date, the Company declared a dividend to distribute all available cash to shareholders, less a reserve to cover remaining commitments attributable to that series. In this way, shareholders received full value for the pre-WOF Transaction cash assets in the portfolio. These dividends were in addition to the adjusted purchase price per share under the WOF Transaction and were $0.0055 per Balanced Share (series 1), $0.0047 per Balanced Share (series 2) and $0.6286 per Commercialization Series share.

Holders of Legacy Shares will be entitled to receive 95% of the Net Divestment Proceeds from the former Venture Series portfolio, with 5% being held in reserve to fund annual shareholder redemption requests.

Net Divestment Proceeds will be distributed by way of pro rata redemption of Legacy Shares at NAV per Legacy Share. Once Net Divestment Proceeds equal to the Effective Date NAV of the Legacy Shares have been disbursed to Legacy Shareholders, 80% of any additional Net Divestment Proceeds will be distributed to the holders of Legacy Shares with the remaining 20% of the proceeds paid to the Manager as a performance fee.

Please refer to the continuous disclosure documents of WOF available on SEDAR for information about the dividend policy history of the Company prior to the WOF Transaction.

OUTSTANDING SHARE DATA

As at June 30, 2021 the Company had 17,181,143 Legacy Shares, 16,661,429 Exit Venture Shares and 1,002,555 Commercialization Shares (series 2) outstanding.

TRANSACTIONS BETWEEN RELATED PARTIES

As at June 30, 2021, the Manager, directors and officers of the Company directly or indirectly held, excluding Pender Growth Fund, less than 1% (December 31, 2020 – less than 1%) of the Company's Shares. Pender Growth Fund Inc., a public company managed by the Manager, acquired 100% of the Company's issued and outstanding Commercialization Series shares and 97% of the Venture Series shares on May 28, 2021. See below for details.

Under the original management agreement (the "Original Management Agreement") between the Company and the Manager, the Company paid an annual management fee of 1.50% of the Pricing NAV of all series of shares of the Company, the Company paid operating expenses set out in an annual budget approved by the Board and any expenditure by the Company that was more than $10,000 and not included in the annual budget was required to be approved by the Board.

Effective May 28, 2021, under the WOF Transaction, PTF, a company managed by the Manager acquired 100% of the Company's issued and outstanding Commercialization Series shares and 97% of the Venture Series shares from shareholders of the Company. Please refer to the Business Strategy and Recent Developments sections of this MD&A for more information.

On the Effective Date of the WOF Transaction, the Company entered into an amended and restated management agreement (the "Management Agreement") under which the Company pays management fees and, in certain circumstances, performance fees to the Manager for management and portfolio advisory services. Under the Management Agreement, the annual management fee payable is 2.50% of NAV for all series of shares of the Company, the Company will pay director fees and transaction expenses, including the Company's WOF Transaction expenses up to $50,000 relating to the Legacy Shares, and the Manager pays the Company's operating expenses. The management fee is calculated and accrued monthly in the accounting records of PPI and paid only when there is a divestment and in the case of the Legacy Shares, when there is a distribution by way of redemption in accordance with the special rights and restrictions attached to the Legacy Shares. The management fee expense is $531,572 for the six months ended June 30, 2021.

Once Net Divestment Proceeds equal to the Effective Date NAV of the Legacy Shares have been disbursed to Legacy Shareholders, 80% of any additional Net Divestment Proceeds will be distributed to the holders of Legacy Shares with the remaining 20% of the proceeds paid to the Manager as a performance fee. There was no performance fee paid for the six months ended June 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2021, the Company's liquidity position was made up only of cash of $295,117, comprising 0.5% of the value of its Net Assets.

As at June 30, 2021, the Company has limited available liquidity. No capital is expected to become available from the issuance of shares as the Company is not in distribution. The Company's primary source of liquidity at present is the sale and/or repayment of investments.

Despite our focus on developing and closing out exit opportunities, as the venture investments are generally minority positions in private companies, and with the compounding effect of COVID-19 as described the "Recent Developments" section, the timing and ability to effect realization of exits are largely beyond the control of the Company, and therefore, difficult to predict. There can be no assurance that the Company will be able to complete divestments of individual portfolio companies generally and/or complete an orderly realization of value (at current values or otherwise).

The primary factors that draw on the Company's available capital are its liabilities and operating expenses. Operating expenses include management fees and, in certain circumstances, performance fees, director fees and transaction expenses, including the Company's WOF Transaction expenses up to $50,000 relating to the Legacy Shares. It should be noted that, commencing on the Effective Date of the WOF Transaction, the Manager pays the Company's operating expenses. The management fee is calculated and accrued monthly in the accounting records of PPI and paid only when there is a divestment and in the case of the Legacy Shares, when there is a distribution by way of redemption in accordance with the special rights and restrictions attached to the Legacy Shares. Once Net Divestment Proceeds equal to the Effective Date NAV of the Legacy Shares have been disbursed to Legacy Shareholders, 80% of any additional Net Divestment Proceeds will be distributed to the holders of Legacy Shares with the remaining 20% of the proceeds paid to the Manager as a performance fee.

The Company manages liquidity by regularly measuring and estimating cash available and cash required, with the goal of ensuring sufficient liquid assets are on hand to fund Company's expenses while working toward exit opportunities for its remaining investments.

COMMITMENTS AND CONTINGENCIES

The Company may become liable for commitments and contingencies relating to litigation or claims in the normal course of business and as a result of investing. The Manager is not aware of any commitments or contingencies, or any current or planned litigation or claims against it.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised.

The Company may hold financial instruments that are not quoted in an active market, including derivatives. Currently, the Company holds common and preferred shares as well as convertible debt issued by its private Portfolio Companies. Details of these holdings are set forth in the "Summary of Investment Portfolio" section of this MD&A.

The determination of the fair value of these investments is the area with the Manager's most significant accounting judgements and estimates in preparing these financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next reporting period is included in note 10 of the Financial Statements and relates to the determination of fair value of investments with significant unobservable inputs.

The Company uses widely recognized valuation models for determining the fair value of relatively simple financial instruments which are publicly-traded, such as debt and equity securities, mutual company units and warrants that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple OTC derivatives such as forward foreign currency contacts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Company uses recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market and may be derived from market prices or rates or may be estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value.

In determining fair value for instruments for which there is no public market available, the Manager considers: the history and nature of the business; operating results and financial conditions; general economic, industry and market conditions; capital market and transaction market conditions; independent valuations of the business; contractual rights relating to the investment; comparable company trading and transaction multiples, where applicable; and other pertinent considerations. Adjustments to the carrying value of the investments may also be determined by the Manager when there is pervasive and objective evidence of a decline in the value of the investment, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts and/or other developments since acquisition.

Significant unobservable inputs are developed as follows:

(i) Enterprise value:

Enterprise Value represents the amount that market participants would pay when purchasing the Portfolio Company. The Manager determines this value based on comparable arm’s length transactions in shares of the applicable comparable entity, on revenue multiples, or other valuation methods as appropriate.

(ii) Revenue multiple:

Revenue multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that the Manager considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the Portfolio Company by its revenue and may be further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and the specific Portfolio Company.

CHANGES IN ACCOUNTING POLICIES

The Company has determined there were no changes in accounting policy for the six months ended June 30, 2021.

FUTURE CHANGES IN ACCOUNTING POLICIES

The Company has determined there are no IFRS standards that are issued but not yet effective that could materially impact the Company’s financial statements.

MANAGED BY:
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