



# Venator Founders Alternative Fund

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2023

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This Annual Management Report of Fund Performance (“MRFP”) contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a free copy of the annual Financial Statements at your request, by calling Venator Capital Management Ltd. directly at 416-934-7994; by writing to us at Venator Capital Management Ltd., 2 Bloor Street West, Suite 901, Toronto, ON, M4W 3E2; by email to [info@venator.ca](mailto:info@venator.ca); or by visiting our website at [www.venator.ca/resources](http://www.venator.ca/resources) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact us using one of these methods to obtain a copy of the Fund’s interim financial report, proxy voting policies and procedures, proxy voting disclosure record, and Fund-related quarterly disclosure at no cost.

This Annual Management Report of Fund Performance represents management’s view of the significant factors and developments affecting the investment fund’s performance and outlook until December 31, 2023.

Please refer to the Fund’s Simplified Prospectus, Fund Facts and the December 31, 2023, audited Financial Statements for more information.

### **Caution regarding forward-looking statements**

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. 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 of similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future fund 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, among other things, risk, uncertainties and assumptions about the Fund and economic factors.

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 made by the Fund. Any number of important factors could contribute to these differences, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

Please note that the afore-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and urge you to avoid placing undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. Further, you should be aware that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

## Management Discussion of Fund Performance

The management discussion of fund performance presents the view of the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook.

Please read the caution on the preceding page regarding forward-looking statements.

### Investment Objectives and strategies

The investment objective of the Fund is to provide long-term capital growth through fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading.

The Manager intends to focus on, but is not limited to, long positions in the following general areas: (i) issuers that are not well followed by the investment community and are trading at price to earnings ratios, price to sales ratios and/or price to cash flow ratios that do not reflect their earnings and/or cash flow growth rates; (ii) issuers that are showing profitability ratios well below their potential and where a plan to increase efficiencies exist or is expected to be implemented in the near future; (iii) issuers with track records of profitable operations and strong balance sheets, and which are trading below their intrinsic or fair values; (iv) securities of companies involved in corporate restructurings, mergers, acquisitions and spin-offs; (v) securities of distressed and bankrupt companies; (vi) high yield instruments; and (vii) option derivatives.

In selecting short sale candidates, the Manager expects to focus on, but is not limited to, options in indices to reduce beta, companies that are experiencing deteriorating business and industry conditions, have leveraged and/or cash poor balance sheets and/or are facing capital expenditure requirements in excess of their internal cash generation abilities and/or companies that are trading above their intrinsic or fair value. Certain short sales may be initiated solely to hedge market exposure or currency exposure. This may include securities in issuers such as borrowers of foreign currencies, index-tracking securities or large capitalization stocks that serve as a barometer to sectors where the Manager is looking to decrease the Fund's overall and/or net market exposure.

The Manager may engage in special situations trading from time to time, including investing in event driven situations such as private placements, initial public offerings, convertible debt and equity offerings, corporate restructurings, mergers, acquisitions and spin-offs, hostile takeovers or bankruptcies.

The fundamental investment objective of the Fund will not change without consent of a majority of voting unitholders of the Fund.

### Exemptions from National Instrument 81-102

The Fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 ("NI 81-102"), which are designed, in part, to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. We intend to manage the Fund in accordance with these restrictions and practices or to obtain relief from the securities regulatory authorities before implementing any variations. The following provides a description of the exemptions that the Fund has obtained from the provisions of NI 81-102, and/or a description of the general investment activity.

The Fund has obtained the following exemptions from NI 81-102:

- from the following provisions (the "Total Borrowing Limit") of NI 81-102 in order to permit each Fund to borrow up to 100% of the Fund's net asset value ("NAV") under the Cash Currency Hedging Strategy (as defined below),
  - paragraph 2.6(2)(c) of NI 81-102, that provides that an alternative mutual fund may borrow cash or provide a security interest over any of its portfolio assets if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the fund, does not exceed 50% of the fund's NAV; and
  - section 2.6.2 of NI 81-102, which prohibits an alternative mutual fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the fund would exceed 50% of the fund's NAV (collectively, the "Cash Currency Hedging Strategy Relief"); and
- from the following provisions of NI 81-102 (the "Total Borrowing and Short Sales Limit"), in order to permit each Fund to borrow cash or short sell securities under the Leverage Strategies (as defined below), provided that, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund does not exceed 100% of the Fund's NAV:
  - paragraph 2.6(2)(c) of NI 81-102;
  - subparagraph 2.6.1(1)(c)(v) of NI 81-102 that restricts an alternative mutual fund from selling a security short if, at the time, the aggregate market value of the securities sold short by the fund exceeds 50% of the fund's NAV (the "Short Selling Limit"); and
  - section 2.6.2 of NI 81-102 (collectively, the "Leverage Strategies Relief"); and
- Subsection 9.3(1), to permit the Fund to process orders for its units, as described in the simplified prospectus and Fund Facts, on a weekly basis at their series NAV per unit calculated as at the last Valuation Date of the weekly period in which the purchase order for such units is received (the "Purchase Processing Frequency"); and
- Subsection 10.3(1), to permit the Fund to process redemption orders for its units, as described in the simplified prospectus and Fund Facts on at least 5 business days prior written notice, on a weekly basis, redeeming such units at their series NAV per unit calculated on the last Valuation Date of each weekly period in which the redemption order for such units is processed (the "Redemption Processing Frequency").

### Risk

The risks of investing in the Fund remain as outlined in the simplified prospectus. The Fund is suitable for investors looking for a diversified portfolio of both long and short positions in equity, debt and derivative securities to hold as part of the portfolio. The Fund is an alternative to traditional equity funds and appropriate for investors with medium risk tolerances, who also have a medium-to-long term time horizon.

### Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure to the underlying

assets that is greater than the amount invested.

During the reporting period, the Fund did not breach the aggregate gross exposure limit of 300% of the Fund’s NAV as prescribed by securities legislation. The Fund’s aggregate gross exposure ranged from 109.2% to 181.6% of the Fund’s NAV during such period of time. Both the low end and high end of the range were within the expected range as outlined in the Simplified Prospectus.

During the reporting period, the Fund’s primary source of leverage was short sales. As of December 31, 2023, the Fund’s aggregate gross exposure was 150.8% of the Fund’s NAV.

**Results of operations**

The management discussion of Fund performance presents the views of the portfolio management team concerning significant factors and developments that have affected the Fund’s performance and outlook. Please read the caution on the preceding page regarding forward-looking statements.

Series A1 Units of Venator Founders Alternative Fund returned 31.5% for the year ended December 31, 2023 (“Reporting Period”), versus 15.0% for the Fund’s benchmark. The Fund’s benchmark is comprised of a 25% weighting in the S&P 500 total return index, 25% weighting in the S&P/TSX total return index, 25% weighting in the Russell 2000 total return index and a 25% weighting in the S&P Toronto Small Cap total return index.

**Borrowing**

During the reporting period, the Fund had no net borrowing. The Fund may use borrowing to achieve its investment objectives by borrowing money from its prime broker, which is an entity qualified to act as a custodian and was done as per the borrowing agreement in accordance with standard industry practice. Such financing costs (i.e., margin interest), if any, are calculated and accrued daily based on the amount borrowed each day during a month. The Fund has arranged with the applicable prime broker and custodian of the Fund to borrow such money against a pledge of securities in order to employ leverage when the Manager deems such action as appropriate.

**Market Update**

Over the reporting period, the Canadian and US economies saw significantly reduced inflation. Economic activity across broad sections of the economy has moderated, and it looks more likely that a significant recession will be avoided in the short term. With the end of the Fed’s tightening cycle likely here, the market ended the year on a very positive note.

**Recent developments**

Looking forward, inflationary pressures have been reduced. We believe the U.S. Federal Reserve (the Fed) tightening cycle is at its end for the short term at least. Employment remains stable as global economic activity continues its rebound with COVID in the “rearview mirror” while adapting to the new interest rate normal and seemingly a more nationalistic approach to the economies as opposed to the globalization trend we have been living with for years.

As the Fed ends its tightening cycle and geopolitical risks persist, we continue to expect periods of volatility. However, we do not see the

US and Canadian central banks moving interest rates significantly higher and expect them to remain inline/slightly below the 50-year historical average of 5.47% (US) and 30-year average of 5.8% (Canada). We have seen and continue to see opportunities where the market appears overly pessimistic regarding individual company growth potential. While valuations have increased, there are still areas of the market where we have identified good value combined with long-term trends which we believe will lead to earnings growth and increased value. We remain focused on finding these exceptional opportunities.

**Related party transactions**

For the year ended December 31, 2023, Venator Capital Management Ltd. was responsible for the day-to-day business operations and affairs of the Fund and, on this basis, was entitled to fees as described under “Management Fees” and “Performance Fees” below.

**Management Fees**

As a result of providing investment and management services, Venator Capital Management Ltd. receives a management fee calculated and accrued daily based on the NAV of the series of units of the Fund, plus applicable taxes, payable on the last day of each calendar month. For the year ended December 31, 2023, the fund incurred \$256,878 in management fees and applicable taxes. Management fees, if any, in respect of Series I units are direct fees negotiated with the investor.

Venator Capital Management Ltd. uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund’s units, investment advice, as well as general administrative expenses relating to Venator’s role as Manager.

The annual management fees and a breakdown of the major services rendered for each series, as a percentage of the management fees paid, are as follows:

<b>As a Percentage of Management Fees</b>			
<b>Series of Units</b>	<b>Annual Mgmt. Fees</b>	<b>Dealer Compensation</b>	<b>General Administration &amp; Investment Advice</b>
Series F	1.00%	0.00%	100.00%
Series A1	2.00%	50.00%	50.00%
Series F1	1.00%	0.00%	100.00%

*Please Note:* There are no management fees paid by the Fund in respect to Series I Units of the Fund. Series I unitholders pay a negotiated fee directly to Venator Capital Management Ltd.

**Performance Fees**

If the Fund generates a net profit (after payment of all other fees and expenses), the Manager is eligible to receive a performance fee in respect of each series of unit of the Fund on each performance valuation date, based on the amount by which the NAV of a unit of each series on the valuation date exceeds the series high-water mark.

High-water mark means the highest NAV of a unit of such series on any performance valuation date, as adjusted for any distributions declared on such unit from the date of such NAV to the last valuation date in the previous calendar year (“adjusted NAV per unit”). The calculation of the NAV of a unit of a series will therefore exclude the effect of any

distribution on units of such series. The performance valuation date means the last valuation date in each calendar year.

In any period in which the performance fee is payable and the NAV per unit of a series exceeds the high-water mark, unitholders of such series will be entitled to, with respect to each unit held of such series, 80% of any increase in adjusted NAV per Unit in excess of the series high-water mark. The Manager will be entitled to 20% of any gains in excess of the high-water mark.

The performance fee will be accrued for each series of units on a daily basis with any such accrued performance fee payable to the Manager on the Performance Valuation Date.

The Manager shall also be entitled to receive a performance fee in respect of units redeemed as if the redemption date were a performance valuation date, with such performance fee to be paid on or before the 10th business day following the performance valuation date or redemption date, as the case may be. Performance fees are subject to applicable taxes including HST.

Investors in Series I units may negotiate a different performance fee than the one described above, which does not exceed the performance fee payable on Series A units or Series F units of the Fund.

For the year ended December 31, 2023, the Fund accrued \$nil in performance fees and applicable taxes.

**Other Related Party Transactions**

The Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All related party transactions with the Manager are based on the applicable NAV per series of unit for each transaction date. As of December 31, 2023, 736,242 Units were held by the Manager and unitholders related to the Manager, totaling approximately 41.2% of the Fund’s NAV.

**Independent Review Committee**

Venator appointed an Independent Review Committee (“IRC”) consisting of three independent members, which was established under the Canadian Securities Administrators’ National Instrument 81-107 (the “Instrument”). The IRC’s mandate is to review and provide input on the Manager’s written policies and procedures that pertain to conflict of interest matters with respect to the funds managed by Venator.

The Fund receives standing instructions (the “SI”) from the IRC. The SI constitutes a written approval or recommendation from the IRC that permits the Manager to proceed with specific action(s) set out in the SI on an ongoing basis. The SI is designed to ensure that the Manager’s actions are carried out in accordance with the law, the instrument and the Manager’s policies and procedures in order to achieve a fair and reasonable result for the Fund. The SI outlines actions related to (a) Fees and Expenses, (b) Trade Allocations, (c) Broker Selection, (d) Portfolio Pricing Issues, amongst other things. The Manager must provide the IRC with a written report summarizing each instance where the Manager has relied on the SI. For the period ended June 30, 2023, the IRC did not provide any recommendations to the Manager.

Additional information about the IRC is available in the Simplified Prospectus and Annual Information Form for the Fund. IRC members

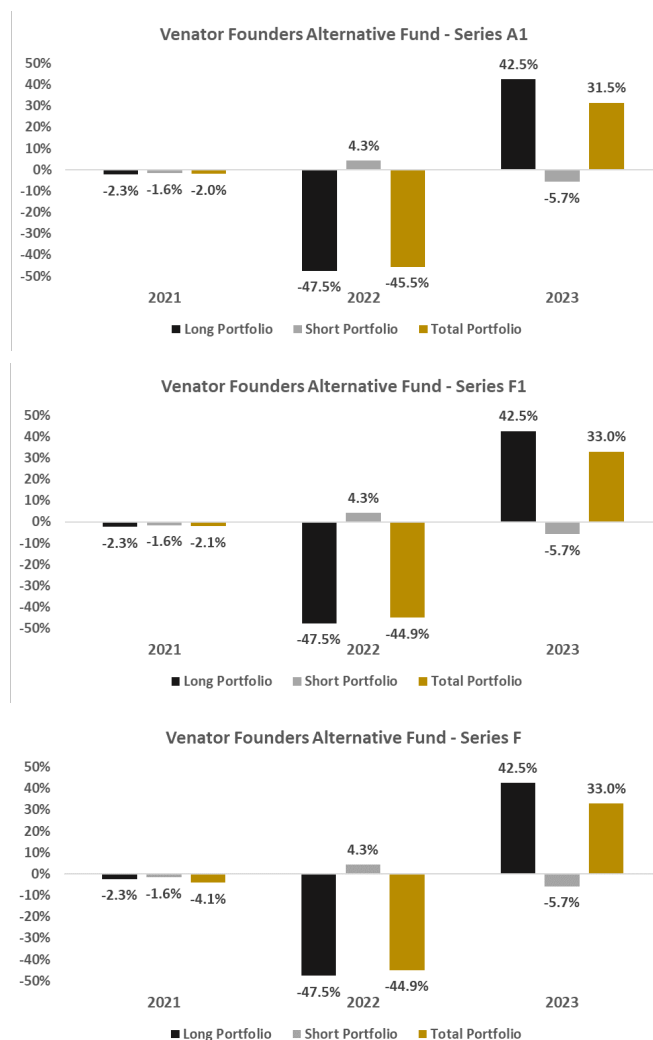
receive fees and reimbursement of expenses for services provided to the Fund.

**Past Performance**

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund. These returns include the reinvestment of all distributions and would be different if an investor did not reinvest distributions. They do not include deduction of sales, switch, redemption, or other optional charges (which dealers may charge) or income taxes payable, and these returns would be lower if they did. The Fund’s past performance does not necessarily indicate how it will perform in the future.

**Year-by-year returns**

The bar charts below illustrate the Fund’s performance for each of the fiscal periods shown. They show, in percentage terms, how an investment made on the first day of the period would have increased or decreased by the last day of the period.



\* 2021 returns begin June 30, 2021.

\*\* Long and Short Portfolio returns are gross returns before fees. Total Portfolio returns are net of fees.

**Annual compound returns**

The table below summarizes the Fund’s annual performance (long, short and total portfolios) for its Series A1, F1 & F units, as well as the Fund benchmark, as of December 31, 2023.

	<b>1-YR</b>	<b>3-YR</b>	<b>5-YR</b>	<b>10-YR</b>	<b>**Since Inception</b>
Series A1 Total	31.5%	-	-	-	-13.2%
Long	42.5%	-	-	-	-10.7%
Short	-5.7%	-	-	-	-0.3%
Series F1 Total	33.0%	-	-	-	-12.4%
Long	42.5%	-	-	-	-10.7%
Short	-5.7%	-	-	-	-0.3%
Series F Total	33.0%	-	-	-	-13.2%
Long	42.5%	-	-	-	-10.7%
Short	-5.7%	-	-	-	-0.3%
Fund Benchmark*	15.0%	-	-	-	1.4%

\* Fund Benchmark is 25% for each of the S&P/TSX Total Return; S&P 500 Total Return; Russell 2000 Total Return; and the S&P Toronto Small Cap Total Return

\*\* Date of inception is June 30, 2021

\*\*\* Long and Short Portfolio returns are gross returns before fees. Total Portfolio returns are net of fees.

**Financial highlights**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for year ended December 31, 2023, and the past 4 fiscal years. This information is derived from the Fund’s semi-annual unaudited financial statements and its annual audited Financial Statements.

Prior to June, 2021, the Fund’s investing activities were carried out indirectly through its investment in Venator Founders Fund (the “Underlying Fund”). Investment income and expenses, and management fees were recorded in the Underlying Fund. Therefore, revenue and expense items included in the tables below are not directly comparable between periods and have been provided for information purposes only. Data for Management expense ratio, Trading expense ratio and Portfolio Turnover are not presented for periods prior to 2022 for this reason.

<b>Series A</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Fund’s net assets per unit (Note 1)</b>					
<b>Net assets per unit, beginning of year (\$)</b>	-	18.20	17.08	11.50	10.99
Increase (Decrease) from Operations:					
Total revenue (\$)	-	-	0.03	-	-
Total expenses (\$)	-	-	(0.59)	(0.03)	(0.02)
Realized Gains (Losses) for the year (\$)	-	-	8.74	0.85	0.15
Unrealized Gains (Losses) for the year (\$)	-	-	(7.06)	4.18	0.36
<b>Total Increase (Decrease) from Operations (\$)</b>	-	-	1.12	5.00	0.49
<b>Distributions to unitholders:</b>					
From Net Investment Income (\$)	-	-	-	-	-
From Capital Gains (\$)	-	-	-	-	-
From Dividends (\$)	-	-	-	-	-
<b>Total Annual Distributions to Unitholders</b>	-	-	-	-	-
<b>Net assets per unit, end of year (\$) (Note 2)</b>	-	-	18.20	17.08	11.50
<b>Ratios and supplemental data (Note 3)</b>					
Total net asset value ('000s)	-	-	19,515	18,203	14,922
Number of units outstanding ('000s)	-	-	1,072	1,065	1,298
Management expense ratio (Note 4)	-	-	N/A	N/A	N/A
Net asset value per unit (\$)	-	-	18.20	17.08	11.50

<b>Series A1</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Fund’s net assets per unit (Note 1)</b>					
<b>Net assets per unit, beginning of year (\$)</b>	5.34	9.80	-	-	-
Increase (Decrease) from Operations:					
Total revenue (\$)	0.28	0.13	0.02	-	-
Total expenses (\$)	(0.51)	(0.33)	(0.19)	-	-
Realized Gains (Losses) for the year (\$)	0.37	(4.44)	(0.21)	-	-
Unrealized Gains (Losses) for the year (\$)	1.58	0.05	0.47	-	-
<b>Total Increase (Decrease) from Operations (\$)</b>	1.72	(4.59)	0.09	-	-
<b>Distributions to unitholders:</b>					
From Net Investment Income (\$)	-	-	-	-	-
From Capital Gains (\$)	-	-	-	-	-
From Dividends (\$)	-	-	-	-	-
<b>Total Annual Distributions to Unitholders (\$)</b>	-	-	-	-	-

# Venator Founders Alternative Fund

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For the year ended December 31, 2023

<b>Net assets per unit, end of year (\$)</b> (Note 2)	7.02	5.34	9.80
<b>Ratios and supplemental data</b> (Note 3)			
Total net asset value ('000s) (\$)	10,528	8,981	547
Number of units outstanding ('000s)	1,500	1,683	56
Management expense ratio (Note 4)	4.12%	3.27%	N/A
Net asset value per unit (\$)	7.02	5.34	9.80

<b>Series F</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Fund's net assets per unit</b> (Note 1)					
<b>Net assets per unit, beginning of year (\$)</b>	10.95	19.87	18.48	12.37	11.73
Increase (Decrease) from Operations:					
Total revenue (\$)	0.57	0.25	0.04	-	-
Total expenses (\$)	(0.91)	(0.50)	(0.53)	(0.03)	(0.02)
Realized Gains (Losses) for the year (\$)	0.75	(8.86)	8.57	0.70	0.16
Unrealized Gains (Losses) for the year (\$)	3.37	(0.51)	(6.74)	3.16	0.51
<b>Total Increase (Decrease) from Operations (\$)</b>	<b>3.78</b>	<b>(9.62)</b>	<b>1.34</b>	<b>3.83</b>	<b>0.65</b>
<b>Distributions to unitholders:</b>					
From Net Investment Income (\$)	-	-	-	-	-
From Capital Gains (\$)	-	-	-	-	-
From Dividends (\$)	-	-	-	-	-
<b>Total Annual Distributions to Unitholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets per unit, end of year (\$)</b> (Note 2)	<b>14.56</b>	<b>10.95</b>	<b>19.87</b>	<b>18.48</b>	<b>12.37</b>
<b>Ratios and supplemental data</b> (Note 3)					
Total net asset value ('000s) (\$)	1,614	1,626	5,461	4,807	8,973
Number of units outstanding ('000s)	111	149	275	260	726
Management expense ratio (Note 4)	2.99%	2.11%	N/A	N/A	N/A
Net asset value per unit (\$)	14.56	10.95	19.87	18.48	12.37

<b>Series F1</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Fund's net assets per unit</b> (Note 1)					
<b>Net assets per unit, beginning of year (\$)</b>	5.39	9.79	-		
Increase (Decrease) from Operations:					
Total revenue (\$)	0.28	0.16	0.02		
Total expenses (\$)	(0.45)	(0.27)	(0.11)		
Realized Gains (Losses) for the year (\$)	0.43	(4.62)	0.01		
Unrealized Gains (Losses) for the year (\$)	1.46	0.77	(0.52)		
<b>Total Increase (Decrease) from Operations (\$)</b>	<b>1.72</b>	<b>(3.96)</b>	<b>(0.60)</b>		
<b>Distributions to unitholders:</b>					
From Net Investment Income (\$)	-	-	-		
From Capital Gains (\$)	-	-	-		
From Dividends (\$)	-	-	-		
<b>Total Annual Distributions to Unitholders</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Net assets per unit, end of year (\$)</b> (Note 2)	<b>7.17</b>	<b>5.39</b>	<b>9.79</b>		
<b>Ratios and supplemental data</b> (Note 3)					
Total net asset value ('000s) (\$)	1,275	1,092	820		
Number of units outstanding ('000s)	178	202	84		
Management expense ratio (Note 4)	2.97	2.22%	N/A		
Net asset value per unit (\$)	7.17	5.39	9.79		



**Financial highlights (continued)**

**Notes**

1. Net assets per unit is calculated as follows:
  - a) This information is derived from the Fund’s audited annual financial statements.
  - b) Net assets per unit of a series are based on the number of units outstanding for that series at the relevant time. The increase (decrease) from operations per unit of a series is based on the weighted-average number of units outstanding for that series during the period.
  - c) Distributions per unit of a series are based on the number of units outstanding for the series on the record dates for distributions. Distributions were reinvested in additional units of the Fund.
  - d) The financial highlights are not intended to act as a continuity of the opening and closing net assets per unit.
2. The net assets are calculated in accordance with IFRS.
  - (a) Series A units were consolidated with Series A1 units on January 1, 2022
3. This information is presented as of December 31 of the year shown.
4. The management expense ratio (“MER”) is calculated as the total expenses paid by each series of the Fund, including applicable taxes and excluding commissions and other portfolio transaction costs, as an annualized percentage of the daily average NAV of each series of the Fund during the year. In the year a series is established, the MER is annualized.

Fund level ratios (Series A1, F, F1)	2023	2022
Trading expense ratio (Note 5)	0.83%	0.98%
Portfolio Turnover rate (Note 6)	600.70%	587.58%

5. The trading expense ratio represents borrow fees on investments sold short, total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund’s daily average NAV. The trading expense ratio is calculated at the fund level and applies to all series of the Fund.
6. Portfolio turnover rate is calculated at the fund level based on the lesser of purchases or proceeds of sales of securities for the year, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the year. The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the year. The higher a fund’s portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and fund performance.

**Summary of Investment Portfolio** (as of December 31, 2023)

The Summary of Investment Portfolio will change due to ongoing portfolio transactions of the Fund. A quarterly update is available - to obtain a copy please consult our website at [www.venator.ca/resources](http://www.venator.ca/resources); call us at 416.934.7998; or email us at [info@venator.ca](mailto:info@venator.ca).

	% of Net Asset Value
<b>GEOGRAPHIC ALLOCATION</b>	
Canada	27.5
United States	63.4
<b>PORTFOLIO ALLOCATION</b>	
Equities	90.8
Options	0.1
Warrants	0.0
Fixed Income	0.0
Cash and cash equivalents	9.0
<b>REGIONAL PORTFOLIO ALLOCATIONS</b>	
U.S. Equities	88.9
Canadian Equities	31.9
U.S. Options	0.1
Warrants	0.0
Bonds	0.0
U.S. Equities Sold Short	(25.5)
Canadian Equities Sold Short	(4.4)
<b>TOTAL NET ASSET VALUE (CAD)</b>	<b>\$13,417,957</b>

	% of NAV		
	Long	Short	Net
Consumer Discretionary	38.4	0.0	38.4
Consumer Staples	2.9	(10.7)	(7.8)
Energy	0.0	0.0	0.0
Financials	10.6	0.0	10.6
Healthcare	4.9	0.0	4.9
Industrials	41.9	(1.8)	40.1
Technology	13.5	(1.6)	12.0
Basic Materials	0.0	(1.5)	(1.5)
Real Estate	8.6	0.0	8.6
Communication Services	0.0	0.0	0.0
Utilities	0.0	0.0	0.0
Indices	0.1	(14.5)	(14.5)
<b>TOTAL</b>	<b>120.8</b>	<b>(30.0)</b>	<b>90.9</b>

	% of Net Asset Value
<b>TOP 25 INVESTMENTS</b>	
Hammond Power Solutions Inc.	12.0
Invesco S&P 500 Equal Weight ETF	(10.1)
M/I Homes Inc.	6.5
Uber Technologies Inc.	6.4
Forestar Group Inc.	4.8
iShares S&P/TSX Capped Energy Index ETF	(4.4)
Skechers U.S.A. Inc.	4.1
Builders FirstSource Inc.	4.1
Meritage Homes Corp.	3.9
NFI Group Inc.	3.7
Docebo Inc.	3.7
FleetCor Technologies Inc.	3.6
Onex Corp.	3.6
Bluelinx Holdings Inc.	3.5
The Lovesac Co.	3.4
Nuvei Corp.	3.4
Beazer Homes USA Inc.	3.3
Zscaler Inc.	3.3
Academy Sports & Outdoors Inc.	3.2
Taylor Morrison Home Corp.	3.2
The St Joe Co.	3.2
JELD-WEN Holding Inc.	3.1
Wal-Mart Stores Inc.	(3.1)
WESCO International Inc.	3.1
WillScot Corp.	3.0
<b>TOP 25 HOLDINGS (% OF NET ASSET VALUE)</b>	<b>109.8</b>