

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2023

imaxx Short Term Bond Fund



FIERACAPITAL

Independent auditor's report

To the Unitholders and Trustee of **imaxx Short Term Bond Fund** (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Annual Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*¹

Montréal, Quebec
March 22, 2024

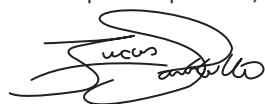
¹ CPA auditor, CA, public accountancy permit No. A127947

imaxx Short Term Bond Fund

Statements of Financial Position

	As at December 31, 2023 \$	As at December 31, 2022 \$
Assets		
Current assets		
Investments, at fair value through profit or loss	5,502,008	5,810,684
Cash	23,779	28,003
Due from manager	note 6 62,708	46,350
Interest receivable	47,788	31,485
Other receivables	15,015	10,495
Total assets	5,651,298	5,927,017
Liabilities		
Current liabilities		
Management fees payable	note 6 5,609	5,108
Accrued liabilities	note 6 44,813	32,439
Total liabilities	50,422	37,547
Net assets attributable to holders of redeemable units	5,600,876	5,889,470
Net assets attributable to holders of redeemable units per class		
Class A	2,781,785	3,270,877
Class F	52,893	49,471
Class O	2,766,198	2,569,122
	5,600,876	5,889,470
Number of redeemable units outstanding per class		
	note 4	
Class A	383,948	461,223
Class F	7,208	6,882
Class O	259,084	258,004
Net assets attributable to holders of redeemable units per unit per class		
Class A	7.25	7.09
Class F	7.34	7.19
Class O	10.68	9.96

Signed on behalf of
Fiera Capital Corporation, Fund Manager



Lucas Pontillo, Executive Director,
Global Chief Financial Officer



Jean-Guy Desjardins, Chairman of the Board and
Chief Executive Officer

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

imaxx Short Term Bond Fund

Statements of Comprehensive Income

For the years ended December 31,

	2023	2022
	\$	\$
Income		
Interest for distribution purposes	172,447	137,833
Other changes in fair value of investments		
Net realized gain (loss) on investments	61,196	(212,970)
Net change in unrealized appreciation (depreciation) on investments	173,787	(190,541)
Total income (loss)	407,430	(265,678)
Expenses		
Management fees	note 5 29,104	25,517
Custodian fees	note 6 96,067	90,123
Audit fees	30,004	20,210
Legal fees	26,232	3,980
Securityholder reporting costs	40,152	27,062
Fund accounting fees	note 6 453	494
Trustee fees	12,361	6,657
Independent review committee fees	36,166	21,522
Transaction costs	92	57
Harmonized sales tax	429	1,031
Administration fees	30,506	22,366
Total expenses	301,566	219,019
Net investment income before waived/absorbed expenses	105,864	(484,697)
Expenses waived/absorbed by manager	note 6 265,291	180,159
Increase (decrease) in net assets attributable to holders of redeemable units	371,155	(304,538)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	170,657	(175,747)
Class F	3,422	(989)
Class O	197,076	(127,802)
	371,155	(304,538)
Weighted average redeemable units outstanding during the year per class		
Class A	407,345	345,995
Class F	7,014	4,892
Class O	258,030	256,991
Increase (decrease) in net assets attributable to holders of redeemable units per unit per class		
Class A	0.42	(0.51)
Class F	0.49	(0.20)
Class O	0.76	(0.50)

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

imaxx Short Term Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31,

	2023	2022	2023	2022
	\$	Class A \$	\$	Class F \$
Net assets attributable to holders of redeemable units — Beginning of year	3,270,877	3,037,342	49,471	3,064
Increase (decrease) in net assets attributable to holders of redeemable units	170,657	(175,747)	3,422	(989)
Redeemable unit transactions				
				note 4
Proceeds from redeemable units issued	3,369	1,312,754	—	47,396
Reinvestments of distributions to holders of redeemable units	108,870	86,612	2,342	1,630
Redemption of redeemable units	(663,008)	(903,401)	—	—
	(550,769)	495,965	2,342	49,026
Distributions to holders of redeemable units				
				note 4
From net investment income	108,980	86,683	2,342	1,630
	108,980	86,683	2,342	1,630
Net increase (decrease) in net assets attributable to holders of redeemable units	(489,092)	233,535	3,422	46,407
Net assets attributable to holders of redeemable units — End of year	2,781,785	3,270,877	52,893	49,471
	2023	2022	2023	2022
	\$	Class O \$	\$	Total \$
Net assets attributable to holders of redeemable units — Beginning of year	2,569,122	2,696,924	5,889,470	5,737,330
Increase (decrease) in net assets attributable to holders of redeemable units	197,076	(127,802)	371,155	(304,538)
Redeemable unit transactions				
				note 4
Proceeds from redeemable units issued	—	—	3,369	1,360,150
Reinvestments of distributions to holders of redeemable units	11,476	10,431	122,688	98,673
Redemption of redeemable units	—	—	(663,008)	(903,401)
	11,476	10,431	(536,951)	555,422
Distributions to holders of redeemable units				
				note 4
From net investment income	11,476	10,431	122,798	98,744
	11,476	10,431	122,798	98,744
Net increase (decrease) in net assets attributable to holders of redeemable units	197,076	(127,802)	(288,594)	152,140
Net assets attributable to holders of redeemable units — End of year	2,766,198	2,569,122	5,600,876	5,889,470

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

imaxx Short Term Bond Fund

Statements of Cash Flows

For the years ended December 31,

	2023 \$	2022 \$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	371,155	(304,538)
Adjustments for:		
Net realized (gain) loss on investments	14,943	212,970
Net change in unrealized (appreciation) depreciation on investments	(173,787)	190,541
Purchases of investments	(8,076,213)	(4,377,951)
Proceeds from sale and maturity of investments	8,543,733	3,824,033
Due from manager	(16,358)	(14,108)
Interest receivable	(16,303)	(1,344)
Other receivables	(4,520)	(3,113)
Management fees payable	501	(821)
Accrued liabilities	12,374	14,632
Net cash from (used in) operating activities	655,525	(459,699)
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(110)	(71)
Proceeds from redeemable units issued	3,369	1,360,200
Redemption of redeemable units	(663,008)	(903,401)
Net cash from (used in) financing activities	(659,749)	456,728
Net increase (decrease) in cash	(4,224)	(2,971)
Cash (Bank indebtedness) — Beginning of year	28,003	30,974
Cash (Bank indebtedness) — End of year	23,779	28,003
Included in cash flows from operating activities		
Interest received, net of withholding taxes	156,144	136,489

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

imaxx Short Term Bond Fund

Schedule of Investment Portfolio

As at December 31, 2023

	Maturity Date	Coupon Rate	Number of Shares/ Units/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Asset Value %
Bonds and Debentures						
Canadian Bonds and Debentures						
Federal						
Canadian Government Bond	September 1, 2028	3.250%	100,000	100,240	100,349	
Canadian Government Bond	June 1, 2028	2.000%	1,043,000	977,714	994,964	
				1,077,954	1,095,313	19.6
Corporate						
Bank of Montreal	October 27, 2032	6.534%	100,000	102,335	105,407	
Bank of Montreal	September 17, 2029	2.880%	135,000	139,877	132,493	
Canadian Imperial Bank of Commerce	July 28, 2082	7.150%	115,000	114,785	113,908	
Canadian Western Bank	December 16, 2027	1.818%	125,000	106,551	112,687	
Capital Power Corp.	September 15, 2028	5.816%	245,000	244,999	254,651	
Chip Mortgage Trust	December 15, 2025	1.738%	187,000	186,183	174,233	
CNH Industrial Capital Canada Ltd.	October 1, 2024	1.500%	60,000	59,962	58,347	
Empire Life Insurance Co.	September 24, 2031	2.024%	75,000	75,000	68,851	
Empire Life Insurance Co.	January 13, 2033	5.503%	150,000	150,000	150,669	
ENMAX Corp.	December 5, 2024	3.805%	40,000	42,066	39,346	
ENMAX Corp.	June 5, 2028	3.836%	150,000	140,150	144,456	
Equitable Bank	March 2, 2026	3.362%	230,000	214,543	221,149	
Federation des Caisses Desjardins du Quebec	May 28, 2031	1.992%	250,000	221,510	233,090	
General Motors Financial of Canada Ltd.	July 9, 2025	1.700%	180,000	177,311	171,217	
Glacier Credit Card Trust	September 20, 2028	6.881%	235,000	237,691	245,704	
iA Financial Corp Inc.	June 20, 2033	5.685%	135,000	135,000	138,857	
Intact Financial Corp.	March 31, 2081	4.125%	64,000	64,000	56,801	
Loblaws Cos Ltd.	November 8, 2027	6.650%	90,000	98,114	96,502	
MCAP Commercial LP	August 25, 2025	3.743%	148,000	150,587	142,340	
Metro Inc.	December 2, 2024	1.922%	50,000	50,000	48,608	
Pembina Pipeline Corp.	January 22, 2024	2.990%	140,000	142,818	139,798	
Royal Bank of Canada	February 24, 2081	4.000%	12,000	12,000	10,958	
Royal Bank of Canada	July 26, 2027	4.612%	120,000	121,194	120,756	
				2,986,676	2,980,828	53.2
Total Canadian Bonds and Debentures				4,064,630	4,076,141	72.8
U.S. Bonds and Debentures						
Corporate						
Athene Global Funding	September 24, 2025	2.100%	170,000	170,763	161,034	
New York Life Global Funding	June 30, 2026	5.250%	140,000	139,934	143,034	
Total U.S Bonds and Debentures				310,697	304,068	5.4
Foreign Bonds and Debentures						
Jersey						
Heathrow Funding Ltd.	May 21, 2025	3.250%	40,000	42,010	39,067	
Total Foreign Bonds and Debentures				42,010	39,067	0.7
Total Bonds and Debentures				4,417,337	4,419,276	78.9
Asset-Backed Securities						
Canadian Credit Card Trust II	November 24, 2024	2.719%	80,000	80,000	78,076	
CARDS II Trust	November 15, 2024	3.127%	150,000	157,680	146,465	
CARDS II Trust	January 15, 2026	5.107%	115,000	115,000	114,120	
Eagle Credit Card Trust	July 17, 2024	3.450%	200,000	208,518	197,662	
Eagle Credit Card Trust	June 17, 2026	2.026%	30,000	30,000	27,776	
Eagle Credit Card Trust	June 17, 2028	5.134%	50,000	50,000	51,181	
Ford Auto Securitization Trust	April 15, 2029	2.700%	139,000	139,000	128,391	
Fortified Trust	March 23, 2024	3.308%	180,000	186,787	179,239	
Fortified Trust	December 23, 2027	5.119%	50,000	50,000	49,873	
WTH Car Rental ULC	February 20, 2027	6.028%	100,000	100,000	102,514	
Total Asset-Backed Securities				1,116,985	1,075,297	19.2

Percentages relate investments at fair value to total net assets attributable to holder of redeemable units of the Fund.

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

imaxx Short Term Bond Fund

Schedule of Investment Portfolio (continued)

As at December 31, 2023

	Maturity Date	Coupon Rate	Number of Shares/ Units/Par Value	Average Cost \$	Fair Value \$	Percentage of Net Asset Value %
Mortgage Backed Securities						
Real Estate Asset Liquidity Trust	June 14, 2061	3.641%	50,000	7,526	7,435	
Total Mortgage Backed Securities				7,526	7,435	0.1
Total Investments				5,541,848	5,502,008	98.2
Net Other Assets (Liabilities)					98,868	1.8
Net Assets Attributable to Holders of Redeemable Units					5,600,876	100.0

Percentages relate investments at fair value to total net assets attributable to holder of redeemable units of the Fund.

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

imaxx Short Term Bond Fund

Notes to the Financial Statements

December 31, 2023 and 2022

1. Organization of Fund

imaxx Short Term Bond Fund (the "Fund") is an open-ended mutual fund trust established on May 31, 2002 under the laws of the Province of Ontario by an amended and restated master trust agreement dated February 21, 2017, as amended, or supplemented from time to time. The address of the Fund's registered office is 1 Adelaide Street East, Suite 600, Toronto, Ontario, M5C 2V9.

The Fund's objective is to preserve capital and liquidity while maximizing income. The Fund is primarily invested in money market and short-term fixed income securities issued by governments, supranational agencies and corporations.

The Fund will also respond to environmental, social and governance (ESG), as well as ethical considerations established by the Fund.

Fiera Capital Corporation ("Fiera" or the "Manager") is the manager and portfolio manager of the Fund. RBC Investor Services Trust is the trustee and the custodian of the Fund.

The financial statements of the Fund are comprised of the schedule of investment portfolio as at December 31, 2023 and the statements of financial position as at December 31, 2023 and 2022 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2023 and 2022.

2. Material Accounting Policies

These financial statements have been prepared in accordance with IFRS Accounting Standards.

These annual financial statements were authorized for issue by the Manager on March 22, 2024.

The measurement and presentation policies applied to prepare these financial statements are described below.

Classification and Measurement of Financial Assets, Liabilities and Derivatives

The Fund classifies its investment and derivative portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets, liabilities and derivatives is managed and performance is evaluated on a fair value basis. The contractual cash flows of certain of the Fund's debt securities are principal and interest; however, these securities are neither held for the purpose of collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model objectives. Consequently, all investments and derivative contracts are measured at fair value through profit and loss ("FVPTL").

The Fund's obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

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 valuation 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 valuation date. The Fund uses the closing price for both financial assets and financial liabilities where this price falls within that day's bid-ask spread. In circumstances where the closing 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.

Valuation of Unlisted Securities and Other Investments

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on existing market conditions at each valuation date. Valuation techniques include available quotations from recognized dealers, the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs. Refer to Note 9 "Financial instrument disclosures" for further information about the Fund's fair value measurements.

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which cost is determined using the First-In, First-Out method. Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are recognized in the statements of comprehensive income. The difference between the fair value and cost of investments at the beginning and at the end of the year is included in "Net change in unrealized appreciation (depreciation) on investments" in the statements of comprehensive income. The difference between the fair value and cost from the sale of investments is included in "Net realized gain (loss) on investments" in the statements of comprehensive income.

Cash

Cash (bank indebtedness) is measured at amortized cost which closely approximates fair value.

Income

Dividend income and distributions received from investment trusts are recognized on the ex-dividend and ex-distribution date, respectively. Investment trusts return on capital distribution reduces the cost of the security. Foreign dividend income and foreign distributions received from investment trusts are accounted for on a gross basis. Dividend income and distributions received from investment trusts are included in "Dividends" in the statements of comprehensive income.

Interest income represents the coupon interest received by the Fund and is accounted as it is earned. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for stripped bonds which are amortized on a straight line basis. Foreign interest income is accounted for on a gross basis. Interest income is included in "Interest for distribution purposes" in the statements of comprehensive income.

Distributions received from underlying funds and limited partnerships are recorded at the date of distribution and are included in "Distributions from underlying funds" and "Net income (loss) from limited partnerships" respectively in the statements of comprehensive income.

Realized gain (loss) on investments and unrealized appreciation (depreciation) on investments are determined on an average cost basis. Amounts from investments that are treated as a return of capital for income tax purposes reduce the average cost of those investments.

imaxx Short Term Bond Fund

Notes to the Financial Statements (continued)

December 31, 2023 and 2022

Income, realized gains (losses) and unrealized gains (losses) are allocated among the classes, if any, on a pro rata basis based on the weighted average NAV for each class.

Derivative Financial Instruments

The Fund may use an array of derivative financial instruments such as futures contracts, forward contracts, options and swaps for hedging purposes or purposes other than hedging, or both. The fair value of derivative financial instruments takes into account the impact of legally binding master netting agreements if applicable.

a) Futures Contracts

To gain exposure to different financial markets, the Fund can enter into futures contracts that are presented under "Margin Deposited (Payable) on futures contracts" and "Futures contracts, at fair value" in the statements of financial position. Gains or losses arising from futures contracts are recorded as "Net change in unrealized appreciation (depreciation) on futures contracts" in the statements of comprehensive income until the contracts are closed out or expire, at which time the gains (losses) are realized and are recorded as "Net realized gain (loss) on futures contracts" in the statements of comprehensive income. Futures contracts are carried at fair value based on closing price.

The Fund may also enter into futures contracts with daily cash settlements, in which case any difference between the value at the close of business on the current valuation day and that of the previous valuation day is recorded in the statements of comprehensive income as "Net realized gain (loss) on futures contracts". Any amounts receivable (payable) from settlement of these futures contracts are reflected in the statements of financial position as "Margin Deposited (Payable) on futures contracts".

b) Forward Currency Contracts

The Fund can also enter into forward currency contracts. Forward currency contracts are presented under "Forward currency contracts, at fair value" in the statements of financial position. The gains or losses on these forward currency contracts are reported on the statements of comprehensive income under "Net realized gain (loss) on forward currency contracts". The forward currency contracts' fair value corresponds to the gains (losses) that would be realized if they were liquidated at the valuation date. Realized and unrealized foreign exchange gains and losses are presented in "Net realized gain (loss) on forward currency contracts" and "Net change in unrealized appreciation (depreciation) on forward currency contracts" in the statements of comprehensive income.

c) Bond Forward Contracts

Bond forward contracts are valued at the gain or loss, if any, that would be realized if the position in the contracts were to be closed out on the valuation date and the resulting unrealized appreciation (depreciation) is presented under "Bond forward contracts, at fair value" in the statements of financial position. Gains or losses arising from bond forward contracts are recorded as "Net change in unrealized appreciation (depreciation) on bond forward contracts" in the statements of comprehensive income until the contracts close or are delivered, at which time the gains (losses) are realized and are recorded as "Net realized gain (loss) on bond forward contracts" in the statements of comprehensive income.

d) Purchased Options

Options held are valued at the closing price. Purchased options are presented under "Options contracts, at fair value" in the statements of financial position. Premiums paid for purchasing options which expire unexercised are recorded at the date of maturity as a realized loss. Gains or losses arising from purchasing options are recorded as "Net change in unrealized appreciation (depreciation) on option contracts" in the statements of comprehensive income until the contracts are exercised or expired. The Fund may sell options held before the exercise date. The difference between the premium paid and the sale proceeds is recorded as realized gain or loss. When the Fund exercises a call option, the premium paid is added to the cost of the underlying securities purchased. When the Fund exercises a put option, the difference between the proceeds from the sale of the underlying securities reduces the premium paid and the cost of these securities is recorded as realized gain or loss. These gains or losses are included in "Net realized gain (loss) on option contracts" in the statements of comprehensive income.

e) Written Options

The obligations arising from the sale of options are presented as a decrease of the portfolio. Written options are presented under "Options contracts, at fair value" in the statements of financial position. Equities are evaluated at the closing price on valuation date. Premiums received for selling options that expire unexercised are recorded at the maturity date as a realized gain. Gains or losses arising from written options are recorded as "Net change in unrealized appreciation (depreciation) on option contracts" in the statements of comprehensive income until the contracts are exercised or expired. The Fund can be released from its obligation before the exercise of the option by liquidating its position. The difference between the amount of the premium received and the amount paid at the time of the closing transaction is recorded as realized gain or loss. Where the holder of stock options exercises its right to buy the underlying securities, the Fund must deliver the securities or cash at the exercise price. The difference between proceeds from the sale of securities and the premium and cost of these securities is recorded as a realized gain or loss. Where the holder of the put option exercises its right to sell the underlying securities, the Fund must buy these securities at the strike price. The cost of these securities corresponds to the strike price minus the premium received. These gains or losses are included in "Net realized gain (loss) on option contracts" in the statements of comprehensive income.

f) Swap Contracts

Credit default swap contracts, interest rate swap contracts, currency swap contracts and total return swap contracts are fair valued daily based upon values from third party vendors, which may include a registered exchange or quotations from market makers and are presented under "Margin deposited for swap contracts", "Margin payable on swap contracts" and "Swap contracts, at fair value" in the statements of financial position. The change in fair value is included in "Net change in unrealized appreciation (depreciation) on swaps contracts" in the statements of comprehensive income. Premiums received or paid on swap agreements are included in income as interest for distribution purposes. When swap agreements expire or are closed out, gains or losses are included in "Net realized gain (loss) on swaps contracts" in the statements of comprehensive income.

g) Contracts for difference

Contracts for difference are fair valued daily based upon values from third party vendors, which may include a registered exchange or quotations from market makers and are presented under "Contracts for difference, at fair value", "Receivable from counterparty for contract for difference" and "Payable to counterparty for contracts for difference" in the statements of financial position. The change in fair value is included in "Net change in unrealized appreciation (depreciation) on contracts for difference" in the statements of comprehensive income. When contracts for difference are closed or reset, gains or losses are included in "Net realized gain (loss) on contracts for difference" in the statements of comprehensive income.

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Notes to the Financial Statements (continued)

December 31, 2023 and 2022

Securities Lending

The Fund may engage in securities lending programs in which case, income from securities lending is presented in “Securities lending income” in the statements of comprehensive income and any cash collateral received or cash collateral payable is presented in “Cash collateral for securities on loan” and “Payable for cash collateral for securities on loan” in the statements of financial position.

The securities loaned are not derecognized in the statements of financial position as substantially all the risks and rewards of ownership of these securities are kept to limit the risk that the counterparty fails to fulfill its obligations, the Fund obtains collateral, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s securities loaned. Securities received as collateral in securities lending transactions are not recognized in the statements of financial position as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds. The collateral to be held may consist only of cash, qualified securities (including debt obligations of the Government of Canada, United States of America and U.S. treasury bills) or securities that can be immediately converted into securities identical to those that are on loan.

Any cash collateral received or cash collateral payable is presented in “Cash collateral for securities on loan” and “Payable for cash collateral for securities on loan” in the statements of financial position. The securities on loan continue to be included in the schedule of investment portfolio.

The fair value of the securities loaned is determined at the close of business on each valuation date and any additional required collateral is delivered to the Fund on the next business day.

Refer to Note 12 “Securities lending” for the value of securities lent and the value of collateral received.

Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are offset in the Fund’s statements of financial position if and only if the Fund has:

- a legally enforceable and unconditional right to offset the recognized amounts and;
- an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Fund has a legally enforceable and unconditional right to offset a financial asset and liability when it meets the following criteria:

- the right is enforceable in the normal course of business and
- the right is enforceable in the event of default, insolvency or bankruptcy.

Over-the-counter derivatives financial instruments may also be subject to master netting or similar agreements that do not meet the criteria for offsetting in the statements of financial position, but still allow related amounts to be offset in certain circumstances such as default, insolvency or bankruptcy.

Refer to Note 11 “Offsetting of derivative assets and derivative liabilities” for further information on financial assets and liabilities that are offset or not offset in the statements of financial position and subject to a master netting agreement or similar agreement.

Foreign Currency Translation

The Fund’s subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate on each valuation date. Purchases and sales of securities, as well as income and expenses denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Realized and unrealized foreign exchange gains and losses relating to cash, other financial assets and liabilities are included as “Net realized gain (loss) on foreign currencies” and “Net change in unrealized appreciation (depreciation) on foreign currencies” respectively in the statements of comprehensive income.

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 represents the increase (decrease) in net assets attributable to holders of redeemable units for the years divided by the weighted average number of outstanding redeemable units during the years.

Income Taxes

Under the *Income Tax Act (Canada)*, the Fund is defined as a mutual fund trust and its fiscal year-end is December 15.

The Fund is not taxable on net income and net capital gains which are distributed to holders of redeemable units. All the Fund’s investment income and sufficient net capital gains realized in any fiscal year are required to be distributed to holders of redeemable units to ensure 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.

The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis, and the related withholding taxes are shown as a separate expense in the statements of comprehensive income.

Capital losses can be carried forward indefinitely and used to reduce future capital gains. Non-capital losses can be carried forward 20 years and used to reduce future investment income and capital gains. Refer to Note 10 “Income tax and capital gains tax” for further information on taxation.

Issuance and Redemption of Redeemable Units

Redeemable units are issued or redeemed at the NAV on the last business day of each valuation period during which the deposit for the purchase of units was received, or the redemption of units request was received by the trustee within the deadlines stipulated in the Trust Agreement.

Distributions to Holders of Redeemable Units

Distributions are recorded by the Fund when declared.

Distributions of net income and net realized capital gains are respectively presented under “Distribution to holders of redeemable units – From net investment income” and “Distribution to holders of redeemable units – From net capital gains” in the statements of changes in net assets attributable to holders of redeemable units.

Distributions paid in excess of net income and net realized capital gains are presented under “Distribution to holders of redeemable units – From return of capital” in the statements of changes in net assets attributable to holders of redeemable units.

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Notes to the Financial Statements (continued)

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Reinvested distributions and notional distributions are respectively reported as “Redeemable unit transactions – Reinvestment of distributions to holders of redeemable units” and “Redeemable unit transactions – Capitalized distributions” in the statements of changes in net assets attributable to holders of redeemable units.

Investments Entities

The Fund has determined that it is an investment entity per IFRS 10, *Consolidated Financial Statements*, as the following conditions exist:

- a) The Fund has obtained capital for the purpose of providing investors with investment management services.
- b) The Fund’s business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- c) The performance of investments is measured and evaluated on a fair value basis.

As such, any investments in subsidiaries, associates and joint ventures have been measured at FVTPL.

According to IFRS 12, *Disclosure of Interests in Other Entities*, the Fund must disclose specific information on its investment in other entities, such as subsidiaries, associates and structured entities.

Subsidiaries

An entity is considered as a subsidiary when it is controlled by another entity. The Fund controls an entity when it has the right to, variable returns from its involvement with the entity and through its power over the entity.

Associates

Associates are investments in entities over which the Fund exercises significant influence without however, exercising control.

Structured Entities

Structured entities are conceived in a way that the right to vote and other similar rights are not determining factors in exercising control. The Manager has determined that its investments in underlying funds, limited partnerships, index-based investments, master asset vehicles, mortgage-backed securities and asset-backed securities are investments in structured entities, unless the specified relationship is different.

Refer to Note 7 “Structured Entities” and Note 9 “Financial Instrument Disclosures” for further information about investments in investment entities.

3. Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. The following paragraphs discuss the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

Fair Value Measurement of Derivatives Financial Instruments and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives financial instruments. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 2 “Material accounting policies” for further information about the fair value measurement of the Fund’s financial instruments.

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgements about the business model in which the portfolio of investments and derivatives are held. The Manager has determined that the Fund’s business model is one in which its portfolio is managed and performance evaluated on a fair value under IFRS 9.

4. Redeemable Units

Capital Structure

The Fund is authorized to issue an unlimited number of redeemable unit classes, as well as an unlimited number of redeemable units (the “units”) within each class. Each class unit enables its bearer to participate equally in the allocations the Fund completes for the given class. Unit fractions may also be issued.

Units are composed of more than one unit class. Units may feature different structures regarding their fees. Each unit entitles its holder to one vote and to participate equally in the allocations the Fund completes and, in the case of Fund liquidation, in the allocation of the unit class’ net assets attributable to holders of units after all current liabilities have been paid. A fraction of a unit entitles the holder to similar proportionate participation, but does not entitle them to vote.

The rights and conditions attached to the units may be modified only in accordance with the provisions of the securities legislation applicable to such units and the provisions of the Declaration of Trust.

The Manager manages the capital of the Fund in accordance with its investment objective. The Fund seeks to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

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Notes to the Financial Statements (continued)

December 31, 2023 and 2022

Issued and Outstanding Units

Units of the Fund are composed of:

Authorized

An unlimited number of units. The units are issued and redeemable as per the net asset value for transactional purposes, at the holders of units' discretion.

Issued and Outstanding

	Number of Redeemable Units – Beginning of Year	Redeemable Units Issued	Redeemable Units Reinvested	Redeemable Units Redeemed	Number of Redeemable Units – End of Year
Class A					
2023	461,223	474	15,321	(93,070)	383,948
2022	388,349	184,698	11,880	(123,704)	461,223
Class F					
2023	6,882	—	326	—	7,208
2022	386	6,273	223	—	6,882
Class O					
2023	258,004	—	1,080	—	259,084
2022	256,963	—	1,041	—	258,004

Valuation of Redeemable Units

On a daily basis for each class of units, the Manager calculates the net assets attributable to holders of redeemable units per unit by dividing the net assets attributable to holders of redeemable units by the number of units outstanding.

Distributions to Holders of Redeemable Units

Net investment income and net realized capital gains of the Fund are distributed and reinvested as additional redeemable units, unless the unitholder has made other arrangements with the Manager on the following basis:

Class A and F

Distribution Type	Distribution Basis
Distribution of net income	Monthly
Distribution of net realized capital gains	Annually

Distributions for Class O are at the discretion of the Manager.

Annual distributions take place in December of each year.

Discretionary distributions can occur on any valuation date, as determined by the Manager.

The Fund's units are classified as financial liabilities on the statements of financial position, since the Fund has an obligation to distribute its income to minimize taxes such that it has no discretion to avoid cash distributions, as well as the fact that the Fund has multiple classes with features that are not identical.

5. Management Fees and Other Expenses

The Manager is responsible for the management, supervision and administration of the Fund, and makes all investment decisions.

Management Fees

The Fund may pay management fees to the Manager in consideration of the duties performed by the Manager for the fund pursuant to the Trust Agreement. These fees do not include any applicable taxes and custodian fees.

Calculation

The Manager shall receive from the Fund management fees. These fees equal to the rates set out in the table below of the Class' net asset value, divided by 365 days, as calculated by the Manager on each valuation date.

	Annual Rate %
Class A	1.00
Class F	0.27
Class O†	—

† Management fees for this class are not charged to the Fund but are paid directly by the unitholders to the Manager pursuant to investment agreements between the unitholders and or their agents and the Manager.

Performance Fees

The Fund is not subject to performance fees.

Operating Expenses

Operating expenses, if any, represent management fees incurred with managers of limited partnerships in which the Fund has invested in.

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Notes to the Financial Statements (continued)

December 31, 2023 and 2022

Other Expenses

The Fund assumes its own operating charges, which may include, among other things, brokerage fees, custodian fees, securityholder reporting costs, filing fees and fund accounting fees, conversion fees, as well as legal fees and audit fees. The Manager may absorb at its discretion all or a portion of the Fund's obligations where the aggregate expenses exceed a certain percentage of the average daily NAV per class of the Fund. This absorption of expenses may be terminated at any time by the Manager. Amounts absorbed by the Manager, if any, are reported in "Expenses waived/absorbed by manager" and/or "Conversion fees absorbed by manager" in the statements of comprehensive income.

6. Related Party Transactions

Fiera is the Manager of the Fund pursuant to the administration agreement. The Manager ensures the daily administration of the Fund. It provides or ensures the Fund is provided with all services (accounting, custodial, portfolio management, record maintenance, transfer agent) required to function properly.

The Fund may have received income from or paid operating fees to underlying funds managed by Fiera and/or limited partnerships managed by entities owned by Fiera.

As at December 31, 2023, a related shareholder owned class B shares representing 6.91% of Fiera's issued and outstanding shares (7.07% as at December 31, 2022). This related shareholder is entitled to appoint two of the eight directors of Fiera that the holders of class B shares are entitled to elect. Transaction costs presented in the statements of comprehensive income, if any, may include brokerage fees paid to this related shareholder.

Management, performance and fund accounting fees presented in the statements of comprehensive income, if any, are incurred by the Fund with Fiera.

The following tables present, if any, the income and/or expenses presented in the statements of comprehensive income and receivables and/or payables presented in the statements of financial position incurred by the Fund with these related parties:

	December 31, 2023	December 31, 2022
	\$	\$
Expenses		
Management fees	29,104	25,517
Fund accounting fees	453	494
Expenses waived/absorbed by manager	(265,291)	(180,159)
	As at December 31, 2023	As at December 31, 2022
	\$	\$
Receivable		
Due from manager	62,708	46,350
Payable		
Management fees payable	5,609	5,108
Accrued liabilities		
Fund accounting fees payable	40	69

7. Structured Entities

As at December 31, 2023 and 2022, the Fund did not have investments in index-based investments, underlying funds, series of underlying funds, limited partnerships, or series of limited partnerships.

8. Other Commissions Paid to Brokers

During the years ended December 31, 2023 and 2022, no soft dollars were included in the transaction costs presented in the statements of comprehensive income, as the Fund did not pay any soft dollars to brokers.

9. Financial Instrument Disclosures

Hierarchy of Financial Instruments Measured at Fair Value

Fair value measurement of financial instruments is determined using the following three Levels of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Valuation techniques based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Classification within the Fair Value Hierarchy

A change in the fair value measurement method could result in a transfer between Levels. 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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Notes to the Financial Statements (continued)

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Money Market Securities

Money market securities primarily include public sector and corporate securities, which are valued using models with inputs including interest rate curves, credits spreads and volatilities. Since the inputs that are significant to valuation are generally observable, money market securities are usually classified as Level 2. Canadian and U.S. Federal government treasury bills are classified as Level 1.

Bonds and Debentures

Bonds and debentures primarily include public sector and corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation are generally observable, bonds and debentures are usually classified as Level 2.

Equities

Equities, which may include warrants and subscription receipts, are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities do not trade frequently, in such cases, the fair value is determined using observable market data and the fair value is classified as Level 2. Unlisted warrants and subscription receipts are valued using the Black-Scholes model or other valuation methods and techniques generally recognized as standard within the industry and are generally classified as Level 2.

Index-Based Investments

Index-based investments are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain index-based investments do not trade frequently, in such cases, fair value is determined using observable market data and the fair value is classified as Level 2.

Loans

Loans consist primarily of term loans and corporate loans.

Term loans are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation of term loans are generally observable, they are usually classified as Level 2.

Corporate loans consist primarily of private loans to corporation, which are usually valued at the nominal value. Since the inputs that are significant to valuation are generally non-observable, corporate loans are usually classified as Level 3. In the case that inputs might be observable, they will be classified as Level 2.

Asset-Backed Securities, Mortgage-Backed Securities and Master Asset Vehicles

Assets-backed securities, mortgage-backed securities and master asset vehicle consist primarily of corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs, for asset-backed securities and mortgage-backed securities, that are significant to valuation are generally observable, they are usually classified as Level 2. Inputs for master asset vehicles are generally non-observable and consequently are classified as Level 3, in the case that inputs might be observable, they will be classified as Level 2.

Underlying Funds and Limited Partnerships

Public underlying funds and limited partnerships are classified as Level 1 when their prospectus is unrestricted and their price is reliable and observable. Since some underlying funds and limited partnerships are not public, their price is determined using observable market data and fair value is classified as Level 2.

Derivative Financial Instruments

Derivative financial instruments consist of forward currency contracts, bond forward contracts, futures contracts, options contracts, contracts for difference, interest rate swap contracts and credit default swap contracts. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2. Exchange traded options and futures are classified as Level 1. Unlisted options are generally classified as Level 2.

Regardless of the type of investments, the financial instruments for which the fair value measurement requires the use of significant unobservable inputs are classified as Level 3. Financial instruments may also be classified Level 3 if their prices are no longer based on observable inputs.

The following tables categorize the Fund's financial assets (liabilities) fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in Note 2 "Material accounting policies".

	Financial Assets at Fair Value through Profit or Loss as at December 31, 2023			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Bonds and Debentures	—	4,419,276	—	4,419,276
Asset-Backed Securities	—	1,075,297	—	1,075,297
Mortgage-Backed Securities	—	7,435	—	7,435
Total assets	—	5,502,008	—	5,502,008

	Financial Assets at Fair Value through Profit or Loss as at December 31, 2022			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Money Market Securities	892,124	—	—	892,124
Bonds and Debentures	—	3,785,181	—	3,785,181
Asset-Backed Securities	—	1,118,863	—	1,118,863
Mortgage-Backed Securities	—	14,516	—	14,516
Total assets	892,124	4,918,560	—	5,810,684

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Notes to the Financial Statements (continued)

December 31, 2023 and 2022

Transfers between Levels

During the years ended December 31, 2023 and 2022, there were no transfers of investments between Levels.

Structured Entities

Fair values of index-based investments, asset-backed securities, mortgage-backed securities, master asset vehicles, underlying funds and limited partnerships in the tables "Financial assets (liabilities) at fair value through profit or loss" also represent the maximum exposure to loss arising from investments in structured entities.

Financial Instrument Risks

The Fund's activities expose it to a variety of financial risks, among which are market risk (including currency risk, interest rate risk and price risk), concentration risk, credit risk and liquidity risk. The Fund's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's rate of return.

The Manager is responsible for the risk management of the Fund. The Manager compares the Fund's performance to its benchmark on a monthly basis. This analysis is also conducted every month by the Chief Investment Officer and his CIO office team. Furthermore, the Manager ensures that the Fund's investment policies are rigorously followed and writes a quarterly compliance report, which is reviewed on a quarterly basis by the Chief Investment Officer.

If the Fund invests in index-based investments, underlying funds and/or limited partnerships, it may be indirectly exposed to the financial instrument risks depending on the type of securities held. The decision to buy or sell securities of an index-based investment, an underlying fund and/or a limited partnership, is based on the Fund's investment objective, generally within a specific asset allocation strategy. Only direct exposure to risk arising from the Fund's financial instruments is presented, unless otherwise indicated.

a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in the relevant risk variables, such as exchange rates, interest rates and equity prices.

The Fund's market risk is managed through diversification of the investment portfolio's exposure ratios.

i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk is composed of monetary items (usually including cash, receivable amounts in foreign currencies, investments in fixed income and money market securities) and non-monetary items (usually including investments in equities and underlying funds). The non-monetary assets are classified according to the currency in which the security was purchased.

The Fund is exposed to currency risk in holding assets and/or liabilities denominated in currencies other than the Canadian dollar, the Fund's functional currency, as the value of the securities denominated in other currencies will fluctuate in accordance with the applicable exchange rates in effect. Generally, when the Canadian dollar decreases in relation to foreign currencies, the value of foreign investments increases. When the value of the Canadian dollar increases, the value of foreign investments decreases.

The Fund's exposure to currency risk is disclosed based on the carrying value of financial assets and financial liabilities (including the notional amount of forward contracts, the fair value of futures contracts and options contracts, if any). A long position is shown under "Financial assets at fair value through profit or loss", and a short position under "Financial liabilities at fair value through profit or loss".

As at December 31, 2023 and 2022, the Fund was not significantly exposed to currency risk. However, the Fund might be indirectly exposed to currency risk as a result of its investment in structured entities.

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk occurs if the Fund invests in interest-bearing financial instruments. Generally, the fair value of these securities increases if interest rates decrease and decreases if interest rates increase. The Manager manages this risk by calculating and monitoring the average effective duration of the portfolio of these securities.

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the net assets attributable to holders of redeemable units, had prevailing interest rates increased or decreased by 1% as at December 31, 2023 and 2022, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Total \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
December 31, 2023	887,541	3,467,607	957,758	189,102	5,502,008	+/-145,000
December 31, 2022	1,199,888	3,938,741	487,535	184,520	5,810,684	+/-134,000

In practice, actual trading results may differ from these sensitivity analyses, and the differences could be significant.

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Notes to the Financial Statements (continued)

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iii) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices other than those arising from currency risk or interest rate risk.

All securities investments present a risk of loss. The Manager intends to manage this risk through a careful selection of securities and other financial instruments in compliance with the specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Fund's financial instruments are exposed to market price risk arising from uncertainties about the future prices of the instruments.

As at December 31, 2023 and 2022, the Fund was not significantly exposed to price risk. However, the Fund might be indirectly exposed to price risk as a result of its investment in structured entities.

b) Concentration Risk

The concentration risk is described as being the risk of having one or more elements, such as a geographical location, product type, industry sector or counterparty type, which dictates the major part of the performance and/or the volatility of the Fund. During the formulation of the investment's policy, the risk is reduced by requiring a minimal diversification at the level of the securities, issuers, sectors, assets classes if any. Management determines the concentration based on the investment objective of the Fund.

The following table summarizes the Fund's concentration risk as a percentage of the Fund's net assets attributable to holders of redeemable units:

Market Segment	December 31, 2023 %	December 31, 2022 %
Money Market Securities		
Canadian Money Market Securities		
Canadian Treasury Bills	—	15.2
Bonds and Debentures		
Canadian Bonds and Debentures		
Federal	19.6	26.2
Corporate	53.2	33.2
U.S. Bonds and Debentures		
Corporate	5.4	4.3
Foreign Bonds and Debentures		
Jersey	0.7	0.6
Asset-Backed Securities	19.2	19.0
Mortgage-Backed Securities	0.1	0.2
Net Other Assets (Liabilities)	1.8	1.3
	100.0	100.0

For the year ended December 31, 2022, certain financial instruments have been reclassified to reflect improvements in the classification criteria.

c) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will be unable to pay the full amount upon maturity. The Fund's credit risk is managed through an independent credit analysis from the Manager, in addition to credit rating agencies analysis.

Financial Instrument Transactions

The Fund is exposed to credit risk. The Fund's and the counterparty's respective credit risks are taken into account when determining the fair value of financial assets and liabilities, including derivative financial instruments. Transactions are settled or paid on delivery using approved brokers. The risk of default is considered limited as delivery of the securities sold is 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 obligations.

However, there are risks involved in dealing with custodians or prime brokers who settle trades and, in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Fund may engage in securities lending transactions. Credit risk related to securities lending transactions, if any, is considered minimal as the value of cash or securities held as collateral by the Fund in connection with these transactions must be at least 102% of the fair value of the securities loaned.

The Fund invests in financial assets whose ratings are obtained primarily from S&P Global Ratings ("S&P"). If an S&P rating not be available, a credit rating is obtained by the following rating agencies: Moody's or Dominion Bond Rating Service ("DBRS"). Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

Credit Rating	Percentage of Net Assets Attributable to Holders of Redeemable Units	
	December 31, 2023 %	December 31, 2022 %
AAA+/AAA/AAA-	25.5	46.1
AA+/AA/AA-	2.5	0.9
A+/A/A-	29.4	20.1
BBB+/BBB/BBB-	39.4	31.6
Not rated	1.4	—
	98.2	98.7

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Notes to the Financial Statements (continued)

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d) *Liquidity Risk*

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

Units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed will be representative of the actual cash outflows, as holders of the instruments typically retain them for a longer period.

The Fund is exposed to daily cash redemption of units.

The majority of the remaining liabilities are due within the next three months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2023 and 2022, the Fund was not significantly exposed to direct liquidity risk. However, the Fund might be indirectly exposed to liquidity risk as a result of its investment in structured entities. The majority of the Fund's asset are liquid investments (i.e., investments that trade in an active market and that can be readily disposed of). The Manager takes the necessary measures to proceed the redemption of units.

10. Income Tax and Capital Gains Tax

As at December 15, 2023, capital and non-capital losses available to be carried forward were as follows:

Type	Amounts \$	Year of Expiry
Capital Loss	85,630	—

11. Offsetting of Derivative Assets and Derivative Liabilities

As at December 31, 2023 and 2022, the Fund has not entered into any master netting arrangements or other similar agreements allowing for offset.

12. Securities Lending

As at December 31, 2023 and 2022, the Fund did not participate in a securities lending program.

13. Other Financial Instruments

As at December 31, 2023 and 2022, the Fund has no other financial instruments other than those previously specified.

14. Obligations and Contingencies

As at December 31, 2023, the Fund has no obligations and no contingencies.

15. Reconciliation between Net Assets Value and Net Assets Attributable to Holders of Redeemable Units per Unit

As at December 31, 2023 and 2022, there were no differences between the NAV per unit for transactions and the net assets attributable to holders of redeemable units per unit in accordance with IFRS.

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