

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2024

NS Partners International Equity Focus Fund

Notice to Unitholders: Connor, Clark & Lunn Funds Inc., the Manager of the Funds, appoints an independent auditor to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

NOTICE: The Fund's independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

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NS Partners International Equity Focus Fund

Statements of Financial Position as at

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets		
Current assets		
Cash	\$ 1,269,240	\$ 864,455
Investments	38,939,046	36,650,234
Dividends receivable	37,066	5,910
Other receivables	62	-
Subscriptions receivable	214,000	25,000
	<u>40,459,414</u>	<u>37,545,599</u>
Liabilities		
Current liabilities		
Due to broker	-	99,842
Accrued expenses	43,054	32,209
Management fees payable	245	481
Redemptions payable	10,000	37,000
	<u>53,299</u>	<u>169,532</u>
Net Assets attributable to holders of redeemable units	<u>\$ 40,406,115</u>	<u>\$ 37,376,067</u>
Net Assets attributable to holders of redeemable units for each class		
Series A	\$ 43,596	\$ 39,487
Series F	\$ 260,775	\$ 513,231
Series I	\$ 40,101,744	\$ 36,823,349
	<u>3,176,554</u>	<u>3,126,863</u>
Redeemable units outstanding (note 6)		
Series A	3,546	3,410
Series F	20,898	43,878
Series I	3,176,554	3,126,863
	<u>12.29</u>	<u>11.58</u>
Net Assets attributable to holders of redeemable units per unit		
Series A	\$ 12.29	\$ 11.58
Series F	\$ 12.48	\$ 11.70
Series I	\$ 12.62	\$ 11.78

Approved by the Manager

"Michael Freund"

Director

"Tim Elliott"

Director

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

NS Partners International Equity Focus Fund

Statements of Comprehensive Income (Unaudited)

For the six months ended June 30

	2024		2023
Income			
Realized foreign exchange gain (loss) on currency	\$ 6,425	\$	363
Change in unrealized foreign exchange gain (loss) on currency	599		(3,354)
Net gain (loss) on investments			
Dividends	533,193		461,787
Interest for distribution purposes	13,007		12,222
Net realized gain (loss) on investments	724,386		304,413
Net change in unrealized appreciation (depreciation) on investments	1,676,419		2,317,355
Total net gain (loss) on investments	<u>2,947,005</u>		<u>3,095,777</u>
Total income (loss), net	<u>2,954,029</u>		<u>3,092,786</u>
Expenses (note 8)			
Audit fees	12,675		6,499
Custodial fees	23,460		12,454
Filing fees	20,522		11,237
Fundserv fees	1,280		49
Independent review committee fees	1,975		2,232
Interest expense	97		5,324
Management fees	2,112		782
Professional fees	12,505		-
Securityholder reporting fees	6,808		4,052
Transaction costs (note 9)	32,072		17,575
Total operating expenses	<u>113,506</u>		<u>60,204</u>
Withholding taxes (note 7)	<u>(102,476)</u>		<u>(83,305)</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	<u>\$ 2,738,047</u>	<u>\$</u>	<u>2,949,277</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units for each class			
Series A	\$ 2,441	\$	(440)
Series F	\$ 23,725	\$	1,563
Series I	<u>\$ 2,711,881</u>	<u>\$</u>	<u>2,948,154</u>
Weighted average number of units outstanding			
Series A	3,488		536
Series F	26,554		12,664
Series I	<u>3,191,444</u>		<u>2,965,170</u>
Increase (decrease) in Net Assets attributable to holders of redeemable units per unit			
Series A	\$ 0.70	\$	(0.82)
Series F	\$ 0.89	\$	0.12
Series I	<u>\$ 0.85</u>	<u>\$</u>	<u>0.99</u>

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

NS Partners International Equity Focus Fund

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

For the six months ended June 30

	Series A 2024	Series A 2023
Net Assets attributable to holders of redeemable units - Beginning of period	\$ 39,487	\$ 1,079
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	2,441	(440)
Redeemable unit transactions		
Proceeds from redeemable units issued	1,668	38,526
Net increase (decrease) from redeemable unit transactions	1,668	38,526
Increase (decrease) in Net Assets attributable to holders of redeemable units during the period	4,109	38,086
Net Assets attributable to holders of redeemable units - End of period	\$ 43,596	\$ 39,165
	Series F 2024	Series F 2023
Net Assets attributable to holders of redeemable units - Beginning of period	\$ 513,231	\$ 1,083
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	23,725	1,563
Redeemable unit transactions		
Proceeds from redeemable units issued	41,427	432,190
Redemption of redeemable units	(317,608)	-
Net increase (decrease) from redeemable unit transactions	(276,181)	432,190
Increase (decrease) in Net Assets attributable to holders of redeemable units during the period	(252,456)	433,753
Net Assets attributable to holders of redeemable units - End of period	\$ 260,775	\$ 434,836

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

NS Partners International Equity Focus Fund

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

For the six months ended June 30

	Series I 2024	Series I 2023
Net Assets attributable to holders of redeemable units - Beginning of period	\$ 36,823,349	\$ 30,428,222
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	2,711,881	2,948,154
Redeemable unit transactions		
Proceeds from redeemable units issued	4,509,519	4,206,780
Redemption of redeemable units	(3,943,005)	(1,841,412)
Net increase (decrease) from redeemable unit transactions	566,514	2,365,368
Increase (decrease) in Net Assets attributable to holders of redeemable units during the period	3,278,395	5,313,522
Net Assets attributable to holders of redeemable units - End of period	\$ 40,101,744	\$ 35,741,744
	Total 2024	Total 2023
Net Assets attributable to holders of redeemable units - Beginning of period	\$ 37,376,067	\$ 30,430,384
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	2,738,047	2,949,277
Redeemable unit transactions		
Proceeds from redeemable units issued	4,552,614	4,677,496
Redemption of redeemable units	(4,260,613)	(1,841,412)
Net increase (decrease) from redeemable unit transactions	292,001	2,836,084
Increase (decrease) in Net Assets attributable to holders of redeemable units during the period	3,030,048	5,785,361
Net Assets attributable to holders of redeemable units - End of period	\$ 40,406,115	\$ 36,215,745

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

NS Partners International Equity Focus Fund

Statements of Cash Flows (Unaudited)

For the six months ended June 30

	2024	2023
Cash flows from (used in) Operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	\$ 2,738,047	\$ 2,949,277
Adjustments to reconcile to operating cash flows:		
Change in unrealized foreign exchange (gain) loss on currency	(599)	3,354
Net realized (gain) loss on investments	(724,386)	(304,413)
Net change in unrealized (appreciation) depreciation of investments	(1,676,419)	(2,317,355)
Purchase of investments	(8,820,966)	(7,210,766)
Proceeds from investments sold	8,833,117	4,599,856
(Increase) decrease in dividends receivable	(31,156)	(24,460)
(Increase) decrease in other receivables	(62)	-
Increase (decrease) in accrued expenses	10,845	(28,096)
Increase (decrease) in management fees payable	(236)	781
Net cash flows from (used in) operating activities	328,185	(2,331,822)
Cash flows from (used in) Financing activities		
Proceeds from redeemable units issued	4,363,614	4,627,496
Redemption of redeemable units	(4,287,613)	(1,838,412)
Net cash flows from (used in) financing activities	76,001	2,789,084
Increase (decrease) in cash		
Net increase (decrease) in cash	404,186	457,262
Change in unrealized foreign exchange gain (loss) on currency	599	(3,354)
Cash, beginning of period	864,455	105,227
Cash, end of period	\$ 1,269,240	\$ 559,135
Dividends received, net of withholding taxes*	\$ 399,561	\$ 354,022
Interest received*	13,007	12,222
Interest paid*	(97)	(5,324)

*included in operating activities

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

NS Partners International Equity Focus Fund

Schedule of Investment Portfolio (Unaudited)

As at June 30, 2024

	Number of Shares	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Equities				
Australia (December 31, 2023: 7.92%)				
CSL Ltd.	3,900	1,007,682	1,052,134	
Goodman Group	31,813	547,319	1,010,264	
Macquarie Group Ltd.	4,002	600,441	748,599	
Pilbara Minerals Ltd.	86,782	370,274	243,469	
		2,525,716	3,054,466	7.56
Cayman Islands (December 31, 2023: 1.18%)				
ASMPT Ltd.	27,500	431,227	524,867	1.30
Denmark (December 31, 2023: 4.15%)				
Novo Nordisk A/S	11,511	927,961	2,276,340	5.63
Faroe Islands (December 31, 2023: 2.21%)				
Bakkafrost P/F	12,259	775,750	853,890	2.11
France (December 31, 2023: 12.19%)				
Air Liquide SA	2,547	588,792	602,423	
AXA SA	14,381	580,992	644,728	
BNP Paribas SA	6,442	498,348	562,404	
Hermes International SCA	178	331,310	558,632	
LVMH Moet Hennessy Louis Vuitton SE	645	757,257	675,004	
Orange SA	15,089	241,224	206,990	
Remy Cointreau SA	2,861	648,748	326,849	
Schneider Electric SE	3,694	845,654	1,215,117	
		4,492,325	4,792,147	11.86
Germany (December 31, 2023: 6.10%)				
Beiersdorf AG	2,813	521,807	563,318	
Hannover Rueck SE	2,762	656,887	958,769	
Infineon Technologies AG	5,408	301,439	272,073	
SAP SE	4,522	849,706	1,256,833	
Sartorius AG	944	455,756	303,185	
Scout24 SE	4,672	456,770	487,837	
		3,242,365	3,842,015	9.51
Hong Kong (December 31, 2023: 1.62%)				
AIA Group Ltd.	49,200	619,055	457,014	
Techtronic Industries Co., Ltd.	24,000	428,359	375,202	
		1,047,414	832,216	2.06
India (December 31, 2023: 1.11%)				
Japan (December 31, 2023: 21.15%)				
Advantest Corp.	8,000	351,230	437,231	
Ajinomoto Co Inc.	13,500	729,857	647,795	
Hoya Corp.	5,700	819,033	906,943	
Keyence Corp.	1,800	970,206	1,080,232	
Kobe Bussan Co., Ltd.	10,700	378,884	326,211	
Mitsubishi UFJ Financial Group Inc.	38,200	351,420	561,831	
Recruit Holdings Co., Ltd.	15,200	635,777	1,112,866	
Shin-Etsu Chemical Co., Ltd.	10,900	529,171	578,388	
Socionext Inc.	10,000	356,576	324,010	
Sony Group Corp.	7,800	795,499	905,016	
SUMCO Corp.	25,700	507,122	506,204	
Sumitomo Mitsui Financial Group Inc.	6,300	346,463	574,758	
Terumo Corp.	36,600	748,117	825,973	
		7,519,355	8,787,458	21.75
Jersey (December 31, 2023: 2.93%)				
Experian PLC	13,123	578,262	836,687	2.07
Netherlands (December 31, 2023: 6.99%)				
Airbus SE	4,222	599,531	794,148	
ASM International NV	807	503,237	842,410	
BE Semiconductor Industries NV	1,848	387,814	423,191	
Universal Music Group NV	17,933	490,626	730,596	

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

NS Partners International Equity Focus Fund

Schedule of Investment Portfolio (Unaudited)

As at June 30, 2024

	Number of Shares	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Wolters Kluwer NV	3,673	535,489	833,842	
		2,516,697	3,624,187	8.97
New Zealand (December 31, 2023: 1.55%)				
Xero Ltd.	5,120	355,522	638,204	1.58
South Korea (December 31, 2023: 1.70%)				
Samsung Electronics Co., Ltd., GDR	358	612,007	725,004	1.79
Spain (December 31, 2023: 5.23%)				
Amadeus IT Group SA	9,593	663,532	874,214	
Cellnex Telecom SA	11,477	515,007	511,170	
		1,178,539	1,385,384	3.43
Switzerland (December 31, 2023: 11.62%)				
Lonza Group AG	1,089	765,135	813,214	
Nestle SA	6,810	1,026,307	951,125	
Sika AG	1,614	509,804	632,122	
Straumann Holding AG	2,164	451,949	366,757	
Zurich Insurance Group AG	798	458,696	582,178	
		3,211,891	3,345,396	8.28
United Kingdom (December 31, 2023: 10.41%)				
Ashtead Group PLC	4,930	447,675	450,422	
Barratt Developments PLC	65,272	553,494	533,123	
BP PLC	54,674	500,208	449,399	
Prudential PLC	29,376	441,741	365,034	
Segro PLC	25,664	362,569	398,724	
Shell PLC	24,971	1,055,293	1,224,083	
		3,360,980	3,420,785	8.47
Total Equities		32,776,011	38,939,046	96.37
Embedded Broker Commissions (note 3)		(60,111)		
Total Investments		32,715,900	38,939,046	96.37
Other Assets Less Liabilities			1,467,069	3.63
Net Assets Attributable to Holders of Redeemable Units			40,406,115	100.00

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

NS Partners International Equity Focus Fund

Notes to Financial Statements – Fund Specific Information

June 30, 2024 and 2023 (Unaudited)

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements, which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

General information (Note 1)

The NS Partners International Equity Focus Fund (the "Fund") is an open-ended unit trust established under the laws of Ontario pursuant to separate supplemental trust agreements dated May 10, 2022. The supplemental trust agreement incorporates by reference the master trust dated May 1, 2012, containing the standard terms and conditions of the Fund. The Fund commenced operations on September 14, 2022.

The address of the Fund's principal place of business is 1400 – 130 King St. West, P.O. Box 240, Toronto, Ontario, Canada, M5X 1C8. The investment activities of the Fund are managed by Connor, Clark & Lunn Funds Inc. (the "Manager"). The Manager has retained the services of NS Partners Ltd. ("NS"), as portfolio manager, to provide investment management services to the Fund. NS is part of Connor, Clark & Lunn Financial Group Ltd., ("CC&LFG"), of which the Manager is an affiliate. The Trustee of the Fund is RBC Investor Services Trust.

The investment objective is to provide unitholders with long term capital appreciation by investing in a portfolio comprised primarily of non-North American equity securities. The Fund will invest primarily in non-North American equities traded on recognized international exchanges, rights, warrants, cash and cash equivalents, index ETFs, and derivatives.

Fair value of financial instruments (Note 5)

Classification of investments under the Fair Value Hierarchy

The tables below illustrate the classification of the Fund's financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at June 30, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Foreign equities	\$ 38,939,046	\$ -	\$ -	\$ 38,939,046
	\$ 38,939,046	\$ -	\$ -	\$ 38,939,046

As at December 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Foreign equities	\$ 36,650,234	\$ -	\$ -	\$ 36,650,234
	\$ 36,650,234	\$ -	\$ -	\$ 36,650,234

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the period ended June 30, 2024 and year ended December 31, 2023. All fair value measurements above are recurring.

NS Partners International Equity Focus Fund

Notes to Financial Statements – Fund Specific Information

June 30, 2024 and 2023 (Unaudited)

Redeemable units of the Fund (Note 6)

For the period ended June 30, 2024 and year ended December 31, 2023, changes in outstanding redeemable units were as follows:

	Balance - Beginning	Redeemable units	Redeemable units	Redeemable units	Balance -
2024	of period	issued	reinvested	redeemed	End of period
Series A	3,410	136	-	-	3,546
Series F	43,878	3,325	-	(26,305)	20,898
Series I	3,126,863	362,991	-	(313,300)	3,176,554
<hr/>					
2023					
Series A	101	3,280	29	-	3,410
Series F	101	43,462	315	-	43,878
Series I	2,831,654	586,151	43,168	(334,110)	3,126,863

Taxation of the Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$Nil (December 31, 2022 - \$Nil), which may be carried forward indefinitely to reduce future net realized capital gains. There were \$Nil (December 31, 2022 - \$Nil) unused non-capital losses available for tax purposes.

During the period, withholding tax rates were between 0% and 35% (2023 - between 0% and 35%).

Related party transactions and other expenses (Note 8)

Management fees

The Fund pays a management fee, which is accrued daily and paid monthly. The Manager receives its management fees for providing or arranging for portfolio management, selecting service providers to the Fund, arranging for all necessary regulatory documents, including those required to offer the Fund's units, marketing the Fund, supervising the operations of the Fund, and making use of controls and monitoring for compliance.

The annual management fee rates, exclusive of taxes, are 1.90% for Series A and 0.90% for Series F.

No management fees are paid by the Fund with respect to Series I, but are negotiable and paid directly by the unitholder to the Manager and will not exceed the management fee payable on Series F units of the Fund.

Independent Review Committee fees

In accordance with National Instrument 81-107, the Fund has in place an Independent Review Committee (IRC). The IRC acts for all of the applicable CC&LFG Funds. The Fund pays a share of expenses of the IRC, as the IRC provides oversight for conflict of interest matters for the Fund. The cost of the IRC is shared amongst the funds for which the IRC provides governance.

NS Partners International Equity Focus Fund

Notes to Financial Statements – Fund Specific Information

June 30, 2024 and 2023 (Unaudited)

Units held by related parties

Connor, Clark & Lunn Financial Group Ltd. (“CCLFGL”), a company related to the Manager through common ownership, hold units of the Fund. At June 30, 2024, CCLFGL held 102 Series A units and 101 Series F units with respective total fair values of \$1,252 and \$1,265 (December 31, 2023 - 102 Series A units and 101 Series F units with respective total fair values of \$1,179 and \$1,186).

Other expenses

The Fund is responsible for audit fees, custodial fees, securityholder reporting fees and other expenses incurred directly for the operations of the Fund.

Brokerage commissions and soft dollars (Note 9)

The Fund paid \$32,072 (2023 - \$17,575) in brokerage commissions and other transactions costs for portfolio transactions during the period. The soft dollars paid during the period were \$Nil (2023 - \$Nil).

Financial risk management (Note 10)

Currency risk

The tables below summarize the Fund’s exposure to foreign currencies as at June 30, 2024 and December 31, 2023 in Canadian dollars. Amounts shown are based on the fair value of monetary assets (including cash and short-term investments) as well as the underlying principal amounts of forward foreign currency contracts, as applicable.

The tables also illustrate the potential impact on net assets attributable to holders of redeemable units as a result of a 5% change in these currencies relative to the Canadian dollar, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at June 30, 2024:

Currency	Monetary Assets (Liabilities) (\$)	% of Net Assets	Impact on Net Assets (\$)
Australian Dollar	17,580	-	879
Hong Kong Dollar	2,748	-	137
Japanese Yen	18,314	0.1	916
US Dollar	13,169	-	658
Total	51,811	0.1	2,590

NS Partners International Equity Focus Fund

Notes to Financial Statements – Fund Specific Information

June 30, 2024 and 2023 (Unaudited)

As at December 31, 2023:

Currency	Monetary Assets (Liabilities) (\$)	% of Net Assets	Impact on Net Assets (\$)
Australian Dollar	4,391	-	220
Japanese Yen	(98,323)	(0.3)	(4,916)
US Dollar	(1,246)	-	(62)
Total	(95,178)	(0.3)	(4,758)

Interest rate risk

As at June 30, 2024 and December 31, 2023, interest rate risk was negligible as the Fund had no significant exposure to long-term interest-bearing investments.

Other price risk

As at June 30, 2024 and December 31, 2023, the Fund was exposed to other price risk primarily through its equity investments. Substantially all of the Fund's net assets were exposed to other price risk because of exposure to market fluctuations (not caused by other factors mentioned previously). If stock prices of the portfolio held increased or decreased by 10%, with all other factors remaining constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$3,894,000 (December 31, 2023 - \$3,665,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

As at June 30, 2024 and December 31, 2023, credit risk was negligible as the Fund had no significant exposure to debt or derivative instruments.

NS Partners International Equity Focus Fund

Notes to Financial Statements

June 30, 2024 and 2023 (Unaudited)

These notes shall be read in conjunction with the accompanying fund specific notes which are an integral part of these financial statements.

1 General information

The financial statements were authorized for issue by the Manager on August 26, 2024.

2 Basis of presentation

(a) Statement of compliance:

These financial statements have been prepared in compliance with IFRS Accounting Standards, including International Accounting Standard 34, “Interim Financial Reporting”. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives) at fair value through profit and loss.

(b) Functional and presentational currency:

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

3 Material accounting policy information

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Financial instruments:

The Fund has determined that it meets the definition of an ‘investment entity’. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. The significant judgment that the Fund has made in determining that it meets this definition is that fair value is the primary measurement attribute used to measure and evaluate the performance of substantially all of its investments.

The Fund classifies and measures financial instruments in accordance with International Financial Reporting Standard (“IFRS”) 9, “Financial Instruments”. The standard requires financial assets to be classified as amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income based on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement. The Fund classifies investments based on both the Fund’s business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess performance and to make decisions. Consequently, all investments are measured at FVTPL.

More specifically, the Fund’s investments, derivative assets and liabilities and short sales, if any, are measured at FVTPL. The Fund’s obligation for Net Assets attributable to holders of redeemable units is presented at the

NS Partners International Equity Focus Fund

Notes to Financial Statements

June 30, 2024 and 2023 (Unaudited)

redemption amount. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

The net asset value ("NAV") per unit is determined by dividing the aggregate market value of the net assets of the Fund by the total number of units of the Fund outstanding before giving effect to redemptions or subscriptions to units on that day.

The interest for distribution purposes, if any, shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Dividends received are recognized as income on the ex-dividend date. Dividends paid on securities sold short, if any, are recognized as an expense on the ex-dividend date. Distributions from income trusts and pooled funds, if any, are recognized when the Fund has earned the right to receive payment of the distributions. The cost of investments is determined using the average cost method.

(b) Redeemable units of the Fund:

Under International Accounting Standard ("IAS") 32, "Financial Instruments: Presentation", the Fund classified its redeemable units as liabilities. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as the Fund has more than one contractual obligation to its unitholders. Investors have the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. Unitholders are also entitled to distributions when declared, and have the right to receive distributions in cash. Therefore, the ongoing redemption feature is not the only contractual obligation related to units.

(c) Increase (decrease) in net assets attributable to holders of redeemable units per class unit:

The increase (decrease) in net assets attributable to holders of redeemable units per class unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units of each class by the weighted average number of units outstanding of that class during the period.

(d) Foreign exchange:

Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses on foreign denominated assets and liabilities other than investments are presented separately in the Statements of Comprehensive Income. Foreign currency gains and losses on investments are included in the Net realized gain (loss) on investments and Net change in unrealized appreciation (depreciation) on investments in the Statements of Comprehensive Income.

(e) Income and expense allocation:

Realized gains/losses, changes in unrealized appreciation (depreciation) on investments and derivatives, income and expenses are allocated daily to each class based on the proportionate share of the net asset value of the class. The proportionate share of each class is determined by adding the current day's net unitholder subscriptions of the class to the prior day's net asset value of the class. Any income or expense amounts that are unique to a particular class (for example, management fees) are accounted for separately in that particular class so as not to affect the net asset value of the other class.

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(f) Income taxes:

The Fund qualifies as a unit trust or mutual fund trust (refer to fund specific notes) under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. 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 has not been reflected in the Statements of Financial Position as a deferred income tax asset.

(g) Transaction costs:

Transaction costs such as brokerage commissions incurred in the purchase and sale of securities are expensed as incurred and are recognized in the Statements of Comprehensive Income.

(h) New standards and interpretations not yet adopted:

The Fund has determined there are no IFRS standards that are issued but not yet effective that could materially impact the Funds' financial statements.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards 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.

5 Fair value of financial instruments

The fair value of a financial instrument is the amount 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 Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

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 either directly or indirectly; and

Level 3: Inputs that are unobservable.

The fair values of financial assets and financial liabilities that are traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices or dealer price quotations 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, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. 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.

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The carrying value of cash, subscriptions receivable, dividends receivable, payable to brokers, redemptions payable, management fees payable and accrued expenses, if applicable, approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because, while prices are available, there is no active market for these instruments.

Fair value measurement of derivatives and securities not quoted in an active market

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund uses widely recognized valuation models for determining the fair value of financial instruments such as future, forward and swap contracts 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, and exchange-traded derivatives, such as futures and options, and OTC derivatives, such as forward contracts and swaps. 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.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Classification of investments under the Fair Value Hierarchy

Equity positions (including income trusts, exchange-traded funds and limited partnerships) are classified as Level 1 when the security is actively traded and a reliable price is observable. If equities do not trade frequently and observable prices are not available, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Warrants are classified as Level 1, unless observable prices are not available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2.

6 Redeemable units of the Fund

Redeemable units of the Fund are not offered to the public by way of prospectus. Redeemable units are issued pursuant to statutory exemptions from registration and prospectus requirements.

Redeemable units of the Fund are redeemable at the option of the unitholders in accordance with the provisions of the declaration of trust at their net asset value per class unit and do not have any nominal or par value. The Trustee shall also deduct from the aggregate redemption proceeds otherwise payable by the Trust to a unitholder, the amount of any transactions costs as calculated by the Manager.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units. The relevant movements are shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. However, the switches between the series within a Fund are excluded from proceeds from redeemable units issued and redemption of redeemable units in the Statements of Cash Flows. In accordance with the objectives and risk management policies outlined in Note 10, the Fund endeavors to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Liquidity is supported by the disposal of marketable securities when necessary.

Unitholders have the right to make an election to receive cash instead of additional units on the payment of a distribution by the Fund by written notification to the Trustee.

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7 Taxation of the Fund

The Fund may have unused capital losses which may be carried forward indefinitely to reduce future net realized capital gains, and unused non-capital losses which may be applied against the future investment income, available for tax purposes, as detailed in the fund specific notes.

Certain dividend, interest and security lending income received by the Fund is subject to withholding tax imposed in the country of origin. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income.

As at June 30, 2024 and December 31, 2023, the Fund has considered contingent tax liabilities and uncertain tax treatments, as well as interest and penalties, and determined that no amount need be accrued in respect of such amounts.

8 Related party transactions and other expenses

Management fees

Management fees may be charged by the Manager as detailed in the fund specific notes if applicable, either to the Fund or directly to the unitholders.

Other expenses

The Fund is responsible for audit fees, custodial fees, securityholder reporting fees and other expenses incurred directly for the operations of the Fund.

Investments in related parties

The Fund may have investment transactions related to activities of investor funds, which are managed by the Manager or entities related to the Manager through common ownership.

9 Brokerage commissions and soft dollars

The Manager may select brokers who charge commission in “soft dollars” if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. Soft dollars represent a means of paying for products or services provided by brokerage firms (e.g., research reports) in exchange for direction transactions (e.g., trade execution) to the brokerage. Fund managers may use soft dollars allocated by brokerages to pay for a portion of the total commissions owed to the brokerage.

10 Financial risk management

The Fund may be exposed to a variety of financial risks which are described below. The Fund’s exposure to these risks is concentrated in its investment holdings including derivative instruments, where applicable. In determining the risks that apply, and the extent to which they apply, reference should be made to the Schedule of Investment Portfolio and supporting schedules that group securities (as applicable) by asset class, market segment and geographic region (when securities are held in multiple currencies). The Manager aims to manage the potential effects of these financial

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risks on the Fund's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund's holdings, market events and overall economic conditions.

The portfolio managers use a variety of means to monitor the Fund including the measurement of specific financial and economic variables pertinent to the Fund. The Fund's risk management program is based on monitoring compliance against investment guidelines contained in the Statement of Investment Policy ("SIP"). The SIP is an internal document that outlines how the Fund is managed. The SIP states the investment objective of the Fund and the investment guidelines. The guidelines include permitted investments, acceptable levels of diversification and the permitted uses of derivatives.

Securities are selected with the intent of maximizing returns within the risk parameters defined in the SIP. On a daily basis, these guidelines and other restrictions are monitored against the positions in the Fund using an electronic compliance system to confirm there are no violations and to ensure market movements do not leave the Fund's portfolio holdings outside specified ranges. Corrective action is taken when necessary and any guideline violations are reported to the Manager.

The Fund may be exposed indirectly to the below risks through investments in exchange-traded funds and underlying funds.

The economic uncertainties around persistent inflation pressure, global pandemic recovery, geopolitical events, climate change and ongoing natural disasters could slow growth in the global economy. Developing reliable estimates and applying judgment continue to be substantially complex. Actual results may differ from those estimates and assumptions.

Refer to the fund specific notes for specific risk disclosures.

Currency risk

Currency risk is the risk that the value of monetary assets and liabilities denominated in currencies other than the Canadian dollar (the functional and presentational currency of the Fund) will fluctuate due to changes in foreign exchange rates. The Schedule of Investment Portfolio and supporting schedules identify all investments and derivative instruments denominated in foreign currencies. Bonds and short-term investments issued in foreign countries are exposed to that country's currency unless otherwise noted. Bonds, short-term investments and derivatives denominated in foreign currencies are exposed to currency risk as prices are converted to the Fund's functional currency in determining fair value. Foreign equities are not exposed to currency risk since they are considered non-monetary investments. Changes in the market value of these securities due to fluctuations in exchange rates are considered a component of other price risk (see below).

The portfolio manager may utilize hedging strategies at their discretion to minimize exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Fund's interest-bearing investments will fluctuate due to changes in prevailing interest rates. The longer the term to maturity, all else being equal, the more sensitive a security is to interest rate risk. The Fund's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds and short-term investments) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and non-interest bearing.

The Fund may also hold a limited amount of floating rate debt, cash and short-term investments that expose the Fund to cash flow interest rate risk. The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests. Therefore the sensitivity analysis may not fully indicate the total effect on the Fund's net assets to holders of redeemable shares of redeemable units of future movements in interest rates.

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The portfolio manager targets the Fund's duration to be within a specified tolerance of the benchmark or as otherwise specified in the SIP in order to minimize exposure to interest rate risk.

Other price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, and may impair the portfolio manager's ability to carry out the objectives of the Fund or cause the Fund to incur losses. Neither the duration nor ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to other price risk.

Other assets and liabilities are monetary items that are short-term in nature and not subject to other price risk.

Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. To maximize the credit quality of its investments, the Fund's portfolio manager performs ongoing credit evaluations of debt issuers. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk can also arise with counterparties, as applicable, on forward contracts, swap contracts and reverse sale and repurchase agreements. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by their carrying amount.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At June 30, 2024 and December 31, 2023, all other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit ratings ranging from AAA to AA. Credit risk related to unsettled transactions is considered small due to the short settlement period involved. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term.

Credit ratings are determined from a composite of bond rating services such as Standard & Poor's, Moody's and Dominion Bond Rating Services and are subject to change without notice.

The Fund can also be exposed to credit risk to the extent that the Fund's custodian may not be able to settle trades for cash. RBC Investor Services Trust, which is the custodian for the Fund, is approved by Canadian Securities Administrator to act as custodian.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of redeemable units, which are due on demand. The liquidity of some securities held by the Fund, which may need to be disposed of in order to meet immediate or short-term obligations, are susceptible to rapid negative movements in credit markets; in particular non-government issued fixed income securities found on the Schedule of Investments Portfolio. Like all fixed income securities, the market value of these securities is based on a credit risk premium or 'spread'. The greater the credit risk

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associated with a security, the greater the spread demanded by holders. There is a negative correlation between the size of the spread and the value or price of the underlying security.

The Fund may also be exposed to liquidity risk through its investments in underlying funds. The underlying funds invest in the majority of their investments that are traded in an active market and can be readily disposed of to maintain liquidity.

The Fund retains sufficient cash, short-term investments and marketable securities that can be readily disposed of to maintain liquidity. Liquidity risk is considered negligible. The Fund's financial liabilities are all short-term in nature and are expected to mature within three months of the June 30, 2024 financial statement date, with the exception of redeemable units, which are due on demand. All of the Fund's financial liabilities as at December 31, 2023, matured within three months of the financial statement date.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographic region, asset type or sector.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to concentration risk.

The Schedule of Investment Portfolio provides detailed information on the Fund's concentration risk exposure as at June 30, 2024 and December 31, 2023.

Capital risk management

Redeemable units issued and outstanding are considered to be capital of the Fund. The Fund is not subject to any internally or externally imposed restrictions on its capital. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust and entitles the unitholder to a pro rata share of the Fund's NAV. Unitholders are entitled to distributions when declared. Distributions on units of the Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash.