



Portland Investment Counsel<sup>®</sup>

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## PORTLAND GLOBAL ARISTOCRATS PLUS FUND

### **INTERIM FINANCIAL REPORT**

MARCH 31, 2023

# Portland Global Aristocrats Plus Fund

## Interim Financial Report

March 31, 2023

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## Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Global Aristocrats Plus Fund (the Fund) have been prepared by Portland Investment Counsel Inc. (the Manager) in its capacity as manager of the Fund. The Manager of the Fund is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager, in its capacity as trustee of the Fund, has approved these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in note 3 to the financial statements.

*"Michael Lee-Chin"*

Michael Lee-Chin  
Director  
May 3, 2023

*"Robert Almeida"*

Robert Almeida  
Director  
May 3, 2023

These financial statements have not been reviewed by an independent auditor.

## Statements of Financial Position (Unaudited)

	As at March 31, 2023	As at September 30, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 741,833	\$ 11,543
Dividends receivable	-	1,145
Investments (note 5)	-	675,316
Investments - pledged as collateral (note 5 and 11)	-	8,982
	<u>741,833</u>	<u>696,986</u>
<b>Liabilities</b>		
Borrowing (note 11)	-	1,631
Management fees payable	-	2,462
Expenses payable	-	1,027
Redemptions payable	706,936	-
Distributions payable	34,897	941
Organization expenses payable (note 8)	-	1,669
	<u>741,833</u>	<u>7,730</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ -</u>	<u>\$ 689,256</u>
<b>Net Assets Attributable to Holders of Redeemable Units Per Series</b>		
Series A	-	253,563
Series F	-	318,509
Series O	-	117,184
	<u>\$ -</u>	<u>\$ 689,256</u>
<b>Number of Redeemable Units Outstanding (note 6)</b>		
Series A	-	5,094
Series F	-	6,312
Series O	-	2,240
<b>Net Assets Attributable to Holders of Redeemable Units Per Unit</b>		
Series A	\$ -	\$ 49.77
Series F	\$ -	\$ 50.46
Series O	\$ -	\$ 52.31

Approved by the Board of Directors of Portland Investment Counsel Inc.

*"Michael Lee-Chin"*

Director

*"Robert Almeida"*

Director

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

## Statements of Comprehensive Income (Loss) (Unaudited)

For the periods ended March 31,	2023	2022
<b>Income</b>		
Net gain (loss) on investments		
Dividends	\$ 9,514	\$ 10,194
Interest for distribution purposes	608	306
Net realized gain (loss) on investments	108,678	934
Change in unrealized appreciation (depreciation) on investments	(52,076)	45,083
	<u>66,724</u>	<u>56,517</u>
<b>Other income</b>		
Foreign exchange gain (loss) on cash and other net assets	(1,800)	(321)
<b>Total income (net)</b>	<u>64,924</u>	<u>56,196</u>
<b>Expenses</b>		
Securityholder reporting costs	52,847	40,938
Management fees (note 8)	5,016	5,049
Withholding tax expense	1,312	1,439
Independent review committee fees	1,160	1,280
Custodial fees	436	272
Transaction costs	175	-
Interest expense and bank charges (note 11)	2	585
Audit fees	-	9,397
Legal fees	-	130
Organization expenses (note 8)	(1,669)	(775)
Total operating expenses	<u>59,279</u>	<u>58,315</u>
Less: expenses absorbed by Manager	(52,350)	(49,932)
Net operating expenses	<u>6,929</u>	<u>8,383</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ 57,995</u>	<u>\$ 47,813</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series</b>		
Series A	\$ 20,075	\$ 17,051
Series F	\$ 27,239	\$ 21,614
Series O	\$ 10,681	\$ 9,148
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Series A	\$ 3.92	\$ 3.32
Series F	\$ 4.29	\$ 3.70
Series O	\$ 4.77	\$ 4.08

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

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

For the periods ended March 31,	2023	2022
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>		
Series A	\$ 253,563	\$ 274,023
Series F	318,509	313,430
Series O	117,184	124,226
	<u>689,256</u>	<u>711,679</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>		
Series A	20,075	17,051
Series F	27,239	21,614
Series O	10,681	9,148
	<u>57,995</u>	<u>47,813</u>
<b>Distributions to Holders of Redeemable Units</b>		
From net investment income		
Series A	(3,026)	(762)
Series F	(4,693)	(958)
Series O	(2,799)	(594)
	<u>(10,518)</u>	<u>(2,314)</u>
From net realized gains on investments		
Series A	(27,860)	-
Series F	(35,156)	-
Series O	(12,835)	-
	<u>(75,851)</u>	<u>-</u>
From return of capital		
Series A	(2,098)	(4,383)
Series F	(3,251)	(6,350)
Series O	-	(2,205)
	<u>(5,349)</u>	<u>(12,938)</u>
<b>Net Decrease from Distributions to Holders of Redeemable Units</b>	<u>(91,718)</u>	<u>(15,252)</u>
<b>Redeemable Unit Transactions</b>		
Proceeds from redeemable units issued		
Series A	-	-
Series F	-	9,044
Series O	-	-
	<u>-</u>	<u>9,044</u>
Reinvestments of distributions		
Series A	23,247	4,056
Series F	28,156	4,902
Series O	-	-
	<u>51,403</u>	<u>8,958</u>
Redemptions of redeemable units		
Series A	(263,901)	-
Series F	(330,804)	-
Series O	(112,231)	-
	<u>(706,936)</u>	<u>-</u>
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>	<u>(655,533)</u>	<u>18,002</u>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>		
Series A	-	289,985
Series F	-	341,682
Series O	-	130,575
	<u>\$ -</u>	<u>\$ 762,242</u>

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

## Statements of Cash Flows (Unaudited)

For the periods ended March 31,	2023		2022	
<b>Cash Flows from Operating Activities</b>				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	57,995	\$	47,813
Adjustments for:				
Net realized (gain) loss on investments		(108,678)		(934)
Change in unrealized (appreciation) depreciation on investments		52,076		(45,083)
Unrealized foreign exchange (gain) loss on cash		39		7
(Increase) decrease in dividends receivable		1,145		217
Increase (decrease) in management fees and expenses payable		(3,489)		3,512
Increase (decrease) in organization expenses payable		(1,669)		(775)
Purchase of investments		(578)		(334)
Proceeds from sale of investments		741,478		122,552
<b>Net Cash Generated (Used) by Operating Activities</b>		<b>738,319</b>		<b>126,975</b>
<b>Cash Flows from Financing Activities</b>				
Increase (decrease) in borrowing		(1,631)		(77,067)
Distributions to holders of redeemable units, net of reinvested distributions		(6,359)		(6,326)
Proceeds from redeemable units issued (note 3)		-		16,544
Amount paid on redemption of redeemable units (note 3)		-		(59,807)
<b>Net Cash Generated (Used) by Financing Activities</b>		<b>(7,990)</b>		<b>(126,656)</b>
Net increase (decrease) in cash and cash equivalents		730,329		319
Unrealized foreign exchange gain (loss) on cash		(39)		(7)
Cash and cash equivalents - beginning of period		11,543		1,007
<b>Cash and cash equivalents - end of period</b>		<b>741,833</b>		<b>1,319</b>
Cash and cash equivalents comprise:				
Cash at bank	\$	741,833	\$	1,319
<b>From operating activities:</b>				
Interest received, net of withholding tax	\$	608	\$	306
Dividends received, net of withholding tax	\$	8,242	\$	8,972
<b>From financing activities:</b>				
Interest paid	\$	(6)	\$	(617)

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

## 1. GENERAL INFORMATION

Portland Global Aristocrats Plus Fund (the Fund) is an open-end investment fund established under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as may be amended from time to time. The formation date of the Fund was April 30, 2016. Commencement of operations date was June 30, 2016 for Series A and Series F and May 31, 2019 for Series O. Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Fund. The head office of the Fund is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the Board of Directors of the Manager on May 3, 2023.

The Fund offers units to the public on a private placement basis under an offering memorandum. The investment objective of the Fund is to provide income and achieve, over the long term, preservation of capital and a satisfactory return. To achieve this investment objective, the Manager will employ the following core techniques: invest primarily in a globally diversified portfolio of equities, ADRs, income securities, preferred shares, options and ETFs; and leverage by purchasing securities on margin. Leverage may comprise up to 70% of the total assets of the portfolio and is based on the securities held in the Fund at levels approved by the prime broker.

The statements of financial position of the Fund are as at March 31, 2023 and September 30, 2022. The statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units, and cash flows of the Fund are for the six-month period ended March 31, 2023 and March 31, 2022.

The Fund terminated effective close of business day March 31, 2023.

## 2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (FVTPL).

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Financial instruments

#### (a) Classification

The Fund classifies financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. The Fund may be divided into sub-portfolios that have different business models. Where contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), the financial asset will be classified as a financial asset at amortized cost.

The Fund recognizes financial instruments at fair value upon initial recognition, inclusive of transaction costs in the case of financial instruments not measured at fair value. The Fund classifies its investment in equities and fixed income securities as financial assets or financial liabilities at FVTPL.

All other financial assets and liabilities are recognized at amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Fund's obligation for net assets attributable to holders of redeemable units does not meet the criteria for equity treatment and therefore is presented as a liability on the statement of financial position. The Fund has elected to classify its obligation for net assets attributable to holders of redeemable units as a financial liability at FVTPL.

The Fund's accounting policies for measuring the fair value of its investments are similar to those used in measuring its net asset value (NAV) for unitholder transactions; therefore, the NAV will be similar to the net assets attributable to holders of redeemable units for financial reporting purposes except for the treatment of organization expenses. Therefore, the NAV is higher than the net assets attributable to holders of redeemable units in these financial statements. There is a comparison of NAV per unit and net assets attributable to holders of redeemable units per unit within note 12.

Financial assets and liabilities may be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

#### (b) Recognition, de-recognition and measurement

Purchases and sales of financial assets are recognized on their trade date - the date on which the Fund commits to purchase or sell the investment. Financial assets and liabilities are initially recognized at fair value. Transaction costs incurred to acquire financial assets at FVTPL are expensed as incurred in the statements of comprehensive income (loss). Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Unrealized gains and losses arising from changes in fair value of the FVTPL category are presented in the statements of comprehensive income (loss) within 'Change in unrealized appreciation (depreciation) on investments' in the period in which they arise. Financial assets at amortized cost are subsequently measured at amortized cost, less any impairment losses. Transaction costs incurred on financial assets or liabilities at amortized cost are amortized over the life of the asset or liability.



Financial assets are de-recognized when the rights to receive cash flows have expired or the Fund has transferred substantially all the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset (for financial assets at FVTPL) or the amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' in the statements of comprehensive income (loss).

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread and the difference is material, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there has been no trade, the mid-price (average bid and asking price) as of the close of the business on the reporting date is used to approximate fair value. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of bonds is based on closing bid quotations provided by independent security pricing services.

Net changes in fair value of securities at FVTPL are included in the statements of comprehensive income (loss) in 'Change in unrealized appreciation (depreciation) on investments'.

#### **Revenue recognition**

'Interest for distribution purposes' shown on the statements of comprehensive income (loss) represents the stated rate of interest earned by the Fund on fixed income securities accounted for on an accrual basis, as applicable. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities other than zero coupon debt securities. Interest receivable is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends on equity investments are recognized as income on the ex-dividend date.

#### **Foreign currency translation**

The Fund's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses related to assets and liabilities at amortized cost are recognized in profit and loss and are presented as 'Foreign exchange gain (loss) on cash and other net assets' on the statements of comprehensive income (loss). Realized foreign exchange gains and losses related to investments are recognized when incurred and are presented in the statements of comprehensive income (loss) within 'Net realized gain (loss) on investments', as applicable.

Unrealized exchange gains or losses on investments are included in 'Change in unrealized appreciation (depreciation) of investments' in the statements of comprehensive income (loss).

'Foreign exchange gain (loss) on cash and other net assets' arises from sale of foreign currencies, change in foreign currency denominated loans, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

#### **Cash and cash equivalents**

The Fund considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

#### **Cost of investments**

The cost of investments represents the cost for each security excluding transaction costs. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments which includes transaction costs.

#### **Redeemable units**

The Fund issues multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Redeemable units can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's NAV attributable to the unit series. Units are redeemable monthly.

The redeemable units are carried at the redemption amount that is payable at the statements of financial position date if the holder exercises the right to put the units back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's NAV per unit at the time of issue or redemption. The Fund's NAV per unit is calculated by dividing the net assets attributable to the holders of each series of redeemable units by the total number of outstanding redeemable units of each respective series.

The Fund's units do not meet the criteria in IAS 32 for classification as equity as the units are redeemable on demand for cash and therefore, have been classified as financial liabilities.

**Expenses**

Expenses of the Fund including management fees and other operating expenses are recorded on an accrual basis. Interest charged on margin borrowing is recorded on an accrual basis.

Transaction costs associated with investment transactions for financial assets and liabilities at FVTPL, including brokerage commissions, have been expensed on the statements of comprehensive income (loss).

**Organization expenses**

Organization expenses including legal fees, time spent by the Manager to create the Fund, and registration fees associated with the formation of the Fund are recoverable from the Fund by the Manager. Such expenses are deductible from NAV at a future time to be determined by the Manager. The amount of organization expenses incurred and expensed in the statements of comprehensive income (loss) is based on the maximum amount allowed to be charged to the Fund of 0.20% per annum multiplied by the NAV, regardless of whether or not the Manager has commenced deducting the amount from the Fund's NAV for transaction purposes.

**Increase (decrease) in net assets attributable to holders of redeemable units per unit**

'Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit' in the statements of comprehensive income (loss) represents the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series, divided by the weighted average units outstanding of that series during the reporting period.

**Distributions to Unitholders**

Distributions will be made to unitholders only at such times and in such amounts as may be determined at the discretion of the Manager. The Fund will distribute sufficient net income and net realized capital gains to unitholders annually to ensure that the Fund is not liable for ordinary income taxes. All distributions by the Fund will be automatically reinvested in additional units of the Fund held by the investor at the NAV per unit thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

**Allocation of income and expense, and realized and unrealized gains and losses**

Management fees and other costs directly attributable to a series are charged to that series. The Fund's shared operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each series.

**Collateral**

Cash collateral provided by the Fund is identified in the statements of financial position as 'Margin accounts' and is not included as a component of cash and cash equivalents. Collateral other than cash is classified in the statements of financial position separately from other assets and liabilities as 'Investments - pledged as collateral' if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral.

**Allocation of non-cash items on the statement of cash flows**

The Fund includes only the net cash flow impact and does not include non-cash switches between series of the Fund that occurred during the period in 'Proceeds from redeemable units issued' or 'Amount paid on redemption of redeemable units'. There was \$nil non-cash switches excluded from the Fund's operation and financing activities on the statements of cash flows for the six-month period ended March 31, 2023 (September 30, 2022: \$8,964).

**Future accounting changes**

There are no new accounting standards effective after January 1, 2023 which affect the accounting policies of the Fund.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates the Fund has made in preparing these financial statements.

**Fair value of securities not quoted in an active market**

The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty); volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

## 5. FINANCIAL INSTRUMENTS

### (a) Offsetting of Financial Assets and Financial Liabilities

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of cash and securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statement of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset.

### (b) Risk Management

The Fund's investment activities may be exposed to various financial risks, including market risk (which includes price risk, interest rate risk and currency risk), concentration risk, liquidity risk, credit risk and leverage risk. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's investment objectives and risk tolerance per the Fund's offering memorandum. As at March 31, 2023, all financial instruments were liquidated to cash to facilitate the termination of the Fund following close of business day March 31, 2023.

#### Price risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy. Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

There was no price risk as at March 31, 2023. If the price of investments held by the Fund on September 30, 2022 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$68,410. Actual results may differ from the above sensitivity analysis and the difference could be material.

#### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type or industry sector. There was no concentration risk as at March 31, 2023. The following tables present the Fund's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at September 30, 2022.

By Geographic Region	September 30, 2022
United States	69.0%
Canada	12.5%
Switzerland	4.6%
United Kingdom	4.1%
Denmark	2.5%
Germany	2.3%
Ireland	2.2%
Spain	1.4%
France	1.4%
<b>Total</b>	<b>100.0%</b>

By Industry Sector	September 30, 2022
Consumer Staples	32.7%
Utilities	22.7%
Consumer Discretionary	11.9%
Health Care	11.7%
Financials	6.0%
Materials	4.2%
Industrials	2.6%
Communication Services	2.6%
Information Technology	2.6%
Real Estate	2.0%
Exchange Traded Funds	1.0%
<b>Total</b>	<b>100.0%</b>

#### Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Fund. The fair value and future cash flows of such instruments held by the Fund will fluctuate due to changes in market interest rates.

The Fund may have direct exposure to interest rate risk from its use of borrowing. There was no interest rate risk as of March 31, 2023. The Fund is permitted to borrow up to 70% of its total assets. As at September 30, 2022, the Fund borrowed \$1,631. If interest rates had doubled during the six-month period ended March 31, 2023, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by \$585.

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities included in the Fund may be valued in or have exposure to currencies other than the Canadian dollar and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar.

As the Fund may invest in securities traded in foreign currencies, its net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

The Fund may borrow U.S. dollars, which in effect mitigated the currency risk of the Fund being invested in U.S. listed securities. The Manager may use either Canadian dollar or U.S. dollar denominated borrowings based on the interest cost differential and the Fund's currency exposure, including the revenue sensitivity of the underlying investments.

There was no currency risk as of March 31, 2023. The tables below indicates the foreign currencies to which the Fund had significant exposure at September 30, 2022 in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2022	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
British Pound	239	27,768	28,007	24	2,777	2,801
Danish Krone	-	16,951	16,951	-	1,695	1,695
Euro	-	35,382	35,382	-	3,538	3,538
Japanese Yen	(4)	-	(4)	-	-	-
Swiss Franc	1	23,371	23,372	-	2,337	2,337
United States Dollar	3,846	495,488	499,334	385	49,549	49,933
<b>Total</b>	<b>4,082</b>	<b>598,960</b>	<b>603,042</b>	<b>409</b>	<b>59,896</b>	<b>60,304</b>
% of net assets attributable to holders of redeemable units	0.6%	86.9%	87.5%	0.1%	8.7%	8.7%

### Liquidity risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

The liquidity risk associated with issued redeemable units is managed by investing in a portfolio of highly liquid equity securities. Redeemable units are redeemed on demand at the holder's option.

Liquidity risk may also arise from the Fund's borrowing activities. Borrowings are repayable on demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

All other obligations of the Fund were due within three months from the financial reporting date.

### Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. As at March 31, 2023 and September 30, 2022, the Fund did not have significant exposure to credit risk.

### Leverage risk

The Fund may generally borrow up to 70% of its total assets. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly. When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund borrows to invest or when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently any adverse change in the value or level of the Fund's investments, or of the underlying assets, rate or index to which the Fund's investments relate, may amplify losses compared to those that would have been incurred if the Fund had not borrowed to invest or if the underlying asset had been directly held by the Fund. This may result in losses greater than, if the Fund had not borrowed to invest, or, in the case of derivatives, losses greater than the amount invested in the derivative itself.

There was no leverage risk as of March 31, 2023 and September 30, 2022.

### (c) Fair value of financial instruments

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - inputs are unobservable for the asset or liability.

The fair value hierarchy requires the use of observable market data each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

All financial instruments were sold prior to March 31, 2023 to facilitate the termination of the Fund. The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2022:

September 30, 2022	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	684,298	-	-	684,298
<b>Total</b>	<b>684,298</b>	<b>-</b>	<b>-</b>	<b>684,298</b>

#### (d) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- i) restricted activities;
- ii) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- iii) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and
- iv) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers all of its investments in exchange traded funds (ETFs) to be investments in unconsolidated structured entities. ETFs are bought and sold on the stock market on which they are traded and are valued at the last traded price as per above section on Fair Value Measurement. The change in fair value of each ETF is included in the statements of comprehensive income (loss) in 'Change in unrealized appreciation (depreciation) of the investments'.

All financial instruments were sold prior to March 31, 2023 to facilitate the termination of the Fund. The exposure to investment in structured entities at fair value as at September 30, 2022 is presented in the following table. These investments are included at fair value in financial assets at FVTPL in the statements of financial position. The Manager's best estimate of the maximum exposure to loss from the Fund's investment in structured entities is the fair value below.

September 30, 2022	Investment at Fair Value (\$)	Net Asset Value (\$ millions)	% of Net Asset Value
iShares MSCI Japan ETF	6,748	11,020	-

## 6. REDEEMABLE UNITS

The Fund is permitted to issue an unlimited number of redeemable units issuable in Series A, Series F or Series O, having such terms and conditions as the Manager may determine. Additional series may be offered in the future on different terms. Each unit of a series represents an undivided ownership interest in the net assets of the Fund attributable to that series of units.

The Fund endeavors to invest capital in appropriate investments in conjunction with its investment objectives. The Fund may borrow or dispose of investments, where necessary, to fund redemptions.

The principal difference between the series of units relates to the management fee payable to the Manager, compensation paid to dealers and distributions by the series. Units of each Fund are entitled to participate in its liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units of the applicable Fund being redeemed, determined at the close of business on the redemption date, as outlined in the applicable offering memorandum.

Series A Units are available to all investors who meet eligibility requirements and invest a minimum of \$2,500.

Series F Units are available to investors who meet eligibility requirements and invest a minimum of \$2,500, who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Fund does not incur distribution costs, or individual investors approved by the Manager.

Series O Units are available to certain institutional or other investors.

The number of units issued and outstanding for the six-month period ended March 31, 2023 and March 31, 2022 were as follows:

March 31, 2023	Balance, Beginning of Period	Units Issued Including Switches from other Series	Units Reinvested	Units Redeemed Including Switches to other Series	Balance, End of Period	Weighted Average Number of Units
Series A Units	5,094	-	483	5,577	-	5,123
Series F Units	6,312	-	574	6,886	-	6,356
Series O Units	2,240	-	-	2,240	-	2,240

March 31, 2022	Balance, Beginning of Period	Units Issued Including Switches from other Series	Units Reinvested	Units Redeemed Including Switches from other Series	Balance, End of Period	Weighted Average Number of Units
Series A Units	5,113	-	73	-	5,186	5,143
Series F Units	5,787	161	87	-	6,035	5,847
Series O Units	2,240	-	-	-	2,240	2,240

## 7. TAXATION

The Fund is a unit trust with registered investment status under the Income Tax Act (Canada) (the Tax Act).

The Fund has registered investment status and will qualify as a mutual fund trust once it has 150 qualifying unitholders. The Fund could be subject to a 40% tax under Part XII.2 of the Tax Act and may incur Minimum Tax as defined in the Tax Act. Minimum Tax may arise if the unit trust retains capital gains by virtue of applying: a) expenses, b) non-capital loss carry forwards, or c) dividend tax credits against those gains. Minimum Tax may also arise in certain circumstances where dividend income is retained to utilize the dividend tax credit. Minimum Tax is reflected as an expense on the statements of comprehensive income (loss), if applicable. The Fund will be liable for tax under Part X.2 of the Tax Act if, at the end of any month, the Fund holds property that is not a "qualified investment" for an RRSP, RRIF or DPSP.

The Fund calculates taxable and net capital gains/(losses) in accordance with the Tax Act and intends to distribute sufficient net income and net realized capital gains, if any, to ensure it does not pay ordinary income tax. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses, if any, has not been reflected in the statements of financial position as a deferred income tax asset.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income (loss). Withholding taxes are shown as a separate item in the statements of comprehensive income (loss).

The taxation year-end of the Fund is December 31. The final tax calculation was completed on March 31, 2023 and final distribution to unitholders was completed to facilitate the termination of the Fund.

## 8. FEES AND EXPENSES

Pursuant to the Fund's offering memorandum, the Fund agrees to pay management fees to the Manager, calculated daily on the average NAV and accrued on each Valuation Date. The annual management fees rate of the respective series of units are as follows:

Series A Units      2.00%

Series F Units      1.00%

Management fees on Series O Units are negotiated with the Manager. Such fees are paid directly to the Manager and are not deducted from the NAV of Series O.

The Manager is reimbursed for any operating expenses it incurs on behalf of the Fund, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the cost of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing Fundserv access for registered dealers and all related sales taxes. The Manager also provides key management personnel to the Fund. The Manager may charge the Fund for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Fund. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark-up or administration fee. The Manager may waive or absorb management fees and operating expenses at its discretion but is under no obligation to do so.

The Fund is also responsible for all costs associated with its creation and organization of the Fund including but not limited to legal and audit costs, registration and regulatory filing fees, costs associated with due diligence by registered dealers, printing costs, postage and courier costs and time spent by personnel of the Manager at fully allocated costs. The Manager has paid the costs associated with the formation and creation of the Fund and the offering of units and is entitled to reimbursement from the Fund for such costs. The Manager has absorbed these costs upon fund termination March 31, 2023.

All management fees, operating expenses and organization expenses payable by the Fund to the Manager are subject to GST and/or HST as applicable and will be deducted as an expense of the applicable series of units in the calculation of the NAV of such series of units.

## 9. SOFT DOLLARS

Allocation of business to brokers of the Fund is made on the basis of coverage, trading ability and fundamental research expertise. The Manager may choose to execute portfolio transactions with dealers who provide research, statistical and other similar services to the Fund or to the Manager at prices which reflect such services (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

The Manager may use third party proprietary research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for the six-month period ended March 31, 2023 and March 31, 2022 were \$5 and \$nil, respectively.

## 10. RELATED PARTY TRANSACTIONS

The following table outlines the management fees, operating expenses and organization expenses that were paid to the Manager by the Fund during the six month period ended March 31, 2023 and March 31, 2022. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager. All of the dollar amounts in the tables below exclude applicable GST or HST.

Period ended	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)	Organizational Expense Payments (\$)
March 31, 2023	4,451	1,858	46,448	787	-
March 31, 2022	4,490	1,855	44,403	446	-

The Fund owed the following amounts to the Manager excluding applicable GST or HST:

As at	Management Fees (\$)	Operating Expenses Reimbursement (\$)	Organization Expenses Payable (\$)
March 31, 2023	-	-	-
September 30, 2022	2,189	911	1,477

The Manager and/or its affiliates and related investment funds and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Fund from time to time in the normal course of business. As at March 31, 2023, Related Parties did not hold any units of the Fund (September 30, 2022: 3,881).

## 11. BORROWING

The Fund has a Settlement Services Agreement with a Canadian broker for margin borrowing. The rate of interest payable on borrowed money in Canadian dollars is the 3-month Canadian Dealer Offered Rate + 50bps and U.S. dollars is the 3-month OBFR (Overnight Bank Funding Rate) + 60bps. The facility is repayable on demand. The Fund has placed securities on account with the dealer as collateral for borrowing. Such non-cash collateral has been classified separately within the statements of financial position from other assets and is identified as 'Investments - pledged as collateral'. Cash collateral has been classified separately on the statements of financial position as 'Margin accounts'.

The amount borrowed as of March 31, 2023 and March 31, 2022 and the minimum and maximum amounts borrowed and the amount of interest paid during the six-month period ended March 31, 2023 and March 31, 2022 are presented below:

	Amount Borrowed (\$)	Minimum Amount Borrowed (\$)	Maximum Amount Borrowed (\$)	Interest Paid (\$)
March 31, 2023	-	-	2,528	2
March 31, 2022	43,674	43,622	185,803	585

## 12. RECONCILIATION OF NAV PER UNIT AND NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units of the Fund as at September 30, 2022.

September 30, 2022	NAV per Unit (\$)	Net assets attributable to holders of redeemable units per unit (\$)
Series A	49.90	49.77
Series F	50.59	50.46
Series O	52.43	52.31

### 13. EXEMPTION FROM FILING

The Fund is relying on the exemption contained within National Instrument 81-106, Part 2.11 to not file its financial statements with the applicable securities regulatory authorities.



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