Interim Financial Statements (unaudited)
For the six month periods ended June 30, 2023 and 2022

Lysander-Canso U.S. Short Term and Floating Rate Fund

THE AUDITORS OF THE FUND HAVE NOT REVIEWED THESE FINANCIAL STATEMENTS.

Lysander Funds Limited., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice. The next report on the Fund will contain annual audited financial information as at December 31, 2023.

Lysander-Canso U.S. Short Term and Floating Rate Fund

Interim Financial Statements Six-Month Period Ended June 30, 2023

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Interim Statements of Financial Position (unaudited)

As at	30-Jun-23 (USD)	31-Dec-22 (USD)
Assets		
Financial assets at fair value through profit or loss*	$ 9,542,434	$ 13,072,637
Cash and cash equivalents	11,826	307,379
Accrued interest	69,892	104,461
Prepaid distributions	15,900	–
Reimbursements receivable	2,131	544
Total assets	**$ 9,642,183**	**$ 13,485,021**
Liabilities		
Due to investment dealers	$ –	$ 365,813
Accrued expenses	14,383	19,566
Distributions payable	15,377	–
Payable on forward exchange contracts	61,333	7,190
Total liabilities	**$ 91,093**	**$ 392,569**
Net assets attributable to holders of redeemable units	**$ 9,551,090**	**$ 13,092,452**
Net assets attributable to holders of redeemable units, per series		
Series A	$ 152,775	$ 863,141
Series F	9,398,315	12,229,311
Total net assets	**$ 9,551,090**	**$ 13,092,452**
Number of redeemable units outstanding		
Series A	16,167	91,258
Series F	985,089	1,295,041
Net assets attributable to holders of redeemable units per unit		
Series A	$ 9.45	$ 9.46
Series F	9.54	9.44
** Financial assets at fair value through profit or loss at cost*	$ 10,075,905	$ 13,974,803

Interim Statements of Comprehensive Income (Loss) (unaudited)

For the periods ended	30-Jun-23 (USD)	30-Jun-22 (USD)
Income		
Interest for distribution purposes	$ 248,174	$ 185,143
Other income	1,394	1,287
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments sold	(90,485)	(51,705)
Net realized gain (loss) on foreign currency	(40,283)	(70,515)
Change in appreciation (depreciation) unrealized on foreign currency	1	(75)
Change in appreciation (depreciation) unrealized on forward contracts	(54,143)	169,848
Change in appreciation (depreciation) unrealized on investments	368,695	(907,597)
Total operating income (loss)	**$ 433,353**	**$ (673,614)**
Expenses		
Management fees	$ 37,255	$ 55,299
Filing fees	11,495	8,476
Audit fees	1,568	821
Unitholder reporting expense	827	821
Custodial fees	652	(76)
Legal fees	125	205
Regulatory fees expense	107	410
Bank charges	76	40
Independent review committee fees	60	205
Fund administration fees	(484)	4,303
Total operating expenses	**$ 51,681**	**$ 70,504**
Change in net assets attributable to holders of redeemable units from operations	**$ 381,672**	**$ (744,118)**
Change in net assets attributable to holders of redeemable units from operations		
Series A	$ 19,357	$ (71,608)
Series F	362,315	(672,510)
Change in total net assets	**$ 381,672**	**$ (744,118)**
Change in net assets attributable to holders of redeemable units from operations per unit		
Series A	$ 0.36	$ (0.45)
Series F	0.31	(0.43)

Interim Statements of Changes in Net Assets Attributed to Holders of Redeemable Units (unaudited)

All Series

For the periods ended	30-Jun-23 (USD)	30-Jun-22 (USD)
Net assets attributable to holders of redeemable units, beginning of period	$ 13,092,452	$ 15,088,420
Change in net assets attributable to holders of redeemable units from operations	381,672	(744,118)
Distributions to unitholders of redeemable units		
From net investment income	$ (223,845)	$ (123,084)
From management fee rebate income	(1,395)	(1,287)
Total distributions	**$ (225,240)**	**$ (124,371)**
Redeemable unit transactions		
Proceeds from redeemable units issued		
Series A	$ 26,520	$ 714,431
Series F	634,519	9,287,790
Total proceeds	**$ 661,039**	**$ 10,002,221**
Cost of units redeemed		
Series A	$ (756,243)	$ (580,641)
Series F	(3,791,974)	(4,498,612)
Total cost	**$ (4,548,217)**	**$ (5,079,253)**
Reinvested distributions		
Series A	$ 8,441	$ 6,884
Series F	180,943	89,535
Total reinvested	**$ 189,384**	**$ 96,419**
Change in net assets attributable to holders of redeemable units for the period	$ (3,541,362)	$ 4,150,898
Net assets attributable to holders of redeemable units, end of period	**$ 9,551,090**	**$ 19,239,318**

Series A

For the periods ended	30-Jun-23 (USD)	30-Jun-22 (USD)
Net assets attributable to holders of redeemable units, beginning of period	$ 863,141	$ 1,547,827
Change in net assets attributable to holders of redeemable units from operations	19,357	(71,608)
Distributions to unitholders of redeemable units		
From net investment income	$ (8,437)	$ (6,881)
From management fee rebate income	(4)	(187)
Total distributions	**$ (8,441)**	**$ (7,068)**
Redeemable unit transactions		
Proceeds from redeemable units issued	$ 26,520	$ 714,431
Cost of units redeemed	(756,243)	(580,641)
Reinvested distributions	8,441	6,884
Total redeemable	**$ (721,282)**	**$ 140,674**
Change in net assets attributable to holders of redeemable units for the period	$ (710,366)	$ 61,998
Net assets attributable to holders of redeemable units, end of period	**$ 152,775**	**$ 1,609,825**

Series F

For the periods ended	30-Jun-23 (USD)	30-Jun-22 (USD)
Net assets attributable to holders of redeemable units, beginning of period	$ 12,229,311	$ 13,540,593
Change in net assets attributable to holders of redeemable units from operations	362,315	(672,510)
Distributions to unitholders of redeemable units		
From net investment income	$ (215,408)	$ (116,203)
From management fee rebate income	(1,391)	(1,100)
Total distributions	**$ (216,799)**	**$ (117,303)**
Redeemable unit transactions		
Proceeds from redeemable units issued	$ 634,519	$ 9,287,790
Cost of units redeemed	(3,791,974)	(4,498,612)
Reinvested distributions	180,943	89,535
Total redeemable	**$ (2,976,512)**	**$ 4,878,713**
Change in net assets attributable to holders of redeemable units for the period	$ (2,830,996)	$ 4,088,900
Net assets attributable to holders of redeemable units, end of period	**$ 9,398,315**	**$ 17,629,493**

Lysander-Canso U.S. Short Term and Floating Rate Fund

Interim Statements of Cash Flows (unaudited)

For the periods ended	30-Jun-23 (USD)	30-Jun-22 (USD)
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units from operations	$ 381,672	$ (744,118)
Adjustments for:		
Foreign exchange (gain) loss on cash and cash equivalents	–	(75)
Net realized (gain) loss on investments sold	90,485	51,705
Change in unrealized depreciation (appreciation) on investments	(368,695)	907,597
Change in unrealized depreciation (appreciation) on foreign currency	(1)	75
Purchase of investments	(1,354,273)	(11,470,794)
Proceeds from sale and maturity of investments	5,162,686	6,043,972
Accrued interest	34,569	(14,282)
Receivable from forward exchange contracts	–	(169,848)
Reimbursements receivable	(1,587)	–
Accrued expenses	(5,183)	6,977
Due to investment dealers	(365,813)	–
Payable on forward exchange contracts	54,143	–
Prepaid distributions	(15,900)	–
Net cash from (used in) operating activities	**$ 3,612,103**	**$ (5,388,791)**
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	$ (20,479)	$ (27,952)
Proceeds from issuances of redeemable units	661,039	10,020,221
Amounts paid on redemption of redeemable units	(4,548,217)	(5,059,953)
Net cash from (used in) financing activities	**$ (3,907,657)**	**$ 4,932,316**
Foreign exchange gain (loss) on cash and cash equivalents	$ 1	$ –
Change in cash and cash equivalents during the period	(295,554)	(456,475)
Cash and cash equivalents, beginning of period	307,379	497,442
Cash and cash equivalents, end of period	**$ 11,826**	**$ 40,967**
Supplementary disclosures on cash flow from operating activities		
Interest received	$ 280,378	$ 170,861
Interest paid	76	40

Interim Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

Par Value/Number of Shares		Average Cost ($)	Fair Value ($)
		$ (USD$)	**$ (USD$)**
Asset-Backed Securities (2.3%)			
293,296	CNH Capital Cdn. Rec. Trst. 5.195% 2023-1 A1 Jun 15, 2026	$ 217,479	$ 221,024
Total		**$ 217,479**	**$ 221,024**
Canadian Fixed Income (37.1%)			
81,000	Air Canada 4% Jul 1, 2025 144A (USD)	$ 108,173	$ 112,289
407,000	Air Canada 4.625% Aug 15, 2029	313,005	278,689
688,000	Bell Canada 3.35% Mar 12, 2025	502,107	501,972
20,000	BMO (AT1) 4.8% Aug 25, 2024/Perpetual (USD)	21,150	17,153
25,000	Bombardier Inc. 6.0% Feb 15, 2028 (USD)	24,781	23,658
117,000	Bombardier Inc. 7.875% Apr 15, 2027 144A (USD)	121,189	116,863
110,000	Canada Housing Trust FRN Mar 15, 2027 (Q CDOR -18)	81,937	83,226
68,000	Corus Entertainment Inc. 5% May 11, 2028 REGS	54,368	36,984
421,000	Ford Credit Canada Co. FRN Mar 21, 2024 (Q CDOR+314)	348,199	323,278
464,000	Great West Life Co Inc. (AT1) 3.6% Dec 31, 2026/2081	368,260	259,086
239,000	Loblaw Cos Ltd 3.918% June 10, 2024	179,089	178,003
465,000	Manulife Financial Corp (AT1) 3.375% Jun 19, 2026/2081	368,956	258,459
200,000	Manulife Financial Corp (AT1) 4.1% Mar 19, 2027/2082	160,720	110,504
89,000	SNC Lavalin 7% Jun 12, 2026	66,394	68,407
260,000	Sunlife Financial Inc. (AT1) 3.6% Jun 30, 2026/2081	209,599	146,412
750,000	Telus Corp 2.75% Jul 8, 2026	527,507	528,652

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Interim Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

Par Value/Number of Shares			Average Cost ($)		Fair Value ($)
Canadian Fixed Income (37.1%)					
Cont'd					
265,000	Transcanada Pipelines 1.0% Oct 12, 2024 (USD)		247,860		249,097
95,000	TransCanada Pipelines FRN Jun 9, 2024 (Q CDOR+29)		75,052		71,665
223,000	TransCanada Pipelines FRN May 15, 2067 (Q LIBOR+221) (USD)		194,086		173,239
Total		**$**	**3,972,432**	**$**	**3,537,636**
Foreign Fixed Income (54.5%)					
133,000	AMC Entertainment Holdings 7.5% Feb 15,2029 144A (USD)	$	133,000	$	93,670
330,000	American Honda Finance 1.0% Sep 10, 2025 (USD)		298,812		301,180
212,000	Avis Budget Car/Finance 4.75% Apr 1, 2028 144A (USD)		202,995		195,341
258,000	Bank of America Corp FRN Sep 15, 2027 (Q CDOR+60)		187,030		190,825
26,000	Gannett Holdings LLC 6.0% Nov 1, 2026 144A (USD)		26,000		21,928
580,000	GE Capital Corp FRN May 5, 2026 (Q LIBOR+38)(USD)		569,742		579,826
445,000	Goldman Sachs FRN May 15, 2026 (Q LIBOR+117)(USD)		454,459		450,512
400,000	Heathrow Funding Limited 3.25% May 21, 2025		333,980		288,970
88,000	Latam Airlines Group SA 13.375% Oct 15, 2027 144A (USD)		83,825		95,273
913,000	Pacific Life Global Funding II FRN Feb 1, 2027 (Q CDOR+38)		722,274		675,476
190,000	Spirit Aerosystems Inc. 7.5% Apr 15, 2025 144A (USD)		200,672		187,990
162,000	UBS Group AG 1.305% Feb 2, 2026/27 (USD)		129,464		141,939
116,162	US TIPS 0.625% Jan 15, 2026 (USD)		109,131		110,784
1,552,000	US Treasury 0.375% Sep 30, 2027 (USD)		1,318,445		1,321,170
545,000	Verizon Communications Inc. FRN May 15, 2025(Q LIB+110)(USD)		553,442		549,683
Total		**$**	**5,323,271**	**$**	**5,204,567**
Private Placements (6.1%)					
657,000	Toyota Credit Canada Inc. 2.11% Feb 26, 2025	$	456,002	$	471,150
143,167	WTH Car Rental ULC (AVIS) 3.279% Jul 20, 2023		106,721		108,057
Total		**$**	**562,723**	**$**	**579,207**
Total investment portfolio (100.0%)		**$**	**10,075,905**	**$**	**9,542,434**
	Cash and Cash Equivalents (0.1%)	$		$	11,826
	Other Assets less Liabilities (-0.1%)				(3,170)
Net assets		**$**		**$**	**9,551,090**

Foreign Exchange Contracts

Counterparty	Settlement Date	Buy		Par Value	Sell		Par Value	Forward Rate	Current Rate		Unrealized Appreciation (Depreciation)
Canadian Imperial Bank of Commerce[1]	2023-09-14	CAD	$	497,000	USD	$	375,477	0.755	0.756	$	126
Canadian Imperial Bank of Commerce[1]	2023-09-14	CAD		343,000	USD		259,063	0.755	0.756		155
Canadian Imperial Bank of Commerce[1]	2023-09-14	USD		5,405,405	CAD		7,234,000	0.747	0.756		(61,614)

Notes

1 Credit rating of counterparty is A+.

1. Formation of Fund

The address of the Fund's registered office is 3080 Yonge St., Suite 3037, Toronto, Ontario.

Lysander Funds Limited (the "Manager" or "Lysander") is the manager and trustee of the Fund and is responsible for providing or arranging the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund and its series, preparing all offering documents, unitholder recordkeeping and other administrative services.

Lysander-Canso U.S. Short-Term and Floating Rate Fund (the "Fund") is an open-end fund formed under the laws of the Province of Ontario by an amendment dated May 11, 2021 to a master declaration of trust dated December 8, 2011, as the same was amended and/or consolidated from time to time. On May 12, 2021, the Fund commenced operations and became a reporting issuer, with its units qualified for distribution under a simplified prospectus.

The Fund's investment objective is to provide total return by investing primarily in investments in U.S. dollar denominated short term fixed income and floating rate debt securities of Canadian and foreign issuers.

The portfolio manager of the Fund is Canso Investment Counsel Ltd, ("Portfolio Manager"), a company under common control as the Manager.

2. Basis of Presentation

These interim financial statements (the "financial statements") have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information and disclosures required in the annual financial statements. These financial statements should be read in conjunction with the Fund's annual financial statements and accompanying note disclosures.

The financial statements were authorized for issue by Lysander's board of directors on August 23, 2023.

3. Significant Accounting Policies

The significant accounting policies of the Fund are as follows:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

Financial instruments

The Fund accounts for its financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"), which include cash and cash equivalents, investments at fair value through profit or loss, accrued interest, reimbursement receivable, subscriptions receivable, redemption payable, due to/from investment dealer, receivable/payable from forward exchange contracts and accrued expenses.

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL"):

Financial Assets

The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. The Fund has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at FVTPL.

Financial Liabilities

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial assets and financial liabilities at amortized cost:

The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 requires the expected credit loss model ("ECL") as the impairment model for financial assets measured at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material or considered impaired.

The Fund classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. The Manager assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources. The classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2023 and December 31, 2022, as applicable, is disclosed in the notes to the financial statements of the Fund. Significant transfers between levels are also disclosed in the notes to the financial statements of the Fund, where applicable. The reconciliation of Level 3 fair value measurements for the periods ended June 30, 2023 and December 31, 2022, if applicable, are included in the notes to the financial statements of the Fund.

Recognition/Derecognition

At initial recognition, financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income (loss).

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest income earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income (loss).

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the disposition of investments, and unrealized appreciation and depreciation of investments, are determined on an average cost basis and are included in the statement of comprehensive income (loss).

Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from expiration of written options whereby realized gains are equivalent to the premium received and from the exercise of written covered call options in addition to the realized gains or losses from disposition of the related investments at the exercise price of the option.

Fair value measurements

The securities in the Fund's Portfolio are measured at FVTPL. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the period-end date. The quoted market price used for financial assets and financial liabilities of the Fund is the last traded price provided such price is within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund will determine the points within the bid-ask spread that are most representative of the fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Where available, valuation techniques use market observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the Fund selects the non-market-observable inputs to be used in its valuation techniques, based on a combination of historical experience, derivation of input levels based on similar products with observable price levels and knowledge of current market conditions and valuation approaches. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk. Unlisted debt securities are valued based on observable inputs such as the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Unlisted debt securities for which current quotations are not readily available are valued using another valuation technique as described below.

The Fund uses widely recognized valuation techniques for determining the fair value of financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include: i) discounted value of expected cash flows, ii) relative value, iii) option pricing methodologies, iv) private placement financing technique, v) internally developed models and vi) market activity. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value. Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models. Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued. Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation). For more complex instruments and instruments for which there is no active market, fair values may be estimated using a combination of observed transaction prices, if any, consensus pricing services and relevant broker quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. Private placement financings are instances where a company raises capital through an offering of additional securities in the private markets. Pertinent details of such offering, including the terms of such offering, the issue price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. In contrast to public offerings on a recognized exchange, private placement financings are not available to the general public. The Fund also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. In situations where there is limited market activity for the asset or liability near the measurement date, the most recent transaction price may be used.

Income recognition
Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-dividend date. Dividend income is recognized gross of withholding tax, if any.

The interest income for distribution purposes shown on the statement of comprehensive income (loss) 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. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Accounting estimates
In the application of the Fund's accounting policies, the Fund is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The most significant estimates relate to the valuation of investments. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Net assets attributable to holders of redeemable units
Units issued and outstanding represent the capital of the Fund, with units in each series representing an equal and rateable share in the assets allocated to each series. The management fee rates are different for each of the series. Please refer to Note 6 for discussion of management fee rates. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Units of the Fund may be purchased or redeemed at a price per unit equal to the net asset value ("NAV") of a unit of the applicable series of the Fund on each valuation date.

Net asset value per unit
The net asset value per unit of each series of units of the Fund is computed by dividing the NAV of a series of units by the total number of units of the series outstanding at the time. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its NAV for transactions with holders of redeemable units.

Foreign currency translation
Foreign currency amounts are translated into the Fund's functional currency as follows: fair value of investments, forward currency contracts and other financial assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

Foreign currency forward contracts
The value of the foreign currency forward contracts is the gain or loss that would be realized if the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation on forwards in the statement of comprehensive income (loss). Foreign currency forward contracts manage exposure to foreign currency gains and losses arising from short and long-term investments denominated in foreign currencies.

Taxation
The Fund is a mutual fund trust within the meaning of the Income Tax Act (Canada). The Fund is subject to tax on its net taxable income, including net realized capital gains, for the calendar year which is not paid or payable to its unitholders as of the end of the calendar year. It is the intention of the Fund to pay all of its net taxable income and net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Therefore, no provision for income taxes has been made in these financial statements.

As at December 31, 2022, the Fund had $38,279 net capital losses (December 31, 2021 - Nil) and no non-capital losses (December 31, 2021 - Nil).

Distributions
The Fund makes distributions of net income quarterly and any net realized capital gains annually. These are recognized in the statement of changes in net assets attributable to holders of redeemable units.

Critical accounting estimates and judgments

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

Determination of Functional Currency
'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then the Fund uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund's subscriptions and redemptions are denominated in U.S. Dollars ("USD"). Accordingly, the Fund has determined that the functional and presentation currency of the Fund is USD unless noted otherwise.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market
The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined as disclosed in Fair Value Measurement section in Note 3.

Future changes in accounting standards

As of June 30, 2023, the Fund has determined there are no new IFRS standards that are issued, but not yet effective, that could materially impact the Fund's financial statements.

4. Expenses

The Fund is responsible for the payment of all expenses related to its operations, including but not limited to audit fees, Independent Review Committee fees, fund administration fees, filing fees, redeemable unitholder reporting and custodian fees plus harmonized sales tax. At their discretion, the Manager or the Portfolio Manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or the Portfolio Manager to make similar future payments. All expenses are recognized in the statement of comprehensive income (loss) on the accrual basis.

Service fees may be paid by the Manager from the management fees it receives from the Fund. Service fees may be paid to brokers and dealers to compensate them for providing ongoing services to redeemable unitholders holding Series A units, if applicable.

The maximum service fee is 0.50% per annum on the Series A units, exclusive of any applicable taxes.

5. Issuance and Redemption of Units

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal undivided interest in the net assets of the Fund. Each unit entitles the holder to the same rights and obligations as a holder of any other unit and no holder of units is entitled to any privilege, priority or preference in relation to any other holder of units. Each holder of units is entitled to one vote for each whole unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any. On termination or liquidation of the Fund, the holders of outstanding units of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. The units of the Fund are issued and redeemed at their NAV.

During the periods ended June 30, 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

Series A

For the periods ended	30-Jun-23	30-Jun-22
Units outstanding at beginning of period	91,258	156,522
Redeemable units issued	2,761	74,018
Redeemable units redeemed	(78,743)	(59,763)
Redeemable units issued on reinvestments	891	723
Units outstanding at end of period	**16,167**	**171,500**

Series F

For the periods ended	30-Jun-23	30-Jun-22
Units outstanding at beginning of period	1,295,041	1,365,103
Redeemable units issued	66,048	961,323
Redeemable units redeemed	(394,969)	(463,587)
Redeemable units issued on reinvestments	18,969	9,398
Units outstanding at end of period	**985,089**	**1,872,237**

6. Related Party Transactions

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager pays for certain investment management services and provides certain administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a management fee.

The Manager may offer a reduced management fee to selected investors who (among other considerations) hold large investments in the Fund. This is achieved by reducing the management fee charged to the Fund based on the assets held by such investors and the Fund distributing the amount of the reduction in additional units of the same series of the Fund to the investor.

At June 30, 2023, the Manager, the majority shareholder of the Manager, the Manager's directors and officers together with certain immediate family members had an ownership interest in the Fund amounting to 0.1% (December 31, 2022 - 10.3%).

The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of up to 1.05% on Series A and up to 0.55% on Series F units, exclusive of applicable taxes, based on the net asset value of each respective series.

During the period ended June 30, 2023, the Manager paid the Portfolio Manager, an affiliate of the Manager, USD $15,848 (June 30, 2022 - CAD $28,780) for managing the portfolio of the Fund. As at June 30, 2023 the amount payable to the Portfolio Manager was USD $2,364 (December 31, 2022 - USD $2,909).

7. Fair Value Hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value, as described in Note 3, as at June 30, 2023 and December 31, 2022:

As at June 30, 2023	Level 1 (USD$)	Level 2 (USD$)	Level 3 (USD$)	Total (USD$)
Investments				
Fixed income	$ –	$ 9,542,434	$ –	$ 9,542,434
Total	**$ –**	**$ 9,542,434**	**$ –**	**$ 9,542,434**

As at December 31, 2022	Level 1 (USD$)	Level 2 (USD$)	Level 3 (USD$)	Total (USD$)
Investments				
Fixed income	$ –	$ 13,072,637	$ –	$ 13,072,637
Total	**$ –**	**$ 13,072,637**	**$ –**	**$ 13,072,637**

8. Risk Management

The Fund's activities expose it to a variety of financial risks in the normal course of operations. These include credit risk, liquidity risk, and market risk. The value of the investments in the Fund's portfolio can fluctuate as a result of changes in interest rates, general economic conditions, supply and demand conditions relating to specific securities, or news relating to a specific issuer. In order to manage risk, the Portfolio Manager will diversify the portfolio based on industry and credit rating category. Significant risks that are relevant to the Fund are discussed below.

Credit risk

Credit risk is the risk of financial loss that could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund's main exposure to credit risk consists of investments in debt instruments, such as bonds. The Fund is also exposed to counterparty risk from other assets, such as amounts due from investment dealer or subscriptions receivable. To manage this risk, the Portfolio Manager monitors the Fund's credit exposure and counterparty credit ratings.

The Fund measures credit risk and lifetime ECLs related to these trade receivables using historical analysis and forward looking information in determining the ECL.

As at June 30, 2023 and December 31, 2022, the Fund had directly invested in debt instruments with the following credit ratings:

As a % of net assets	30-Jun-23	31-Dec-22
Credit exposure		
AAA	% 19.3	% 25.5
AA	9.1	5.0
A	31.9	31.9
BBB	23.4	21.5
BB	9.7	10.4
B	5.4	4.7
Not Rated	1.2	0.7

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations, including any redemption of units for cash. The Fund is exposed to possible daily redemptions at the then current NAV per unit. Liquidity risk is managed by investing a significant portion of the Fund's assets in investments that are traded in an active market and that can be readily sold. All liabilities of the Fund are due within one year.

The following table presents the Fund's liabilities according to their maturity date as at June 30, 2023 and December 31, 2022:

As at 30-Jun-2023	Less Than One Month	1-3 Months	3 Months – 1 Year
Liquidity exposure			
Accrued expenses	$ –	$ 14,383	$ –
Distribution payable	15,377	–	–
Payable on forward exchange contracts	–	61,333	–

As at 31-Dec-2022	Less Than One Month	1-3 Months	3 Months – 1 Year
Liquidity exposure			
Due to investment dealers	$ 365,813	$ –	$ –
Accrued expenses	–	19,566	–
Payable on forward exchange contracts	–	7,190	–

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a fund asset will fluctuate because of changes in market interest rates. If applicable, to manage interest rate risk, the Portfolio Manager monitors exposures and maintains the portfolio duration within the limits specified in the investment policies and objectives of the Fund. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

The table below summarizes the Fund's exposure to interest rate risks based on the remaining term to maturity of the investments.

	Less than 1 year (USD$)	1-5 years (USD$)	More than 5 years (USD$)
Interest rate exposure			
June 30, 2023	$ 681,003	$ 8,315,833	$ 545,598
December 31, 2022	629,684	11,266,970	1,175,983

If interest rates had increased or decreased by 1% at June 30, 2023, with all other variables remaining constant, net assets of the fund would have decreased or increased by approximately $181,472 (December 31, 2022- $286,012).

Currency risk

Currency risk arises when the value of investments denominated in currencies other than CAD fluctuate due to changes in exchange rates. If applicable, the currency risk will typically be hedged by entering into foreign currency forward contracts, however some moderate currency exposure may be assumed if deemed to be beneficial to the Fund. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis.

The table below summarizes the Fund's net exposure (before hedging, if any) to currency risk as at:

		30-Jun-23		31-Dec-22
Currency exposure				
Canadian Dollars	%	50.4	%	42.2

As at June 30, 2023, if the U.S. Dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors remaining constant, the Fund's net assets would have decreased or increased by 0.5% (December 31, 2022 - 0.4%).

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. If applicable, this risk is managed through a careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well-diversified portfolio. Exposure to price risk arises from investments in equity securities. If applicable, the Fund has calculated the sensitivity analysis below. Actual results may differ materially from this analysis. As at June 30, 2023 and December 31, 2022 there was no significant price risk applicable to the Fund.

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