



Barrantagh Small Cap Canadian Equity Fund

Annual Report

Period Ended December 31, 2023

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statements of Financial Position

As at December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Investments (cost-\$95,670,117, 2022-\$91,658,289)	\$ 96,560,650	\$ 98,593,963
Short-term investments (cost-\$991,400, 2022-\$ Nil)	991,400	-
Cash	1,064,034	2,237,178
Subscriptions receivable	124,021	188,843
Dividends receivable	286,150	250,901
Accrued interest	6,062	-
	99,032,317	101,270,885
Liabilities		
Current liabilities		
Redemptions payable	78,157	80,162
Management fees payable (Note 7)	9,832	12,480
Accrued expenses	76,947	32,805
	164,936	125,447
Net assets attributable to holders of redeemable units	\$ 98,867,381	\$ 101,145,438
Net assets attributable to holders of redeemable units per Series		
Series A	3,153,481	1,324,679
Series F	58,447,097	56,306,894
Series O	37,266,803	43,513,865
Units outstanding		
Series A	345,837	136,366
Series F	4,748,396	4,316,471
Series O	2,991,920	3,293,851
Net assets attributable to holders of redeemable units per unit		
Series A	\$ 9.12	\$ 9.71
Series F	12.31	13.04
Series O	12.46	13.21

Approved by:

Wally Kusters (Signed)

Director

Marino Scarmozzino (Signed)

Director

The accompanying notes are an integral part of these financial statements

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

	2023	2022
Income		
Net gain (loss) on investments		
Dividends	\$ 4,542,504	\$ 1,855,800
Net realized gain (loss) on investments	(1,328,487)	3,995,281
Change in unrealized appreciation/depreciation on investments	(6,045,141)	(11,062,219)
Change in unrealized appreciation/depreciation on cash	10	300
Total net gain (loss) on investments	(2,831,114)	(5,210,838)
Other income		
Other Income	221,697	89,654
Foreign exchange gain (loss) on cash	(32)	517
Total other income	221,665	90,171
Total income	(2,609,449)	(5,120,667)
Expenses		
Management fees	667,566	591,945
Custody fees	8,853	8,075
Recordkeeping fees	166,171	91,981
Administration fees	74,708	76,530
Independent Review Committee Fees	33,596	71,227
Transaction Costs (Note 3)	48,840	63,109
Audit fees	44,509	41,558
Legal Fees	57,162	83,903
Total Expenses	1,101,405	1,028,328
Expenses absorbed by the Manager	-	-
Net Expenses	1,101,405	1,028,328
Increase (decrease) in net assets attributable to holders of redeemable units	(3,710,854)	(6,148,995)
Increase (decrease) in net assets attributable to holders of redeemable units per Series		
Series A	(84,474)	(36,287)
Series F	(2,396,517)	(3,603,601)
Series O	(1,229,863)	(2,509,107)
Weighted average number of units		
Series A	260,283	91,505
Series F	4,666,196	4,010,122
Series O	2,997,551	3,003,646
Increase (decrease) in net assets attributable to holders of redeemable units, per unit, per Series		
Series A	\$ (0.32)	\$ (0.40)
Series F	\$ (0.51)	\$ (0.90)
Series O	\$ (0.41)	\$ (0.84)

The accompanying notes are an integral part of these financial statements

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

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

For the years ended December 31, 2023 and 2022

	2023		2022		2023		2022	
	Series A		Series F		Series O			
Net assets attributable to holders of redeemable units, beginning of year	\$ 1,324,679	\$ 636,482	\$ 56,306,894	\$ 54,641,198	\$ 43,513,865	\$ 43,542,442		
Increase (decrease) in net assets from operations attributable to holders of redeemable units	(84,474)	(36,287)	(2,396,517)	(3,603,601)	(1,229,863)	(2,509,107)		
Distributions to holders of redeemable units								
From net investment income	(2,936)	-	(363,693)	(196,145)	(613,677)	(587,271)		
From net realized gains on investments	(37,204)	(35,605)	(696,220)	(1,503,855)	(436,661)	(1,166,104)		
Return of capital	-	-	-	-	-	-		
Total Distributions to Holders of Redeemable Units	(40,140)	(35,605)	(1,059,913)	(1,700,000)	(1,050,338)	(1,753,375)		
Redeemable unit transactions								
Proceeds from redeemable units issued	2,104,941	829,627	18,962,193	20,162,998	1,191,090	9,360,509		
Reinvestments of distributions to holders of redeemable units	40,140	35,605	845,694	1,430,517	1,050,340	1,753,375		
Redemption of redeemable units	(191,665)	(105,143)	(14,211,254)	(14,624,218)	(6,208,291)	(6,879,979)		
Net Increase (Decrease) from Redeemable Unit Transactions	1,953,416	760,089	5,596,633	6,969,297	(3,966,861)	4,233,905		
Net increase (decrease) in net assets attributable to holders of redeemable units	1,828,802	688,197	2,140,203	1,665,696	(6,247,062)	(28,577)		
Net assets attributable to holders of redeemable units, end of year	3,153,481	1,324,679	58,447,097	56,306,894	37,266,803	43,513,865		

	2023		2022	
	Total Fund			
Net assets attributable to holders of redeemable units, beginning of year	\$ 101,145,438	\$ 98,820,122		
Increase (decrease) in net assets from operations attributable to holders of redeemable units	(3,710,854)	(6,148,995)		
Distributions to holders of redeemable units				
From net investment income	(980,306)	(783,416)		
From net realized gains on investments	(1,170,085)	(2,705,564)		
Return of capital	-	-		
Total Distributions to Holders of Redeemable Units	(2,150,391)	(3,488,980)		
Redeemable unit transactions				
Proceeds from redeemable units issued	22,258,224	30,353,134		
Reinvestments of distributions to holders of redeemable units	1,936,174	3,219,497		
Redemption of redeemable units	(20,611,210)	(21,609,340)		
Net Increase (Decrease) from Redeemable Unit Transactions	3,583,188	11,963,291		
Net increase (decrease) in net assets attributable to holders of redeemable units	(2,278,057)	2,325,316		
Net assets attributable to holders of redeemable units, end of year	98,867,381	101,145,438		

	2023		2022		2023		2022	
	Series A		Series F		Series O			
Redeemable Unit Transactions								
Redeemable Unit Outstanding, Beginning of the year	136,366	58,863	4,316,471	3,788,129	3,293,851	2,980,627		
Redeemable Unit Issued	225,564	84,112	1,503,736	1,504,857	93,329	680,654		
Redeemable Units Issued on Reinvestments	4,533	3,738	70,775	111,860	86,887	135,422		
Redeemable Units Redeemed	(20,626)	(10,347)	(1,142,586)	(1,088,375)	(482,147)	(502,852)		
Redeemable Unit Outstanding, End of the year	345,837	136,366	4,748,396	4,316,471	2,991,920	3,293,851		

The accompanying notes are an integral part of these financial statements

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(3,710,854)	(6,148,995)
Adjustments:		
Foreign exchange unrealized (gain) loss on cash	(10)	(300)
Net realized (gain) loss on investments	1,328,487	(3,995,281)
Change in unrealized (appreciation) depreciation of investments	6,045,141	11,062,219
Purchases of investments	(21,858,965)	(28,511,068)
Proceeds from sales and maturities of investments	15,527,250	19,022,996
Non-cash working capital changes:		
(Increase) decrease in dividends receivable	(35,249)	(24,794)
(Increase) decrease in accrued interest	(6,062)	-
Increase (decrease) in management fees payable	(2,648)	8,625
Increase (decrease) in accrued expenses	44,142	(11,041)
Net cash provided by (used in) operating activities	<u>(2,668,768)</u>	<u>(8,597,639)</u>
Cash flows from financing activities		
Distributions to holders of redeemable units, net of reinvested distributions	(214,217)	(269,483)
Proceeds from redeemable units issued	22,323,046	30,555,073
Amount paid on redemption of redeemable units	(20,613,215)	(21,555,723)
Net cash provided by (used in) financing activities	<u>1,495,614</u>	<u>8,729,867</u>
Foreign exchange unrealized gain (loss) on cash	10	300
Net increase (decrease) in cash during the year	(1,173,154)	132,228
Cash, beginning of the year	2,237,178	2,104,650
Cash, end of the year	<u>1,064,034</u>	<u>2,237,178</u>
Other cash flow information:		
Dividends received, net of withholding taxes	<u>4,507,255</u>	<u>1,831,006</u>

The accompanying notes are an integral part of these financial statements

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND
Schedule of Investment Portfolio
As at December 31, 2023

No. of Shares/ Par	Coupon Rate (%)	Maturity	Average Cost (\$)	Fair Value (\$)	(%) of Net Assets
SHORT-TERM INVESTMENTS					
Bankers Acceptance					
1,000,000	The Toronto-Dominion Bank	5.205%	17-Jan-24	991,400	991,400
Total Short-Term Investments			991,400	991,400	1.0%
EQUITIES					
Industrials					
58,725	Ag Growth International Inc.			3,005,525	2,966,787
20,309	Boyd Group Services Inc.			3,805,732	5,655,852
123,593	Brookfield Business Corp.			4,164,730	3,815,316
66,244	Calian Group Ltd.			3,609,413	3,795,119
32,028	Cargojet Inc.			4,198,725	3,816,777
214,189	Savaria Corp.			3,491,013	3,249,247
			22,275,138	23,299,098	23.3%
Consumer Staples					
130,019	Jamieson Wellness Inc.			4,044,433	4,125,504
204,386	Neighbourly Pharmacy Inc.			4,717,006	3,431,641
40,016	Premium Brands Holdings Corp.			3,893,505	3,762,704
			12,654,944	11,319,849	11.5%
Energy					
160,853	ARC Resources Ltd.			1,555,250	3,163,979
163,014	Gibson Energy Inc.			3,571,901	3,281,472
1,984,950	Logan Energy Corp.			2,054,100	1,587,960
1,117,302	Tamarack Valley Energy Ltd.			4,456,149	3,430,117
2,851,370	Tidewater Midstream and Infrastructure Ltd.			3,018,466	3,022,452
			14,655,866	14,485,980	14.7%
Real Estate					
205,132	Minto Apartment Real Estate Investment Trust			3,722,261	3,319,036
733,150	StorageVault Canada Inc.			3,023,800	3,834,375
			6,746,061	7,153,411	7.3%
Utilities					
130,329	Boralex Inc.			4,279,336	4,389,481
314,360	Superior Plus Corp.			3,860,302	3,027,287
			8,139,638	7,416,768	7.5%
Materials					
392,041	Chemtrade Logistics Income Fund			2,940,728	3,340,189
			2,940,728	3,340,189	3.4%
Financials					
118,184	Definity Financial Corp.			3,410,751	4,436,627
48,290	EQB Inc.			3,107,597	4,212,337
153,926	Propel Holdings Inc.			1,580,391	1,996,420
130,534	Trisura Group Ltd.			2,997,830	4,438,156
			11,096,569	15,083,540	15.3%
Health Care					
95,346	Andlauer Healthcare Group Inc.			3,043,318	3,907,279
			3,043,318	3,907,279	4.0%
Information Technology					
229,311	Dye & Durham Ltd.			6,179,461	3,292,906
215,801	Softchoice Corp.			4,237,627	3,323,335
			10,417,088	6,616,241	6.7%
Consumer Discretionary					
69,692	MTY Food Group Inc.			3,827,841	3,938,295
			3,827,841	3,938,295	4.0%
Total Equities			95,797,191	96,560,650	97.7%
Transaction costs (Note 3)			(127,074)		
Total Investments			96,661,517	97,552,050	98.7%
Other Net Assets (Liabilities)				1,315,331	1.3%
Net Assets Attributable to Holders of Redeemable Units				98,867,381	100.0%

BARRANTAGH SMALL CAP CANADIAN EQUITY FUND

Notes to Financial Statements

For the year ended December 31, 2023

1. General information

Barrantagh Small Cap Canadian Equity Fund (the “Fund”) is a mutual fund trust established under the laws of Ontario pursuant to a Trust Agreement dated April 15, 2019. The Fund commenced operations on April 15, 2019. The investment objective of the Fund is to outperform the S&P/TSX Small Cap Canadian equity index over market cycles. The Fund primarily invests in common shares within the small cap area of the Canadian market.

The Fund’s registered office is at 100 Yonge Street, Suite 1700, Toronto ON M5C 2W1, Canada.

Barrantagh Investment Management Inc. (“the Manager”) provides investment advisory services and arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, as the portfolio adviser for the Fund, the Manager is responsible for the management of the Fund’s investment portfolio. The Fund’s custodian, trustee and administrator is RBC Investor & Treasury Services.

The annual financial statements were approved by the Board of Directors of the Manager on March 4, 2024.

2. Basis of presentation

Effective January 1, 2023, the Fund adopted the following new and amended accounting standards.

Disclosure of Accounting Policies- Amendments to IAS 1 and IFRS Practise Statement 2

Effective January 1, 2023, the Fund adopted the IAS 1 amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements.

There are no other standards, amendments to standards or interpretations that are effective or annual periods beginning on January 1, 2023 that have a material effect on the financial statements of the Fund.

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise indicated.

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IFRS Accounting Standards)

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) which are presented at fair value.

3. Summary of material accounting policy information

Financial Instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs. The Fund’s business model is one in which financial assets and liabilities are managed with the objective of realizing cash flows through the sale of investments and decisions are made based on fair values and are managed to realize gains/losses based on fair value. The business model is aligned with the FVTPL classification and measurement category. Investments and derivatives, when applicable, are classified and measured at FVTPL under IFRS 9 Financial Instruments (“IFRS 9”).

The Fund’s Net Assets Attributable to Holders of Redeemable Units are measured at the redemption amount which approximates fair value. All other financial assets and liabilities are measured at amortized cost.

The Fund only offsets financial assets and financial liabilities if the Fund has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Valuation of investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial assets and liabilities traded in active markets (such as publicly traded

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Notes to Financial Statements

For the year ended December 31, 2023

marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the close price for both financial assets and financial liabilities where the close price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific circumstances.

The fair values of the investments are determined as follows:

- a) Securities listed on a recognized public stock exchange are stated at their close prices on the valuation date.
- b) Securities not listed on a recognized public stock exchange are valued based upon available public quotations in common use or at prices estimated to be fair value as determined by the Manager of the applicable Fund.
- c) Short term investments are stated at amortized cost which, given the short term nature of the investments, approximates fair value.
- d) Mutual fund units held are priced using the net asset value ("NAV") per unit as of the valuation date for the particular fund.

Investment transactions, income recognition and transaction costs

Investment transactions are recorded on the trade date, which is the date on which the Fund commits to purchase or sell the investment. Dividend is recorded on ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis. Unrealized gains and losses are determined using the difference between the fair value and average cost. Distributions received from income trusts are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital by applying previous year characterizations reported by the trust as current year characterizations are not available until the following year.

Transaction costs, when incurred, are included in the cost of investments purchased or are a reduction in the proceeds received on the sale of an investment. These costs are immediately recognized in profit or loss as an expense in the statements of comprehensive income.

Receivable for investments sold / payable for investments purchased

Receivable for investments sold and payable for investments purchased represent investment transactions that have been contracted for but not yet settled or delivered on the statement of financial position dates, respectively.

These amounts are recognized initially at fair value and subsequently measured at amortized cost, which approximates fair value.

Cash

Cash includes cash on hand, deposits held with Canadian chartered banks and bank overdraft balances, when applicable, are shown in current liabilities in the statement of financial position.

Other assets and liabilities

Dividend receivable and subscriptions receivable are classified and recorded at amortized cost. Management fees payable and accrued expenses are classified as other liabilities and recorded at amortized cost. Other assets and liabilities are short term in nature and amortized cost approximates fair value.

Net Assets Attributable to Holders of Redeemable Units

In accordance with IAS 32, Financial Instruments: Presentation ("IAS 32"), redeemable units of the Fund, which are considered puttable instruments, are classified as financial liabilities unless certain criteria are met for classification as equity instruments. Under IFRS Accounting Standards, redeemable units which include a contractual obligation to repurchase or redeem them for cash or another financial asset are classified as financial liabilities. The Funds' outstanding units include a contractual obligation to distribute any net income and net realized capital gains in cash (at the request of the unitholder) and therefore the ongoing redemption feature is not the Fund's only contractual obligation. Consequently, the Fund's Net Assets Attributable to Holders of Redeemable Units are classified as financial liabilities in accordance with IAS 32.

Translation of foreign currencies

The functional and presentation currency of the Fund is Canadian dollars.

- a) The fair value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rates on each valuation date.
- b) Purchases and sales of investments, as well as interest income denominated in foreign currencies are translated into Canadian dollars at the prevailing rates of exchange on the dates of the related transactions.

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Notes to Financial Statements

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- c) Foreign currency gains and losses resulting from translations are reported in the statements of comprehensive income. Foreign currency gains and losses relating to cash are presented in the statements of comprehensive income within net foreign exchange gain (loss) on cash. Foreign currency gains and losses relating to financial assets and liabilities carried as FVTPL are presented in the statements of comprehensive income within change in unrealized appreciation (depreciation) of investments.

Increase (decrease) in net assets from operations attributable to holders of redeemable units

Movements in net assets attributable to holders of redeemable units are recognized in the statements of changes in net assets attributable to holders of redeemable units. Increase (decrease) in net assets attributable to holders of redeemable units per unit per series in the statements of comprehensive income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the weighted average number of units outstanding for each class of units.

Unit valuation

A separate NAV is calculated on every valuation date for each Series of units. A valuation date is each business day that the Manager is open for business and on which the Toronto Stock Exchange is open for trading. The NAV of each specific Series of units is computed by calculating the value of the Series' proportionate share of the assets and liabilities of the Fund attributable only to that Series. expenses directly attributable to a Series are charged directly to that Series. Other expenses, income, and realized and unrealized capital gains and losses are allocated proportionately to each Series based on the relative NAV of each Series.

Taxation

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) (the "Act"). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset. However, such part of the Fund's taxable income including net realized taxable capital gains that is not paid or payable will be taxable to the fund. Income tax on net taxable realized capital gains not paid or payable will generally be recoverable by virtue of refunding provisions contained in the Act and provincial income tax legislation, as redemptions occur.

As at December 31, 2023, the Fund had \$nil (December 31, 2022- \$nil) in capital losses carry forward and no non-capital losses. The capital losses have no expiry and the non-capital losses can be carried forward for up to twenty years.

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 presented separately in the Statement of Comprehensive Income.

Income and expense allocation

Realized gains (losses), changes in unrealized appreciation/depreciation on investments, income and expenses that are common to the Fund as a whole are allocated daily to each Series based on the proportionate share of the NAV of the Series.

Critical accounting estimates and assumptions

The preparation of financial statements in compliance with IFRS Accounting Standards requires management to exercise its judgment in applying its accounting policies and to make estimates and assumptions about the future. The significant accounting judgments and estimates that the Fund has made in preparing the financial statements include the fair value measurement of financial assets and the classification of financial assets and liabilities.

Refer to Note 4 for further information about the fair value measurement of the Fund's financial instruments.

Investment entity

The Fund has determined that it is an investment entity as defined by IFRS 10, Consolidated Financial Statements and the Amendments to IFRS 10, as the following conditions exist:

- The Fund has obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- The Fund has committed to its investor that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and,
- The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

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Notes to Financial Statements

For the year ended December 31, 2023

As an investment entity, the Fund is exempted from consolidating unlisted open-ended investment funds and exchange-traded funds, if any, and instead is required to measure its investments in these unlisted open-ended investment funds and exchange-traded funds at FVTPL.

4. Fair value measurement

The Fund manages its investments at fair value which are categorized into a fair value hierarchy prioritizing fair value measurements based on the transparency of inputs used in valuation techniques to measure fair value. The hierarchy provides the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgement, estimation or use of valuation techniques.

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

Where there is a significant impact to the fair value estimate of Level 3 financial instruments in applying reasonable possible alternative assumptions, a range in fair value will be disclosed in the financial statements.

Fair value hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value as at

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Canadian Equities	96,560,650	-	-	96,560,650
Short-Term Investments	-	991,400	-	991,400
Total Investments	96,560,650	991,400	-	97,552,050

As at December 31, 2022

	Level 1	Level 2	Level 3	Total
Canadian Equities	98,593,963	-	-	98,593,963
Total Investments	98,593,963	-	-	98,593,963

All fair value measurements above are performed on a recurring basis. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1 and reclassified into Level 2 or Level 3, as appropriate.

Movements between Level 1 and Level 2 financial instruments

There were no transfers between Level 1 and 2 for the years ended December 31, 2023 and 2022.

Valuation of Level 3 financial instruments

The Fund did not hold any Level 3 investments at the beginning of, during, or at the end of December 31, 2023.

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Notes to Financial Statements

For the year ended December 31, 2023

5. Redeemable units

The Fund is authorized to issue an unlimited number of Series F, Series O and Series A units. Series A units were available for issue April 30, 2021. Series O is available to investors who have been approved by the manager and who have invested a negotiated minimum amount pursuant to the simplified prospectus. Series F and O are available through authorized dealers.

Redeemable units are issued and redeemed at the unitholder's option at the Fund's NAV per unit at the time of issue or redemption. The Fund's NAVs per unit is calculated by dividing the Fund total NAV of each Series by the total number of outstanding redeemable units for that Series.

Redeemable units are carried at the redemption amount that is payable on the statements of financial position date if the holder exercises the right to put the units back in the Fund. If the unitholders redeem units, they are entitled to the proportionate share of NAV, represented by the Fund's NAV per unit. The relevant movements are shown in the statements of changes in net assets attributable to holders of redeemable units.

All distributions of the Fund in respect of investment income and realized capital gains are reinvested automatically in additional units of the Fund at the NAV per unit on the distribution date, unless a unitholder requests in writing to receive their distribution in cash.

6. Financial risk management

The Fund is exposed to a variety of financial risks: market risk (including price risk, interest rate risk, foreign currency risk, liquidity risk, concentration risk and credit risk).

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and minimize potential adverse effects from the unpredictability of financial markets on the Fund's financial performance.

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

The value of the Fund's investments may change due to one or more of the following financial instrument risks:

Other Price risk

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

The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Fund's market risk is managed through diversification of the investment portfolio. The Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

At December 31, 2023 and 2022 the Fund's exposure to other price risk is as follows:

	December 31, 2023		December 31, 2022	
	Fair Value	% Net Assets	Fair Value	% Net Assets
Equities	\$ 96,560,650	97.7%	\$ 98,593,963	97.5%

If the fair value of the equities investments held by the Fund as at December 31, 2023 had increased or decreased by 5.0%, with all other variables held constant, this would have impacted net assets by approximately \$4,828,033 (December 31, 2022 - \$4,929,698).

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of interest rates.

Currency risk

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Currency risk is the risk that the financial instruments or transactions entered into by the Fund that are denominated in currencies other than the Canadian dollar, will fluctuate due to changes in foreign exchange rates. The Fund holds assets and liabilities, including cash primarily denominated in Canadian dollars. Therefore, the currency risk is immaterial as at December 31, 2023 and 2022.

Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. All transactions in listed securities are settled upon delivery using approved brokers. The credit risk of related to associated receivables is considered minimal. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at December 31, 2023 and 2022, the Fund's direct exposure to credit risk was limited to cash balances, Short-Term Investments and receivables.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to the daily cash redemptions of its redeemable units. Units are redeemable on demand at the current NAV per unit.

This risk is managed by investing the majority of its assets in investments that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash to maintain liquidity. The Manager monitors the Fund's liquidity position on a daily basis.

The contractual maturity of the Fund's financial liabilities is less than three months.

Concentration risk

Concentration risk arises from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The Fund's concentration risk is disclosed by equity category within the Schedule of Investment Portfolio.

Sector	As a % of Net Assets	
	December 31, 2023	December 31, 2022
Industrials	23.3	17.2
Financials	15.3	14.3
Energy	14.7	17.7
Consumer Staples	11.5	11.3
Utilities	7.5	7.1
Real Estate	7.3	9.9
Information Technology	6.7	5.8
Health Care	4.0	6.8
Consumer Discretionary	4.0	3.9
Materials	3.4	3.5
Total	97.7	97.5

Capital risk management

Redeemable units issued and outstanding are considered to be the capital of the Fund. The Fund does not have any specific externally imposed capital requirements on the subscription and redemption of the units, other than certain minimum subscription requirements. The Manager manages the capital of the Fund in accordance with the Fund's investment objectives.

7. Related Party transactions

- (a) Management fees:

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The Manager is entitled to an annual management fee for providing services including investment management, oversight of the service providers and general fund administration.

The management fee in respect of Series F units is paid by the Fund at a rate of 1.00% per annum of the Fund's NAV attributable to the Series F units calculated daily, based on the average daily NAV and payable monthly in arrears.

The management fee in respect of Series O units is negotiated between each unitholder and the Manager at maximum rates of up to 1.00% per annum of the Fund's NAV attributable to the Series O units calculated daily, based on the average daily NAV and payable either monthly or quarterly, and subject to review from time to time. The management fee in respect of the Series O units is not paid by the Fund but by the unitholder directly.

The management fee (including an amount equal to the trailing commission) in respect of Series A Units is paid by the Fund at a rate of 2% per annum of the Fund's NAV attributable to the Series A Units calculated daily, based on the average daily NAV and payable monthly in arrears. We can increase this fee on not less than 60 days' notice to holders of Series A Units.

Management fees are subject to applicable taxes, including GST and HST. The Manager may choose to absorb or waive some of the management fees incurred by the Fund.

(a) **Operating Expenses:**

The Fund pays its own operating expenses. These expenses include audit and accounting fees, custodial expenses, accounting and recordkeeping costs, legal expenses, prospectus preparation and filing costs (other than the cost of preparing the initial prospectus for the Fund), and other day-to-day operating expenses. The Fund also pays HST or GST (as applicable) on these expenses.

The Fund is also responsible for the fees and expenses of its Independent Review Committee (IRC). Each member of the IRC is paid \$8,000 per annum and the Chairman is paid \$12,000 per annum.

(b) There are no units of this fund held by any officers, directors or related persons or entities of the Manager.

8. Auditor fees

The Staff of the International Ethics Standards Board for Accountants (IESBA) recently revised fee-related provisions of The International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) including greater transparency of audit fee related information. For the year ended December 31, 2023, the fees paid or payable to PricewaterhouseCoopers LLP and other PwC Network firms for their services to the Fund are audit and audit related fees: \$32,550 and non-audit services fees : \$1890.