

Financial Statements of

**ALITIS STRATEGIC INCOME POOL  
ALITIS INCOME AND GROWTH POOL  
ALITIS GROWTH POOL**

Six months ended June 30, 2023

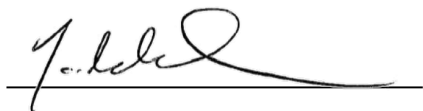
(Unaudited)

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by Alitis Investment Counsel Inc. in its capacity as the Manager of the Pools. The Pools' Manager is responsible for the information and representations contained in these financial statements.

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

On Behalf of the Manager:

A handwritten signature in black ink, appearing to be "J. L. L.", is written over a horizontal line.

Date: August 22, 2023

## NOTICE TO UNITHOLDERS

**The Auditors of the Pools have not reviewed these financial statements.**

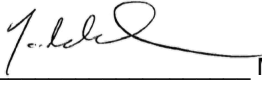
Alitis Investment Counsel Inc., the Manager of the Pools, appoints an independent auditor to audit the Pools' annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Pools' interim financial statements, this must be disclosed in an accompanying notice.

# ALITIS STRATEGIC INCOME POOL

## Statement of Financial Position As at June 30, 2023 (Unaudited)

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	\$ 20,392,115	\$ 21,901,923
Interest and dividends receivable	31,544	51,094
Subscriptions receivable	41,395	40,035
Prepaid expenses	990	2,567
Future contracts	—	11,649
	<u>20,466,044</u>	<u>22,007,268</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Future contracts	3,926	—
Bank indebtedness	433,945	894,139
Accounts payable and accrued liabilities	36,815	38,082
Management fees payable (note 5)	11,684	13,017
Redemptions payable	82,097	26,000
	<u>568,467</u>	<u>971,238</u>
<b>Net assets attributable to holders of redeemable units:</b>	<u>\$ 19,897,577</u>	<u>\$ 21,036,030</u>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class D	\$ 7,382,732	\$ 7,497,662
Class E	<u>12,514,845</u>	<u>13,538,368</u>
	<u>\$ 19,897,577</u>	<u>\$ 21,036,030</u>
<b>Number of redeemable units outstanding (note 6):</b>		
Class D	731,967	737,371
Class E	1,263,471	1,356,013
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class D	\$ 10.09	\$ 10.17
Class E	9.91	9.98

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

Approved on behalf of the Trust  Manager  
Alitis Investment Counsel Inc.

# ALITIS STRATEGIC INCOME POOL

## Statement of Comprehensive Income

For the six-months ended June 30, 2023 (Unaudited)

	2023	2022
<b>Income</b>		
Interest income for distribution purposes	\$ 254,621	\$ 252,535
Dividends	219,629	151,919
Net realized loss on sale of investments, including foreign exchange adjustments	(10,953)	(67,592)
Net change in unrealized depreciation in value of investments	<u>(141,234)</u>	<u>(2,152,652)</u>
	<u>322,063</u>	<u>(1,815,790)</u>
<b>Expenses</b>		
Management fees (note 5)	61,486	94,644
Fund administration fees	32,102	31,936
Operating costs	25,163	13,380
Audit fees	6,695	6,047
Withholding tax	2,437	2,017
Custodian fees	1,249	1,249
Commissions and other portfolio transaction costs	<u>263</u>	<u>928</u>
	<u>129,395</u>	<u>150,201</u>
 <b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	 \$ <u>192,668</u>	 \$ <u>(1,965,991)</u>
 <b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class D	\$ 88,996	\$ (661,331)
Class E	<u>103,672</u>	<u>(1,304,660)</u>
	<u>\$ 192,668</u>	<u>\$ (1,965,991)</u>
 <b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Class D	\$ 0.12	\$ (0.75)
Class E	0.08	(0.80)

# ALITIS STRATEGIC INCOME POOL

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six-months ended June 30, 2023 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Increase in net assets attributable to holders of redeemable units	Distribution to unitholders of redeemable units*	Reinvestments of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2023</b>							
Class D	\$ 7,497,662	\$ 395,336	\$ (599,262)	\$ 88,996	\$ (149,863)	\$ 149,863	\$ 7,382,732
Class E	13,538,368	573,318	(1,700,513)	103,672	(194,303)	194,303	12,514,845
	<u>\$ 21,036,030</u>	<u>\$ 968,654</u>	<u>\$ (2,299,775)</u>	<u>\$ 192,668</u>	<u>\$ (344,166)</u>	<u>\$ 344,166</u>	<u>\$ 19,897,577</u>

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Decrease in net assets attributable to holders of redeemable units	Distribution to unitholders of redeemable units*	Reinvestments of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2022</b>							
Class D	\$ 10,180,312	\$ 642,637	\$ (1,922,716)	\$ (661,331)	\$ (102,903)	\$ 102,903	\$ 8,238,902
Class E	19,434,861	672,625	(4,364,805)	(1,304,660)	(88,140)	88,140	14,438,021
	<u>\$ 29,615,173</u>	<u>\$ 1,315,262</u>	<u>\$ (6,287,521)</u>	<u>\$ (1,965,991)</u>	<u>\$ (191,043)</u>	<u>\$ 191,043</u>	<u>\$ 22,676,923</u>

### \*Detailed distribution to unitholders of redeemable units

#### Class D

From net investment income	\$ 149,863	\$ 102,903
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#### Class E

From net investment income	\$ 194,303	\$ 88,140
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# ALITIS STRATEGIC INCOME POOL

## Statement of Cash Flows

For the six-months ended June 30, 2023 (Unaudited)

	2023	2022
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units:	\$ 192,668	\$ (1,965,991)
Adjustments for non-cash items		
Commissions and other portfolio transaction costs	263	928
Net realized loss on sale of investments, including foreign exchange adjustments	10,953	67,592
Net change in unrealized (appreciation) depreciation in value of investments	(6,299)	1,783,819
Change in non-cash balances		
Decrease in interest and dividends receivable	19,550	4,866
Decrease (increase) in prepaid expenses	1,577	(2,106)
Decrease in accounts payable and accrued liabilities	(1,267)	(13,472)
Decrease in management fees payable	(1,333)	(18,939)
Proceeds from sale of investments	2,237,049	5,648,297
Purchase of investments	(712,851)	(1,389,263)
Cash provided by operating activities	<u>1,740,310</u>	<u>4,115,731</u>
<b>Financing Activities</b>		
Proceeds from issuances of redeemable units	967,294	1,355,542
Amount paid on redemption of redeemable units	(2,243,678)	(6,096,623)
Cash used in financing activities	<u>(1,276,384)</u>	<u>(4,741,081)</u>
Increase (decrease) in cash during the period	463,926	(625,350)
Foreign exchange (loss) gain on cash	(3,732)	7,223
Cash (bank indebtedness), beginning of period	(894,139)	702,724
<b>Cash (bank indebtedness), end of period</b>	<u>\$ (433,945)</u>	<u>\$ 84,597</u>
<b>Supplemental information*</b>		
Interest paid	\$ 13,088	\$ 288
Interest received	271,061	244,640
Dividends received, net of withholding taxes	220,301	162,664

\*Included as a part of cash flows from operating activities

# ALITIS STRATEGIC INCOME POOL

## Schedule of Investment Portfolio

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian Alternative fixed income</b>				
58,002	RP Debt Opportunities Fund Trust Series FA Lead	\$ 697,920	\$ 923,285	4.64
90,930	YTM Capital Credit Opportunities Fund - Class F JUL-15 Consolidated	930,627	958,804	4.82
66,137	YTM Capital Fixed Income Alternative Fund Series F	681,700	687,761	3.46
		<u>2,310,247</u>	<u>2,569,850</u>	<u>12.92</u>
<b>Canadian bonds</b>				
32,880	BMO Floating Rate High Yield ETF	447,885	463,607	2.33
59,320	BMO Mid Provincial Bond Index ETF	891,841	795,481	4.00
69,048	Edgepoint Monthly Income Portfolio	643,750	638,020	3.21
30,320	iShares Core Canadian Universe Bond Index ETF	960,129	835,013	4.20
94,693	Leith Wheeler Corporate Fixed Income Fund	912,722	835,342	4.20
290,332	PH&N Bond Fund Series O	3,067,933	2,640,161	13.27
156,869	PH&N High Yield Bond Fund Series O	1,772,840	1,594,559	8.01
		<u>8,697,100</u>	<u>7,802,183</u>	<u>39.22</u>
<b>Canadian private debt</b>				
14,822	Bridging Income Fund LP	1,475,333	442,601	2.22
2,861	Crown Capital Fund IV LP	794,496	617,504	3.10
54,132	Espresso Income Trust Class R2 - Lead Series	542,639	548,758	2.76
114,343	Ninepoint Canadian Senior Debt Fund Class S	1,236,149	1,685,102	8.47
109,691	The Next Edge Private Debt Fund - Class F1 (NEC452)	1,102,256	1,076,890	5.41
		<u>5,150,873</u>	<u>4,370,855</u>	<u>21.96</u>
<b>Canadian Real Estate</b>				
12,433	Dream Impact Trust	301,602	112,892	0.57
<b>Global bonds</b>				
73,391	RP Alternative Global Bond Fund Class F	726,760	678,303	3.41
129,586	RP Strategic Income Plus Fund Class F	1,336,535	1,282,295	6.44
		<u>2,063,295</u>	<u>1,960,598</u>	<u>9.85</u>
<b>U.S. bonds</b>				
99,130	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	1,494,032	1,238,134	6.22
13,150	Vanguard Total Bond Market ETF	1,236,523	1,266,150	6.36
		<u>2,730,555</u>	<u>2,504,284</u>	<u>12.58</u>
<b>U.S. private debt</b>				
80,889	KiWi Private Credit Fund LP Class I	1,023,779	1,071,453	5.38

# ALITIS STRATEGIC INCOME POOL

## Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	<b>Total investments owned</b>	22,277,451	20,392,115	102.48
	Commissions and other portfolio transaction costs	<u>(3,428)</u>	<u>—</u>	<u>—</u>
	<b>Net investments owned</b>	<b>\$ 22,274,023</b>	20,392,115	102.48
	Unrealized loss, futures contracts		(3,926)	(0.02)
	<b>Other liabilities, net</b>		<u>(490,612)</u>	<u>(2.46)</u>
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<b>\$ 19,897,577</b>	<b>100.00</b>

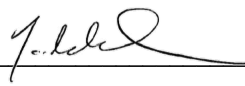


# ALITIS INCOME AND GROWTH POOL

## Statement of Financial Position As at June 30, 2023 (Unaudited)

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	\$ 162,849,269	\$ 153,980,598
Interest and dividends receivable	379,988	300,896
Subscriptions receivable	573,410	469,238
Fee rebate - investments owned	1,973	2,038
Prepaid expenses	6,863	13,752
Future contracts	—	50,934
Cash	—	1,000,737
	<u>163,811,503</u>	<u>155,818,193</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	7,645,990	—
Redemptions payable	378,698	58,000
Management fees payable (note 5)	132,303	135,066
Loans payable to investee, non-interest bearing	1,209,069	4,747,687
Due to broker	937,500	—
Accounts payable and accrued liabilities	48,878	51,850
Distributions payable	5,424	4,947
Future contracts	2,095	—
	<u>10,359,957</u>	<u>4,997,550</u>
<b>Net assets attributable to holders of redeemable units:</b>	<u>\$ 153,451,546</u>	<u>\$ 150,820,643</u>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class D	\$ 47,565,486	\$ 46,440,365
Class E	<u>105,886,060</u>	<u>104,380,278</u>
	<u>\$ 153,451,546</u>	<u>\$ 150,820,643</u>
<b>Number of redeemable units outstanding (note 6):</b>		
Class D	3,935,996	3,907,441
Class E	8,880,606	8,902,203
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class D	\$ 12.08	\$ 11.89
Class E	11.92	11.73

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

Approved on behalf of the Trust  Manager  
Alitis Investment Counsel Inc.

# ALITIS INCOME AND GROWTH POOL

## Statement of Comprehensive Income

For the six-months ended June 30, 2023 (Unaudited)

	2023	2022
<b>Income</b>		
Interest income for distribution purposes	\$ 2,468,828	\$ 1,460,963
Dividends	559,901	522,087
Fee rebate - investments owned	12,017	12,075
Net realized gain on sale of investments, including foreign exchange adjustments	2,802,354	7,127,929
Net change in unrealized depreciation in value of investments	<u>(251,420)</u>	<u>(11,208,888)</u>
	<u>5,591,680</u>	<u>(2,085,834)</u>
<b>Expenses</b>		
Management fees (note 5)	686,626	604,455
Fund administration fees	79,786	71,440
Operating costs	72,610	19,013
Withholding tax	24,543	35,871
Audit fees	6,695	6,047
Commissions and other portfolio transaction costs	2,800	4,978
Custodian fees	1,249	1,249
Amortization expense - Wind down of Timbercreek RE Financial US LP	<u>—</u>	<u>11,836</u>
	<u>874,309</u>	<u>754,889</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<u>\$ 4,717,371</u>	<u>\$ (2,840,723)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class D	\$ 1,674,762	\$ (680,306)
Class E	<u>3,042,609</u>	<u>(2,160,417)</u>
	<u>\$ 4,717,371</u>	<u>\$ (2,840,723)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Class D	\$ 0.42	\$ (0.19)
Class E	0.34	(0.24)

## ALITIS INCOME AND GROWTH POOL

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the six-months ended June 30, 2023 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Increase in net assets attributable to holders of redeemable units	Distribution to unitholders of redeemable units*	Reinvestments of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2023</b>							
Class D	\$ 46,440,365	\$ 3,767,952	\$ (4,317,593)	\$ 1,674,762	\$ (886,403)	\$ 886,403	\$ 47,565,486
Class E	104,380,278	6,861,209	(8,396,991)	3,042,609	(1,281,944)	1,280,899	105,886,060
	<u>\$ 150,820,643</u>	<u>\$ 10,629,161</u>	<u>\$ (12,714,584)</u>	<u>\$ 4,717,371</u>	<u>\$ (2,168,347)</u>	<u>\$ 2,167,302</u>	<u>\$ 153,451,546</u>

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Decrease in net assets attributable to holders of redeemable units	Distribution to unitholders of redeemable units*	Reinvestments of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2022</b>							
Class D	\$ 42,346,133	\$ 6,329,839	\$ (2,995,109)	\$ (680,306)	\$ (533,701)	\$ 533,701	\$ 45,000,557
Class E	105,273,051	9,452,266	(10,420,158)	(2,160,417)	(704,155)	702,773	102,143,360
	<u>\$ 147,619,184</u>	<u>\$ 15,782,105</u>	<u>\$ (13,415,267)</u>	<u>\$ (2,840,723)</u>	<u>\$ (1,237,856)</u>	<u>\$ 1,236,474</u>	<u>\$ 147,143,917</u>

#### \*Detailed distribution to unitholders of redeemable units

##### Class D

From net investment income \$ 886,403 \$ 533,701

##### Class E

From net investment income \$ 1,281,944 \$ 704,155

# ALITIS INCOME AND GROWTH POOL

## Statement of Cash Flows

For the six-months ended June 30, 2023 (Unaudited)

	2023	2022
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units:	\$ 4,717,371	\$ (2,840,723)
Adjustments for non-cash items		
Commissions and other portfolio transaction costs	2,800	4,978
Net realized gain on sale of investments, including foreign exchange adjustments	(2,802,354)	(7,127,929)
Net change in unrealized (appreciation) depreciation in value of investments	(2,394,147)	10,264,043
Change in non-cash balances		
(Increase) decrease in interest and dividends receivable	(79,092)	130,759
Decrease in fee rebate - investments owned	65	—
Decrease (increase) in prepaid expenses	6,889	(5,267)
Decrease in management fees payable	(2,763)	(98,626)
Decrease in loans payable to investee, non-interest bearing	(3,538,618)	(14,530,945)
Increase in due to broker	937,500	—
Decrease in accounts payable and accrued liabilities	(2,972)	(22,230)
Increase in distributions payable	477	1,244
Decrease in performance fees payable	—	(58)
Proceeds from sale of investments	13,925,839	32,027,062
Purchase of investments	(17,569,218)	(24,829,248)
Cash used in operating activities	(6,798,223)	(7,026,940)
<b>Financing Activities</b>		
Proceeds from issuances of redeemable units	10,524,989	17,715,369
Amount paid on redemption of redeemable units	(12,393,886)	(15,473,183)
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,045)	(1,382)
Cash (used in) provided by financing activities	(1,869,942)	2,240,804
Decrease in cash during the period	(8,668,165)	(4,786,136)
Foreign exchange gain (loss) on cash	21,438	(19,095)
Cash, beginning of period	1,000,737	3,739,323
<b>Cash (bank indebtedness), end of period</b>	<b>\$ (7,645,990)</b>	<b>\$ (1,065,908)</b>
<b>Supplemental information*</b>		
Interest paid	\$ 50,412	\$ 141
Interest received	2,321,832	1,468,511
Dividends received, net of withholding taxes	603,262	597,591

\*Included as a part of cash flows from operating activities

# ALITIS INCOME AND GROWTH POOL

## Schedule of Investment Portfolio

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian Alternative equities</b>				
81,893	EHP Advantage Alternative Fund Class F	\$ 886,240	\$ 851,019	0.55
83,806	EHP Advantage International Alternative Fund Class F	890,751	867,960	0.57
145,057	EHP Global Arbitrage Alternative Fund Class F	1,712,319	1,697,740	1.11
		<u>3,489,310</u>	<u>3,416,719</u>	<u>2.23</u>
<b>Canadian Alternative fixed income</b>				
104,974	RP Debt Opportunities Fund Trust Series FA Lead	1,300,385	1,670,999	1.09
142,322	YTM Capital Credit Opportunities Fund - Class F JUL-15 Consolidated	1,451,732	1,500,695	0.98
138,120	YTM Capital Fixed Income Alternative Fund Series F	1,417,791	1,436,314	0.94
		<u>4,169,908</u>	<u>4,608,008</u>	<u>3.01</u>
<b>Canadian bonds</b>				
67,780	BMO Floating Rate High Yield ETF	927,356	955,698	0.62
138,410	BMO Mid Provincial Bond Index ETF	2,017,944	1,856,078	1.21
153,608	Edgepoint Monthly Income Portfolio	1,431,896	1,419,385	0.92
67,960	iShares Core Canadian Universe Bond Index ETF	2,024,801	1,871,618	1.22
210,841	Leith Wheeler Corporate Fixed Income Fund	1,988,485	1,859,952	1.21
673,584	PH&N Bond Fund Series O	6,685,754	6,125,303	3.99
349,691	PH&N High Yield Bond Fund Series O	3,841,576	3,554,578	2.32
		<u>18,917,812</u>	<u>17,642,612</u>	<u>11.49</u>
<b>Canadian equities</b>				
24,200	iShares S&P/TSX 60 Index ETF	633,152	743,666	0.48
<b>Canadian Mortgage</b>				
53,600	Atrium Mortgage Investment Corp.	547,422	603,000	0.39
3,000,000	Cambridge Mortgage Investment Corporation Class B	3,000,000	3,000,000	1.96
322,053	Cameron Stephens High Yield Mortgage Trust	3,220,532	3,220,532	2.10
100,000	CMCC High Yield Mortgage Investment Corporation Class A	1,000,000	1,000,000	0.65
3,500,000	KingSett Senior Mortgage Fund LP	3,500,000	3,500,000	2.28
240,000	KV Mortgage Fund Inc.	2,400,000	2,400,000	1.56
157,385	MCAN Mortgage Corp.	2,145,951	2,417,434	1.58
4,550,000	Neighbourhood Holdings Limited Partnership - Class F	4,550,009	4,550,000	2.97
1,150,000	Ryan Mortgage Income Fund	1,150,000	1,150,000	0.75
293,300	Timbercreek Financial Corp.	2,385,176	2,185,085	1.42
		<u>23,899,090</u>	<u>24,026,051</u>	<u>15.66</u>

# ALITIS INCOME AND GROWTH POOL

## Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian private debt</b>				
400,000	Anthem 585 Austin Developments GP LTD. 5% 29OCT2026	400,000	400,000	0.26
37,970	Bridging Income Fund LP	3,779,381	1,133,814	0.74
3,766	Crown Capital Fund IV LP	1,045,814	812,835	0.53
97,438	Espresso Income Trust Class R2 - Lead Series	976,742	987,764	0.64
200,918	Ninepoint Canadian Senior Debt Fund Class S	2,217,698	2,960,971	1.93
191,666	The Next Edge Private Debt Fund - Class F1 (NEC452)	1,925,365	1,881,679	1.23
		<u>10,345,000</u>	<u>8,177,063</u>	<u>5.33</u>
<b>Canadian private equity</b>				
1,300,000	CAI Capital Partners VI Limited Partnership	<u>988,843</u>	<u>1,257,230</u>	<u>0.82</u>
<b>Canadian Real Estate</b>				
2,300,000	898 Klahanie Development LP	1,150,000	1,251,326	0.82
511	Anthem 6075 Wilson Developments LP Series 2	–	117,715	0.08
1,850	Anthem Calgary Core Industrial Investments 2022 Limited Partnership	1,768,904	1,894,097	1.23
2,400	Anthem Class A Investment LP	2,400,000	3,229,196	2.10
1,000,000	Anthem Coyote Creek Developments Limited Partnership	171,250	337,783	0.22
511	Anthem Metro Vancouver High-Rise Development Fund LP - Class B	511,000	632,749	0.41
1,000	Anthem Steveston Development Limited Partnership	–	61,681	0.04
750	Anthem West Clayton Developments Limited Partnership	–	14,167	0.01
60	CMCC Capital Fund V Limited Partnership	1,305,000	1,483,475	0.97
219,953	Dream Impact Trust	5,303,748	1,997,173	1.30
30	Empire (Grand Niagara) Project LP Class B	3,000,000	3,266,959	2.13
1,250,000	Ironclad Developments Allure LP Class A-2	1,250,000	1,600,883	1.04
1,389,500	Ironclad Developments Aurora LP Class A-2	–	22,852	0.01
3,273,550	Ironclad Developments Bishop Grandin LP Class A-2	3,273,550	3,628,180	2.36
2,300,000	Ironclad Developments Bridgewater Limited Partnership Class A-2	1,063,842	1,933,860	1.26
55	Ironclad Developments Bridgewater Limited Partnership Class B-2	3,507,569	4,308,061	2.81
1,700,000	Ironclad Developments Costin & Carlow LP Class A-2	1,700,000	2,939,431	1.92
2,362,500	Ironclad Developments Eagleson Limited Partnership - Class A	–	1,351,061	0.88
4,062,500	Ironclad Developments Elliot Limited Partnership - Class A	–	56,034	0.04
4,977,000	Ironclad Developments Goldstream Limited Partnership - Class A	–	40,004	0.03
1,409,091	Ironclad Developments Jubilee Limited Partnership Class A-2	1,015,985	1,577,891	1.03
10	Ironclad Developments Jubilee Limited Partnership Class B	872,000	491,381	0.32

# ALITIS INCOME AND GROWTH POOL

## Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian Real Estate</b>				
969,456	Ironclad Developments Main & Benn Limited Partnership Class A-2	–	27,647	0.02
3,300,000	Ironclad Developments Pembina Limited Partnership - Class A	96,526	1,782,095	1.16
50	Ironclad Developments Pembina Limited Partnership - Class B-2	5,178,909	7,437,217	4.85
1,700,000	Ironclad Developments Tenth Line Limited Partnership Class A-2	1,700,000	2,507,505	1.63
14	Ironclad Developments Treanor Limited Partnership – Class B-1	929,416	1,262,699	0.82
2,000,000	Ironclad Developments Treanor Limited Partnership Class A-2	–	1,468,527	0.96
1,822	Kingsett Canadian Real Estate Income Fund LP	2,165,827	1,922,190	1.25
35,000	Starlight Canadian Residential Growth Fund II – Class C	3,110,474	3,708,779	2.42
16,875	Starlight Canadian Residential Growth Fund III – Class F	1,681,875	1,771,155	1.15
247	The Mercury Block Limited Partnership Class E	2,403,987	3,004,266	1.96
		<u>45,559,862</u>	<u>57,128,039</u>	<u>37.23</u>
<b>Global bonds</b>				
156,048	RP Alternative Global Bond Fund Class F	1,510,419	1,442,247	0.94
287,640	RP Strategic Income Plus Fund Class F	2,945,882	2,846,282	1.85
		<u>4,456,301</u>	<u>4,288,529</u>	<u>2.79</u>
<b>Global equities</b>				
143,857	Canoe Defensive Global Equity Fund	2,766,615	3,431,819	2.24
67,366	Dynamic Global Discovery Fund - Series F	3,354,181	3,437,654	2.24
103,843	Edgepoint Global Portfolio Series F(N) Non Hst	3,004,443	3,465,169	2.26
		<u>9,125,239</u>	<u>10,334,642</u>	<u>6.74</u>
<b>Global Infrastructure</b>				
200	Eaglecrest Infrastructure Canada LP	1,941,316	2,038,576	1.33
<b>Canadian investment fund</b>				
10	Ironclad Developments Bridgewater Limited Partnership Class B	1,008,315	957,137	0.62
<b>U.S. bonds</b>				
223,590	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	3,165,635	2,792,639	1.82
30,990	Vanguard Total Bond Market ETF	2,889,807	2,983,878	1.94
		<u>6,055,442</u>	<u>5,776,517</u>	<u>3.76</u>

# ALITIS INCOME AND GROWTH POOL

## Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	<b>Global Mortgage</b>			
3,172,000	Timbercreek Ireland Private Debt II 11% 13MAR2030	4,689,392	4,584,809	2.99
	<b>Asia-Pacific equities</b>			
44,100	iShares MSCI Australia ETF	1,308,919	1,317,255	0.86
26,875	iShares MSCI Hong Kong ETF	760,016	688,121	0.45
14,650	iShares MSCI Japan ETF	1,157,370	1,201,194	0.78
9,600	iShares MSCI South Korea Capped ETF	899,903	805,950	0.53
		<u>4,126,208</u>	<u>4,012,520</u>	<u>2.62</u>
	<b>European equities</b>			
11,300	iShares MSCI Germany ETF	427,468	427,635	0.28
14,550	iShares MSCI Poland Capped ETF	329,839	369,655	0.24
13,000	iShares MSCI Sweden ETF	698,736	609,925	0.40
23,025	iShares MSCI United Kingdom ETF	927,386	986,640	0.64
		<u>2,383,429</u>	<u>2,393,855</u>	<u>1.56</u>
	<b>Global private equity</b>			
10,776	Overbay Fund XIV LP	724,991	1,308,965	0.85
6,758	Unigestion Global Core Private Equity Fund LP	903,924	1,191,657	0.78
		<u>1,628,915</u>	<u>2,500,622</u>	<u>1.63</u>
	<b>Latin American equities</b>			
56,775	iShares MSCI Brazil Capped ETF	2,267,734	2,438,871	1.59
	<b>U.S. mortgage</b>			
3,557	Timbercreek Real Estate Finance US LP	4,426,817	4,788,125	3.12
	<b>U.S. private debt</b>			
131,034	KiWi Private Credit Fund LP Class I	1,643,244	1,735,678	1.13
	<b>Total investments owned</b>	151,755,329	162,849,269	106.13
	Commissions and other portfolio transaction costs	(11,938)	—	—
	<b>Net investments owned</b>	<u>\$ 151,743,391</u>	162,849,269	106.13
	Unrealized loss, futures contracts		(2,095)	0.00
	<b>Other liabilities, net</b>		<u>(9,395,628)</u>	<u>(6.13)</u>
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<u>\$ 153,451,546</u>	<u>100.00</u>

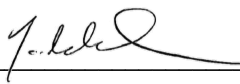


# ALITIS GROWTH POOL

## Statement of Financial Position As at June 30, 2023 (Unaudited)

	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	\$ 22,952,509	\$ 21,168,486
Cash	3,397,812	4,176,538
Subscriptions receivable	20,185	82,238
Prepaid expenses	2,807	3,378
Interest and dividends receivable	1,106	3,812
Other assets	964	1,585
	<u>26,375,383</u>	<u>25,436,037</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	28,910	32,187
Redemptions payable	52,490	—
Management fees payable (note 5)	18,943	18,138
	<u>100,343</u>	<u>50,325</u>
<b>Net assets attributable to holders of redeemable units:</b>	<u>\$ 26,275,040</u>	<u>\$ 25,385,712</u>
<b>Net assets attributable to holders of redeemable units per class:</b>		
Class D	\$ 11,799,558	\$ 12,011,896
Class E	14,475,482	13,373,816
	<u>\$ 26,275,040</u>	<u>\$ 25,385,712</u>
<b>Number of redeemable units outstanding (note 6):</b>		
Class D	902,570	953,505
Class E	1,193,995	1,142,387
<b>Net assets attributable to holders of redeemable units per unit:</b>		
Class D	\$ 13.07	\$ 12.60
Class E	12.12	11.71

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

Approved on behalf of the Trust  Manager  
Alitis Investment Counsel Inc.

# ALITIS GROWTH POOL

## Statement of Comprehensive Income

For the six-months ended June 30, 2023 (Unaudited)

	2023	2022
<b>Income</b>		
Interest income for distribution purposes	\$ 89,796	\$ 11,021
Dividends	103,340	159,231
Net realized gain on sale of investments, including foreign exchange adjustments	98,247	238,862
Net change in unrealized appreciation (depreciation) in value of investments	<u>848,102</u>	<u>(2,557,320)</u>
	<u>1,139,485</u>	<u>(2,148,206)</u>
<b>Expenses</b>		
Management fees (note 5)	95,327	78,746
Fund administration fees	30,462	30,953
Withholding tax	14,158	22,784
Audit fees	6,695	6,047
Commissions and other portfolio transaction costs	1,758	2,642
Custodian fees	1,249	1,249
Amortization expense - Wind down of Timbercreek RE Financial US LP	621	621
Operating costs	<u>49</u>	<u>201</u>
	<u>150,319</u>	<u>143,243</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<u>\$ 989,166</u>	<u>\$ (2,291,449)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class D	\$ 507,095	\$ (1,008,459)
Class E	<u>482,071</u>	<u>(1,282,990)</u>
	<u>\$ 989,166</u>	<u>\$ (2,291,449)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Class D	\$ 0.55	\$ (1.09)
Class E	0.41	(1.09)

# ALITIS GROWTH POOL

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six-months ended June 30, 2023 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Increase in net assets attributable to holders of redeemable units	Distribution to unitholders of redeemable units*	Reinvestments of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2023</b>							
Class D	\$ 12,011,896	\$ 398,677	\$ (1,118,110)	\$ 507,095	\$ (55,448)	\$ 55,448	\$ 11,799,558
Class E	13,373,816	1,000,922	(381,327)	482,071	—	—	14,475,482
	<u>\$ 25,385,712</u>	<u>\$ 1,399,599</u>	<u>\$ (1,499,437)</u>	<u>\$ 989,166</u>	<u>\$ (55,448)</u>	<u>\$ 55,448</u>	<u>\$ 26,275,040</u>

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Decrease in net assets attributable to holders of redeemable units	Distribution to unitholders of redeemable units*	Reinvestments of distributions to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2022</b>							
Class D	\$ 11,486,561	\$ 1,850,107	\$ (574,861)	\$ (1,008,459)	\$ (52,900)	\$ 52,900	\$ 11,753,348
Class E	14,822,632	1,335,852	(2,005,384)	(1,282,990)	(3,818)	3,813	12,870,105
	<u>\$ 26,309,193</u>	<u>\$ 3,185,959</u>	<u>\$ (2,580,245)</u>	<u>\$ (2,291,449)</u>	<u>\$ (56,718)</u>	<u>\$ 56,713</u>	<u>\$ 24,623,453</u>

### \*Detailed distribution to unitholders of redeemable units

#### Class D

From net investment income	\$	55,448	\$	52,900
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#### Class E

From net investment income	-	3,818
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# ALITIS GROWTH POOL

## Statement of Cash Flows

For the six-months ended June 30, 2023 (Unaudited)

	2023	2022
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units:	\$ 989,166	\$ (2,291,449)
Adjustments for non-cash items		
Commissions and other portfolio transaction costs	1,758	2,642
Net realized gain on sale of investments, including foreign exchange adjustments	(98,247)	(238,862)
Net change in unrealized (appreciation) depreciation in value of investments	(848,102)	2,557,320
Change in non-cash balances		
Decrease (increase) in prepaid expenses	571	(2,478)
Decrease in interest and dividends receivable	2,706	27,648
Decrease in other assets	621	620
Decrease in accounts payable and accrued liabilities	(3,277)	(11,923)
Increase (decrease) in management fees payable	805	(13,864)
Increase in distributions payable	—	5
Proceeds from sale of investments	2,020,956	6,731,549
Purchase of investments	(2,867,851)	(4,150,831)
Cash (used in) provided by operating activities	(800,894)	2,610,377
<b>Financing Activities</b>		
Proceeds from issuances of redeemable units	1,461,652	3,001,185
Amount paid on redemption of redeemable units	(1,446,947)	(2,684,321)
Distributions paid to holders of redeemable units, net of reinvested distributions	—	(5)
Cash provided by financing activities	14,705	316,859
(Decrease) increase in cash during the period	(786,189)	2,927,236
Foreign exchange gain on cash	7,463	7,538
Cash, beginning of period	4,176,538	408,963
<b>Cash, end of period</b>	<b>\$ 3,397,812</b>	<b>\$ 3,343,737</b>
<b>Supplemental information*</b>		
Interest paid	\$ 53	\$ 201
Interest received	90,126	11,021
Dividends received, net of withholding taxes	91,591	164,096

\*Included as a part of cash flows from operating activities

# ALITIS GROWTH POOL

## Schedule of Investment Portfolio As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian Alternative equities</b>				
62,068	EHP Advantage Alternative Fund Class F	\$ 665,807	\$ 645,006	2.45
62,162	EHP Advantage International Alternative Fund Class F	655,182	643,801	2.45
108,896	EHP Global Arbitrage Alternative Fund Class F	1,279,504	1,274,521	4.85
		<u>2,600,493</u>	<u>2,563,328</u>	<u>9.75</u>
<b>Canadian equities</b>				
17,350	iShares S&P/TSX 60 Index ETF	<u>473,101</u>	<u>533,166</u>	<u>2.03</u>
<b>Canadian private debt</b>				
240,000	Anthem 585 Austin Developments GP LTD. 5% 29OCT2026	<u>240,000</u>	<u>239,998</u>	<u>0.91</u>
<b>Canadian private equity</b>				
1,000,000	CAI Capital Partners VI Limited Partnership	<u>760,648</u>	<u>967,100</u>	<u>3.68</u>
<b>Canadian Real Estate</b>				
256	Anthem 6075 Wilson Developments LP Series 2	–	58,973	0.22
300	Anthem Chesterfield Developments Limited Partnership	–	8,284	0.03
256	Anthem Metro Vancouver High-Rise Development Fund LP - Class B	256,000	316,994	1.21
250	Anthem West Clayton Developments Limited Partnership	–	4,722	0.02
20,737	Dream Impact Trust	387,130	188,292	0.72
1,200,000	Ironclad Developments Pembina Limited Partnership - Class A	<u>35,098</u>	<u>648,035</u>	<u>2.47</u>
		<u>678,228</u>	<u>1,225,300</u>	<u>4.67</u>
<b>Global equities</b>				
108,110	Canoe Defensive Global Equity Fund	2,094,617	2,579,041	9.82
50,569	Dynamic Global Discovery Fund - Series F	2,493,900	2,580,481	9.82
78,071	Edgepoint Global Portfolio Series F(N) Non Hst	<u>2,273,381</u>	<u>2,605,193</u>	<u>9.92</u>
		<u>6,861,898</u>	<u>7,764,715</u>	<u>29.56</u>
<b>Global Infrastructure</b>				
150	Eaglecrest Infrastructure Canada LP	<u>1,455,987</u>	<u>1,528,932</u>	<u>5.82</u>
<b>Asia-Pacific equities</b>				
31,600	iShares MSCI Australia ETF	937,784	943,883	3.59
19,275	iShares MSCI Hong Kong ETF	542,221	493,527	1.88
10,500	iShares MSCI Japan ETF	837,283	860,924	3.28
6,875	iShares MSCI South Korea Capped ETF	<u>640,496</u>	<u>577,178</u>	<u>2.20</u>
		<u>2,957,784</u>	<u>2,875,512</u>	<u>10.95</u>

# ALITIS GROWTH POOL

## Schedule of Investment Portfolio (continued) As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	<b>European equities</b>			
8,100	iShares MSCI Germany ETF	308,341	306,535	1.17
10,425	iShares MSCI Poland Capped ETF	243,247	264,856	1.01
9,325	iShares MSCI Sweden ETF	519,054	437,504	1.67
16,500	iShares MSCI United Kingdom ETF	662,745	707,038	2.69
		<u>1,733,387</u>	<u>1,715,933</u>	<u>6.54</u>
	<b>Global private equity</b>			
7,739	Overbay Fund XIV LP	508,212	940,075	3.58
4,827	Unigestion Global Core Private Equity Fund LP	643,244	851,183	3.24
		<u>1,151,456</u>	<u>1,791,258</u>	<u>6.82</u>
	<b>Latin American equities</b>			
40,675	iShares MSCI Brazil Capped ETF	1,629,939	1,747,267	6.65
	<b>Total investments owned</b>	20,542,921	22,952,509	87.38
	Commissions and other portfolio transaction costs	<u>(5,902)</u>	<u>—</u>	<u>—</u>
	<b>Net investments owned</b>	<b>\$ <u>20,537,019</u></b>	22,952,509	87.38
	<b>Other assets, net</b>		<u>3,322,531</u>	<u>12.62</u>
	<b>Net Assets Attributable to Holders of Redeemable Units</b>		<b>\$ <u>26,275,040</u></b>	<b><u>100.00</u></b>

# ALITIS POOLS

Notes to Financial Statements

Six-months ended June 30, 2023 (Unaudited)

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## 1. Pool organization and nature of operations:

Alitis Strategic Income Pool, Alitis Income and Growth Pool, and Alitis Growth Pool (the “Pools” or the “Pool”) are open-ended investment trusts established under the laws of the Province of British Columbia pursuant to a Trust Indenture dated September 24, 2009 (the “Trust Agreement”). Alitis Investment Counsel Inc. (the “Manager”), a corporation incorporated under the laws of the Province of British Columbia, is the manager of the Pools pursuant to a management agreement dated September 24, 2009 (the “Management Agreement”). The Manager is responsible for managing the overall business of the Pools as well as investing each Pool’s assets. The Manager has appointed BNY Trust Company of Canada (the “Trustee”) to act as the Trustee of the Pools pursuant to the Declaration of Trust dated September 24, 2009. The Pools were established September 28, 2009 and commenced operations on December 4, 2009.

The address of the Pools registered office is c/o Alitis Investment Counsel Inc., 909 Island Highway, Suite 101, Campbell River, British Columbia, V9W 2C2.

The investment objective of the Alitis Strategic Income Pool is to generate a high level of income. The underlying investments will primarily be made up of mutual funds, exchange-traded funds (ETFs), closed-end funds, hedge funds and other fund-type investments. To a lesser extent, investments may be made into individual bonds, T-bills, money market instruments, bank products, preferred shares and other individual investments.

The investment objective of the Alitis Income and Growth Pool is to generate a moderate level of income and a moderate level of capital appreciation over the long-term. The underlying investments will primarily be made up of mutual funds, ETFs, closed-end funds, hedge funds, MICs, REITs, and other fund-type investments. To a lesser extent, investments may be made into individual bonds, T-bills, money market instruments, bank products, stocks, preferred shares and other individual investments.

The investment objective of the Alitis Growth Pool is to generate a high level of capital appreciation with the potential for some income generation over the long term. The underlying investments will primarily be made up of mutual funds, ETFs, closed-end funds, hedge funds, and other fund-type investments. To a lesser extent, investments may be made into individual stocks, T-bills, money market instruments, bank products, and other individual investments.

The success of the Pools depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in equities, options, and other instruments and the use of leverage, including derivative hedge risk, market liquidity, short sales, portfolio turnover, foreign currency exposure, foreign market exposure, and interest rate fluctuations.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 2. Basis of presentation and adoption of IFRS:

### (a) Basis of accounting:

These interim financial statements have been prepared in compliance with International Financial Reporting Standards applicable to the preparation of financial statements, and International Accounting Standard 34, Interim Financial Reporting (together IFRS). The Pools report under this basis of accounting as required by Canadian Securities Legislation and the Canadian Accounting Standards Board. These interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022 which have been prepared in accordance with IFRS.

The policies applied in these annual financial statements are based on IFRS issued and outstanding as of August 22, 2023, which is the date on which the interim financial statements were authorized for issue by the Manager.

### (b) Basis of measurement:

These financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

### (c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which are the Pools' functional currency.

## 3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### (a) Financial instruments:

#### (i) Classification and measurement:

Financial assets are required to be classified into one of the following categories: fair value through profit or loss (FVTPL), amortized cost or fair value through other comprehensive income (FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition.



# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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### 3. Significant accounting policies (continued):

Assessment and decision on the business model approach used is an accounting judgement.

All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial instruments at FVTPL are recognized initially on the trade date, which is the date on which the Pools become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Pools derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Pools have a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. At June 30, 2023 and December 31, 2022, no amounts have been offset in the statement of financial position.

#### (ii) FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the year in which they occur. The Pools have classified their investments, derivative financial assets and derivative financial liabilities as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Pools use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Pools 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.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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### 3. Significant accounting policies (continued):

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include 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 other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability. These valuation techniques require assumptions that are based on market conditions existing at each statement of financial position date.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

Investments in warrants that are liquid and traded on an active stock market have been measured at fair value. Warrants not on an active exchange are valued using a recognized fair value model, being the Black-Scholes Model. The Pools invest in direct real estate investments through an equity interest in a limited partnership (note 9). These real estate investments are valued at cost from the date of acquisition or initial investment until: (1) an updated valuation is received from the manager, (2) a preferred return or accrual rate is applied to the investment and is expected to be collected or (3) an internal valuation will be conducted using industry-standard approaches. Where the Manager is of the opinion that the most recent appraisal value is no longer considered to be reflective of the fair value of the property, the Manager may estimate the property's fair value until an updated appraisal is received. The Pools also invest in privately held mortgages through equity investments in corporations, operating as MICs, and similar entities. These mortgage investments are valued at their fair value according to the value prescribed in their annual audited financial statements.

Investments in underlying funds are valued at the series Net Asset Value per unit as of the valuation date. Commissions and other portfolio transaction costs do not apply to investments in underlying funds as these investments do not incur such costs.

The Pools' accounting policies for measuring the fair value of investments are consistent with those used for measuring its net asset value (Trading NAV) for transactions with unitholders.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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### 3. Significant accounting policies (continued):

#### (iii) Amortized cost:

Financial instruments classified as amortized cost include financial assets that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest and financial liabilities not classified as FVTPL. Such financial assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of these financial assets and financial liabilities is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Pools classify investments, cash, interest and dividends receivable, subscriptions receivable, future contracts, prepaid expenses, other assets, fee rebate - investments owned, bank indebtedness, accounts payable and accrued liabilities, management fees payable, redemptions payable, distributions payable, due to broker and loans payable to investee, non-interest bearing, as amortized cost. Cash includes cash on deposit with the custodian.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

#### (iv) Impairment:

For financial assets measured at amortized cost, the Pools use an expected credit loss (ECL) impairment model. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event.

The Pools measure the loss allowance at an amount equal to lifetime ECL for trade and other receivables. Lifetime ECL's are the ECL's that result from all possible default events over the expected life of the trade and other receivables. ECL's are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (that being the difference between the cash flows due to the Pools in accordance with the contract and the cash flows that the Pools expect to receive). ECL's are discounted at the effective interest rate of the financial asset.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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### 3. Significant accounting policies (continued):

#### (v) Redeemable units:

The Pools classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Pools have multiple classes of redeemable units that do not have identical features and therefore, does not qualify as equity under International Accounting Standard (IAS) 32, Financial Instruments - presentation (IAS 32). The redeemable units, which are measured at the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Pools' valuation policies at each redemption date.

#### (b) Fair value measurements:

The Pools classify fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The Pools recognize transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

The three fair value hierarchy levels 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 for the asset or liability that are not based on observable market data.

Refer to note 8 for fair value measurements analysis.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 3. Significant accounting policies (continued):

### (c) Investment transactions and income:

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

The interest for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Pools accounted for on an accrual basis.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero-coupon bonds.

### (d) Income tax:

The Pools are taxed as a mutual fund trust or unit trust under the *Income Tax Act* (Canada) (the "Tax Act"), and accordingly, are not subject to tax on net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. The Pools are required to make distributions each year of their net income and net realized capital gains, and therefore will not generally be liable for income tax. It is the intention of the Pools to distribute all of their net income and net realized capital gains on an annual basis. Accordingly, no tax provision has been recorded. The Pools may be subject to alternative minimum tax, which is potentially recoverable.

Non-capital capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

### (e) Translation of foreign currency:

Transactions in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the transaction date. Assets and liabilities denominated in currencies other than the Canadian dollar are translated at the applicable exchange rates prevailing at the reporting date.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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### 3. Significant accounting policies (continued):

Foreign exchange gains are presented as net realized gain (loss) on foreign exchange in the statement of comprehensive income except those arising from financial instruments at fair value through profit or loss which are recognized as a component within net realized gain (loss) on sale of investments, including foreign exchange adjustments and net change in unrealized appreciation (depreciation) in value of investments in the statement of comprehensive income.

(f) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of that particular class outstanding at the end of the period.

(g) 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 is based on the increase (decrease) in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the period. Refer to note 11 for the calculation.

(h) Investment entity:

The Pools have determined that they are investment entities as defined by IFRS 10, *Consolidated Financial Statements and the Amendments to IFRS 10*, as the following conditions exist:

- (i) The Pools have obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- (ii) The Pools have committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (iii) The Pools measure and evaluate the performance of substantially all of their investments on a fair value basis.

As an investment entity, the Pools are exempted from consolidating particular subsidiaries and instead are required to measure their investments in these particular subsidiaries at fair value through profit and loss.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 4. Critical accounting estimates and judgments:

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Pools' accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Emerging COVID-19 variants, rising inflation driven by supply-chain and labor disruptions, changing monetary policy and escalating geopolitical tensions contribute to uncertainty regarding the timing of a full economic recovery. This has led to increased uncertainties in the estimates and assumptions used by the Pool in preparing the financial statements.

The following discusses the most significant accounting judgments and estimates that the Pools have made in preparing the financial statements:

### *Classification and measurement of investments and application of the fair value option:*

In classifying and measuring financial instruments held by the Pools, the Investment Manager is required to make significant judgments about whether or not the business of the Pools is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Pool's investments are classified as FVTPL under IFRS 9.

### *Fair value measurement of investments not quoted in an active market:*

The Pools may, from time to time, hold financial instruments that are not quoted in active markets, such as unlisted securities, private securities or derivatives. The valuation methods for these financial instruments is described in note 3(a)(ii). The values of these securities are independently assessed by the Manager to ensure they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair value for these securities may be materially different from the values that would have been used had a ready market for the investment existed. The fair values of private securities are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity. Valuation 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 assumption about these factors could affect the reporting fair values of financial instruments.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 5. Related party transactions:

Related party transactions are incurred for management and incentive allocations. Balances are unsecured, interest free and to be settled in cash.

### Management fees:

Each Pool paid the Manager a monthly management fee equal to  $1/12^{\text{th}}$  of 1.10 percent of the Net Asset Value of the class E units up to June 30, 2022. From June 30, 2022, Alitis Strategic Income Pool, Alitis Income and Growth Pool and Alitis Growth Pool pays the Manager a monthly management fee equal to  $1/12^{\text{th}}$  of 0.90 percent, 1.25 percent and 1.30 percent of the Net Asset Value of the class E units, respectively. The management fee is calculated and accrued weekly, in arrears, on the last business day of each week based on each Pool's Net Asset Value on such day and is paid on the last valuation date of each month, plus applicable taxes. Management fees in respect of the class D units of each pool are charged to each individual account by the Manager.

For the period ended June 30, 2023, Alitis Strategic Income Pool incurred management fees of \$61,486 (2022 - \$94,644) and \$11,684 (December 31, 2022 - \$13,017) was payable to the Manager at June 30, 2023.

For the period ended June 30, 2023, Alitis Income and Growth Pool incurred management fees of \$686,626 (2022 - \$604,455) and \$132,303 (December 31, 2022 - \$135,066) was payable to the Manager at June 30, 2023.

For the period ended June 30, 2023, Alitis Growth Pool incurred management fees of \$95,327 (2022 - \$78,746) and \$18,943 (December 31, 2022 - \$18,138) was payable to the Manager at June 30, 2023.

### Performance fees:

The Manager also received a performance fee from each class of units of the Pool. Performance fees accrue weekly and were earned quarterly, as well as on redemption of a Unit. Upon the redemption of units of a particular class, the accrued portion of the Performance Fee allocated to the redeemed units was payable by the Pool. Performance fees are calculated as a percentage of any gain on units over a specific hurdle rate as follows:

Up to June 30, 2022, Alitis Strategic Income Pool paid the Manager a performance fee equal to 15 percent of any gain on units over a specific hurdle rate being 6 percent of the class D units and 5 percent of the class E units.

Up to June 30, 2022, Alitis Income and Growth Pool paid the Manager a performance fee equal to 17.5 percent of any gain on units over a specific hurdle rate being 7 percent of the class D units and 6 percent of the class E units.



# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 5. Related party transactions (continued):

Up to June 30, 2022, Alitis Growth Pool paid the Manager a performance fee equal to 20 percent of any gain on units over a specific hurdle rate being 8 percent of the class D units and 7 percent of the class E units.

After June 30, 2022, the fee schedule changed and performance fees for the Pools are no longer paid to the Manager.

The gain was calculated as the difference between the Net Asset Value before performance fee on each class and the unitholder equity in the class. Unitholder equity is calculated by taking the net asset value of the class on the last day a performance fee was paid on such class, plus the value of all contributions net of redemptions made in such class since a performance fee was paid and subtracting a pro rata share of equity on every redemption of units in the class. The hurdle amount is calculated on the unitholder equity, on an annualized basis, and subtracted from the gain. A percentage of the positive difference in gain was accrued to the manager.

For the period ended June 30, 2023, Alitis Strategic Income Pool incurred performance fees of \$nil (2022 - nil).

For the period ended June 30, 2023, Alitis Income and Growth Pool incurred performance fees of \$nil (2022 - nil).

For the period ended June 30, 2023, Alitis Growth Pool incurred performance fees of \$nil (2022 - nil).

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 6. Net assets attributable to holder of redeemable units:

Each Pool is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Pools. The Pools currently offer class D, and class E units. Each unit of each class entitles the holder to vote, with one vote for each unit and to participate equally with respect to any and all distributions made by the Pools. Units of a class may be consolidated and/or redesignated by the Manager.

Units of the Pools surrendered for redemption may be redeemed weekly on the last valuation date in each week (the "Redemption Date") by giving the Manager written notice 10 business days prior to such Redemption Date. The redemption proceeds will be equal to the Net Asset Value per unit of such Units being redeemed on the Redemption Date. Redemption of units which were purchased within the last 90 days may be subject to a short-term trading fee equal to 3 percent of the value of the units so redeemed. With units being redeemable at the option of the holder and quarterly distributions of realized income being paid, units have been classified as a liability.

The unit activity during the period ended June 30, 2023 is as follows:

2023	Alitis Strategic Income Pool	Alitis Income and Growth Pool	Alitis Growth Pool
Redeemable units, beginning of period:			
Class D	737,371	3,907,441	953,505
Class E	1,356,013	8,902,203	1,142,387
Sale of redeemable units:			
Class D	38,409	312,544	30,744
Class E	57,056	577,975	83,282
Redemption of redeemable units:			
Class D	(58,589)	(357,584)	(85,920)
Class E	(169,106)	(707,315)	(31,674)
Distribution re-invest:			
Class D	14,776	73,595	4,241
Class E	19,508	107,743	—
Redeemable units, end of period:			
Class D	731,967	3,935,996	902,570
Class E	1,263,471	8,880,606	1,193,995

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 6. Net assets attributable to holder of redeemable units (continued):

The unit activity during the period ended June 30, 2022 is as follows:

2022	Alitis Strategic Income Pool	Alitis Income and Growth Pool	Alitis Growth Pool
Redeemable units, beginning of period:			
Class D	940,763	3,542,067	880,037
Class E	1,820,896	8,931,557	1,223,619
Sale of redeemable units:			
Class D	62,650	533,688	148,131
Class E	65,114	807,926	113,802
Redemption of redeemable units:			
Class D	(186,812)	(252,432)	(45,320)
Class E	(426,260)	(890,949)	(171,302)
Distribution re-invest:			
Class D	10,196	45,385	4,418
Class E	8,862	60,774	344
Redeemable units, end of period:			
Class D	826,797	3,868,708	987,266
Class E	1,468,612	8,909,308	1,166,463

### Capital disclosure:

The capital of each Pool is represented by issued and redeemable units. The redeemable units are entitled to distributions, if any, and to payment of a proportionate share based on the Pool's Net Asset Value per unit upon redemption. Each Pool has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statement of changes in financial position. In accordance with its investment objectives and strategies, and the risk management practices outlined in note 7, the Pools endeavour to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 7. Financial instruments:

Management of financial instrument risks:

The Pools' activities expose it to a variety of financial risks: interest rate risk, foreign currency risk, price risk, credit risk, liquidity risk and capital risk.

An investment in the Pools is speculative and involves a high degree of risk due to the nature of the portfolio of investments and the strategies employed.

There can be no assurance that the investment objectives of the Pools will be achieved. Use of short sales may create special risks and substantially increase the impact of adverse price movements on the portfolio of investments.

Asset allocation is determined by the Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Manager.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Pools are discussed below.

Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Pools invest in interest-bearing financial instruments. The Pools are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

Foreign currency risk:

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

Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Pools. The Pools may enter into foreign exchange futures or forward contracts for hedging purposes to reduce their foreign currency exposure, or to establish exposure to foreign currencies.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 7. Financial instruments (continued):

The Pool may invest in financial instruments denominated in currencies other than its measurement currency.

Consequently, the Pool is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner that has an adverse effect on the value of the portion of the Pool's assets or liabilities denominated in currencies other than Canadian dollars.

Price risk:

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

Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Pools.

Where the Pools invest in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Pools.

All transactions executed by the Pools in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Liquidity risk:

Liquidity risk is defined as the risk that the Pools may not be able to settle or meet their obligation on time or at a reasonable price.

The Pools' exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Pools primarily invest in securities that are traded in active markets and can be readily disposed of. In addition, the Pools generally retain sufficient cash and cash equivalent positions to maintain liquidity, which is maintained in the due from broker account.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 7. Financial instruments (continued):

The Pools may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives.

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Pools' investment objective and strategy.

The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Pools' overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Pools are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Capital risk management:

The Manager manages the capital of the Pools in accordance with the Pools' investment objectives, policies and restrictions, as outlined in the Pools' offering memorandum, while maintaining sufficient liquidity to meet Unitholders' withdrawals. The Pools do not have externally imposed capital requirements.

Refer to note 15 for the Discussion of Financial Instrument Risk Management for each Pool for specific risk disclosure.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements:

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Pools' investments fall as of June 30, 2023:

Assets	Level 1	Level 2	Level 3	Total
Alitis Strategic Income Pool:				
Assets:				
Common Stocks	\$ 638,020	\$ —	\$ —	\$ 638,020
Fixed income securities	12,316,806	1,882,089	—	14,198,895
Investment fund	—	—	1,620,211	1,620,211
Private debt	—	—	3,822,097	3,822,097
Real estate	112,892	—	—	112,892
	\$ 13,067,718	\$ 1,882,089	\$ 5,442,308	\$ 20,392,115
Alitis Income and Growth Pool:				
Assets:				
Common stocks	\$ 24,759,658	\$ —	\$ 2,566,195	\$ 27,325,853
Fixed income securities	32,930,106	3,171,694	28,193,466	64,295,266
Investment fund	—	—	28,156,014	28,156,014
Private debt	—	—	7,189,299	7,189,299
Real estate	1,997,173	—	33,885,664	35,882,837
	\$ 59,686,937	\$ 3,171,694	\$ 99,990,638	\$ 162,849,269
Alitis Growth Pool:				
Assets:				
Common stocks	\$ 17,199,921	\$ —	\$ 1,907,175	\$ 19,107,096
Investment fund	—	—	851,183	851,183
Private debt	—	—	239,998	239,998
Real estate	188,292	—	2,565,940	2,754,232
	\$ 17,388,213	\$ —	\$ 5,564,296	\$ 22,952,509

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

The following is a reconciliation of Level 3 fair value measurements for the period ended June 30, 2023:

### Alitis Strategic Income Pool:

Balance, beginning of period	\$	6,425,469
Purchases		545,716
Sales		(1,301,329)
Reserve for impairment of investments		(147,533)
Realized gains included in net income		33,729
Change in unrealized depreciation included in net income		(113,744)
Balance, end of period	\$	5,442,308

### Alitis Income and Growth Pool:

Balance, beginning of period	\$	97,904,527
Purchases		10,277,192
Sales		(7,973,535)
Reserve for impairment of investments		(377,938)
Realized gains included in net income		33,459
Change in unrealized appreciation included in net income		126,933
Balance, end of period	\$	99,990,638

### Alitis Growth Pool:

Balance, beginning of period	\$	5,546,525
Purchases		79,603
Sales		(199,287)
Change in unrealized appreciation included in net income		137,455
Balance, end of period	\$	5,564,296



# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Pools' investments fall as of December 31, 2022:

Assets	Level 1	Level 2	Level 3	Total
Alitis Strategic Income Pool:				
Assets:				
Fixed income securities	\$ 13,168,914	\$ 2,052,707	\$ —	\$ 15,221,621
Investment fund	—	—	1,618,373	1,618,373
Private debt	—	—	4,807,096	4,807,096
Real estate	254,833	—	—	254,833
	\$ 13,423,747	\$ 2,052,707	\$ 6,425,469	\$ 21,901,923
Alitis Income and Growth Pool:				
Assets:				
Common stocks	\$ 22,021,611	\$ —	\$ 2,677,522	\$ 24,699,133
Fixed income securities	27,360,478	2,950,926	23,236,771	53,548,175
Investment fund	—	197,402	24,882,791	25,080,193
Private debt	—	—	8,605,662	8,605,662
Real estate	3,545,654	—	38,501,781	42,047,435
	\$ 52,927,743	\$ 3,148,328	\$ 97,904,527	\$ 153,980,598
Alitis Growth Pool:				
Assets:				
Common stocks	\$ 15,197,002	\$ —	\$ 1,979,596	\$ 17,176,598
Investment fund	—	—	796,186	796,186
Private debt	—	—	239,999	239,999
Real estate	424,959	—	2,530,744	2,955,703
	\$ 15,621,961	\$ —	\$ 5,546,525	\$ 21,168,486

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

The following is a reconciliation of Level 3 fair value measurements for the year ended December 31, 2022:

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### Alitis Strategic Income Pool:

Balance, beginning of year	\$	6,200,781
Purchases		1,549,619
Sales		(1,095,441)
Reserve for impairment of investments		(368,832)
Realized gains included in net income		109,855
Change in unrealized appreciation included in net income		29,487
Balance, end of year	\$	6,425,469

### Alitis Income and Growth Pool:

Balance, beginning of year	\$	82,056,401
Purchases		27,091,213
Sales		(11,692,162)
Reserve for Impairment of Investments		(2,267,628)
Realized loss included in net income		(9)
Change in unrealized appreciation included in net income		2,716,712
Balance, end of year	\$	97,904,527

### Alitis Growth Pool:

Balance, beginning of year	\$	4,468,576
Purchases		643,244
Sales		(118,324)
Realized loss included in net income		(519)
Change in unrealized appreciation included in net income		553,548
Balance, end of year	\$	5,546,525

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

The significant unobservable inputs used in the fair value measurement of this investment were:

### Alitis Strategic Income Pool:

Description	Held as of June 30, 2023	Held as of December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Investment Trust	\$ 1,076,890	\$ 1,311,115	Net asset value	N/A	N/A	N/A
Investment Trust	1,685,102	1,806,252	Net asset value	N/A	N/A	N/A
Investment Trust	442,601	590,132	Net asset value	N/A	N/A	N/A
Investment Trust	617,504	1,099,597	Net asset value	N/A	N/A	N/A
Investment Trust	548,758	523,219	Net asset value	N/A	N/A	N/A
Investment Trust	1,071,453	1,095,154	Net asset value	N/A	N/A	N/A

### Alitis Income and Growth Pool:

Description	Held as of June 30, 2023	Held as of December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Investment Trust	\$ 1,881,679	\$ 2,185,377	Net asset value	N/A	N/A	N/A
Investment Trust	2,960,971	3,061,109	Net asset value	N/A	N/A	N/A
Investment Trust	3,220,532	3,067,010	Net asset value	N/A	N/A	N/A
Investment Trust	4,550,000	4,550,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	1,150,000	1,150,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	3,229,196	2,946,158	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	4,788,125	4,882,261	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	1,257,230	1,109,680	Net asset value	N/A	N/A	N/A

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

Description	Held as of June 30, 2023	Held as of December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Investment Trust	\$ 400,000	\$ 400,000	Net asset value	N/A	N/A	N/A
Investment Trust	1,133,814	1,511,753	Net asset value	N/A	N/A	N/A
Investment Trust	812,835	1,447,424	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	3,000,000	3,000,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	1,000,000	1,000,000	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	3,500,000	2,187,500	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	337,783	1,038,452	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	14,167	14,167	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	61,681	61,681	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,782,095	1,567,500	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,351,061	1,313,633	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	56,034	56,034	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,577,891	2,007,356	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,933,860	1,843,271	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	40,004	40,004	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	27,647	1,841,456	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,922,190	2,223,711	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,468,527	1,336,624	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	3,708,779	3,691,381	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	117,715	117,715	Net asset value	N/A	N/A	N/A

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

Description	Held as of June 30, 2023	Held as of December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Real Estate Limited Partnership	\$ 2,400,000	\$ 2,400,000	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	632,749	591,191	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	2,038,576	1,993,414	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	2,939,431	2,823,292	Net asset value	N/A	N/A	N/A
Investment Trust	3,004,266	2,756,224	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,483,475	1,190,087	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	22,852	2,889,630	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	3,628,180	3,750,263	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	2,507,505	2,408,537	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,308,965	1,567,842	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,251,326	1,205,454	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,894,097	1,872,688	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	3,266,959	3,147,288	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,600,883	1,311,710	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	4,308,061	3,768,661	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	491,381	526,473	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	7,437,217	6,450,820	Net asset value	N/A	N/A	N/A

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

Description	Held as of June 30, 2023	Held as of December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Real Estate Limited Partnership	\$ 1,262,699	\$ 1,150,516	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	1,771,155	786,037	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	957,137	859,064	Net asset value	N/A	N/A	N/A
Investment Trust	-	941,794	Net asset value	N/A	N/A	N/A
Investment Trust	1,735,678	1,747,625	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	1,191,657	113,349	Net asset value	N/A	N/A	N/A
Investment Trust	4,584,809	-	Net asset value	N/A	N/A	N/A
Investment Trust	987,764	-	Net asset value	N/A	N/A	N/A
Unlisted Mortgage Investment Corporation	-	1,000,000	Net asset value	N/A	N/A	N/A

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 8. Fair value measurements (continued):

### Alitis Growth Pool:

Description	Held as of June 30, 2023	Held as of December 31, 2022	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity to changes in significant unobservable inputs
Real Estate Limited Partnership	\$ 4,722	\$ 4,722	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	8,284	105,814	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	648,035	570,000	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	58,973	58,973	Net asset value	N/A	N/A	N/A
Real Estate Limited Partnership	316,994	296,174	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	940,075	1,125,996	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	1,528,932	1,495,061	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	967,100	853,600	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	851,183	715,223	Net asset value	N/A	N/A	N/A
Investment Trust	239,998	239,999	Net asset value	N/A	N/A	N/A
Private Equity Limited Partnership	-	80,963	Net asset value	N/A	N/A	N/A

Financial instruments not measured at fair value:

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 9. Investment in underlying funds:

The table below describes the types of structured entities that the Pools do not consolidate, but in which they hold an interest.

### Alitis Strategic Income Pool:

Type of structured entity	Nature and purpose	Interest held by the Pool
Investment funds, mortgage investments, corporations and limited partnerships	To manage assets on behalf of third party investors and generate fees for the investment manager.  These vehicles are financed the issue of units or shares to investors.	Investment in units issued by funds or limited partnership or shares issued by corporations.

The table below sets out interests held by the Pool in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held.

June 30, 2023	Number of investments	Average cost	Carrying amount Included in investments at FVTPL
Investments in structured entities:			
Canadian alternative fixed income	3	\$ 2,310,247	\$ 2,569,850
Canadian bonds	7	8,697,100	7,802,183
Canadian real estate	1	301,602	112,892
Canadian private debt	5	5,150,873	4,370,855
U.S. bonds	2	2,730,555	2,504,284
U.S. private debt	1	1,023,779	1,071,453
Global bonds	2	2,063,295	1,960,598
Total		\$ 22,277,451	\$ 20,392,115



# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 9. Investment in Underlying Funds (continued):

### Alitis Strategic Income Pool (continued):

December 31, 2022	Number of investments	Average cost	Carrying amount Included in investments at FVTPL
Investments in structured entities:			
Canadian alternative fixed income	3	\$ 2,501,613	\$ 2,715,439
Canadian bonds	6	8,691,034	7,673,640
Canadian real estate	1	389,178	254,833
Canadian private debt	5	5,872,757	5,330,315
U.S. bonds	2	2,969,778	2,724,231
U.S. private debt	1	1,023,779	1,095,154
Global bonds	2	2,214,102	2,108,311
Total		\$ 23,662,241	\$ 21,901,923

During the period, the Pool did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

It is estimated that the Alitis Strategic Income Pool could redeem between \$7,600,000 and \$10,400,000 in the above structured entities per month.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 9. Investment in Underlying Funds (continued):

### Alitis Income and Growth Income Pool:

Type of structured entity	Nature and purpose	Interest held by the Pool
Investment funds, mortgage investments, corporations and limited partnerships	To manage assets on behalf of third party investors and generate fees for the investment manager.  These vehicles are financed the issue of units or shares to investors.	Investment in units issued by funds or limited partnership or shares issued by corporations.

The table below sets out interests held by the Pool in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held.

June 30, 2023	Number of investments	Average cost	Carrying amount Included in investments at FVTPL
Investments in structured entities:			
Canadian alternative fixed income	3	\$ 4,169,908	4,608,008
Canadian alternative equities	3	3,489,310	3,416,719
Canadian bonds	7	18,917,812	17,642,612
Canadian equities	1	633,152	743,666
Canadian mortgage	10	23,899,090	24,026,051
Canadian private debt	6	10,345,000	8,177,063
Canadian private equity	1	988,843	1,257,230
Canadian real estate	32	45,559,862	57,128,039
Canadian investment fund	1	1,008,315	957,137
U.S. bonds	2	6,055,442	5,776,517
U.S. mortgage	1	4,426,817	4,788,125
U.S. private debt	1	1,643,244	1,735,678
Asia-Pacific equities	4	4,126,208	4,012,520
European equities	4	2,383,429	2,393,855
Latin American equities	1	2,267,734	2,438,871
Global equities	3	9,125,239	10,334,642
Global bonds	2	4,456,301	4,288,529
Global private equity	2	1,628,915	2,500,622
Global Mortgage	1	4,689,392	4,584,809
Global infrastructure	1	1,941,316	2,038,576
<b>Total</b>		<b>\$ 151,755,329</b>	<b>\$ 162,849,269</b>

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 9. Investment in Underlying Funds (continued):

### Alitis Income and Growth Pool (continued):

December 31, 2022	Number of investments	Average cost	Carrying amount Included in investments at FVTPL
Investments in structured entities:			
Canadian alternative fixed income	4	\$ 3,954,204	\$ 4,284,336
Canadian alternative equities	3	3,365,235	3,381,904
Canadian bonds	6	14,274,268	12,946,202
Canadian equities	1	522,255	614,732
Canadian mortgage	11	23,433,068	23,376,312
Canadian private debt	6	11,240,506	9,547,456
Canadian private equity	1	988,843	1,109,680
Canadian real estate	32	47,415,636	60,273,668
Canadian investment fund	1	1,008,315	859,064
U.S. bonds	2	4,982,010	4,719,253
U.S. mortgage	1	4,426,817	4,882,261
U.S. private debt	1	1,623,711	1,747,625
Asia-Pacific equities	4	3,689,198	3,447,812
European equities	4	2,490,645	2,297,609
Latin American equities	1	2,493,018	2,322,291
Global equities	3	9,348,423	9,957,263
Global bonds	2	3,698,604	3,537,213
Global private equity	3	1,780,905	2,682,503
Global infrastructure	1	1,952,114	1,993,414
Total		\$ 142,687,775	\$ 153,980,598

During the period, the Pool did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

It is estimated that the Alitis Income and Growth Pool could redeem between \$10,600,000 and \$14,400,000 in the above structured entities per month.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 9. Investment in Underlying Funds (continued):

### Alitis Growth Pool:

Type of structured entity	Nature and purpose	Interest held by the Pool
Investment funds, mortgage investments, corporations and limited partnerships	To manage assets on behalf of third party investors and generate fees for the investment manager.  These vehicles are financed the issue of units or shares to investors.	Investment in units issued by funds or limited partnership or shares issued by corporations

The table below sets out interests held by the Pool in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held.

June 30, 2023	Number of investments	Average cost	Carrying amount included in investments at FVTPL
Investments in structured entities:			
Canadian equities	1	\$ 473,101	533,166
Canadian real estate	6	678,228	1,225,300
Canadian alternative equities	3	2,600,493	2,563,328
Canadian private equity	1	760,648	967,100
Canadian private debt	1	240,000	239,998
Asia-Pacific equities	4	2,957,784	2,875,512
European equities	4	1,733,387	1,715,933
Latin American equities	1	1,629,939	1,747,267
Global equities	3	6,861,898	7,764,715
Global Infrastructure	1	1,455,987	1,528,932
Global private equity	2	1,151,456	1,791,258
Total		\$ 20,542,921	\$ 22,952,509

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 9. Investment in Underlying Funds (continued):

### Alitis Growth Pool (continued):

December 31, 2022	Number of investments	Average cost	Carrying amount Included in investments at FVTPL
Investments in structured entities:			
Canadian equities	1	\$ 387,542	\$ 432,754
Canadian real estate	6	792,756	1,460,642
Canadian alternative equities	3	2,270,349	2,293,525
Canadian private equity	1	760,648	853,600
Canadian private debt	1	240,000	239,999
Asia-Pacific equities	4	2,609,063	2,436,129
European equities	4	1,803,775	1,637,805
Global equities	3	6,277,471	6,732,465
Latin American equities	1	1,793,238	1,664,324
Global Infrastructure	1	1,464,085	1,495,061
Global private equity	3	1,263,042	1,922,182
Total		\$ 19,661,969	\$ 21,168,486

During the period, the Pool did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

It is estimated that the Pool could redeem between \$2,300,000 and \$3,100,000 in the above structured entities per month.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 10. Expenses:

The Manager has the power to incur and make payment out of the Pools' property for any charges or expenses which, in the opinion of the Manager, are necessary or incidental to, or proper for, carrying out any of the purposes of the Trust Agreement, including without limitation all fees and expenses relating to the management and administration of each Pool. Each Pool is responsible for any income or excise taxes and brokerage commissions on portfolio transactions.

## 11. Increase (decrease) in net assets attributable to holders of redeemable units per unit:

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2023 and 2022 is calculated as follows:

### Alitis Strategic Income Pool:

	Increase (decrease) in net assets attributable to holders of redeemable units	Weighted average of redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit
June 30, 2023			
Class D \$	88,996	743,443 \$	0.12
Class E	103,672	1,305,479	0.08
June 30, 2022			
Class D \$	(661,331)	877,662 \$	(0.75)
Class E	(1,304,660)	1,623,440	(0.80)

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 11. Increase (decrease) in net assets attributable to holders of redeemable units per unit (continued):

### Alitis Income and Growth Pool:

	Increase (decrease) in net assets attributable to holders of redeemable units	Weighted average of redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit
June 30, 2023			
Class D \$	1,674,762	3,942,499 \$	0.42
Class E	3,042,609	8,881,430	0.34
June 30, 2022			
Class D \$	(680,306)	3,621,199 \$	(0.19)
Class E	(2,160,417)	9,025,331	(0.24)

### Alitis Growth Pool:

	Increase (decrease) in net assets attributable to holders of redeemable units	Weighted average of redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit
June 30, 2023			
Class D \$	507,095	925,791 \$	0.55
Class E	482,071	1,171,090	0.41
June 30, 2022			
Class D \$	(1,008,459)	926,026 \$	(1.09)
Class E	(1,282,990)	1,179,828	(1.09)

## 12. Indemnification of the Manager:

The Pools, under the terms of their Trust Agreement, shall indemnify the Manager, their principals and their respective affiliates from all claims that may arise for mistakes of judgment or for action or inaction or for losses due to such mistakes, action or inaction so long as they acted honestly and not in bad faith and reasonably believed that their conduct was in the best interests of each Pool.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 13. Filing exemption:

The Pools are relying on the exemption pursuant to Section 2.11 of National Instrument 81-106 not to file their financial statements with the applicable Provincial Securities Commission.

## 14. Income taxes:

The Pools qualify as Mutual Fund Trusts under the provisions of the Income Tax Act (Canada) (the "Tax Act"), and accordingly, are not subject to tax on their net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to their Unitholders as at the end of the tax year. However, such part of the Pool's net income and net realized capital gains that is not paid or payable, is subject to income tax in the Pools. It is the intention of each Pool to distribute all of its income and sufficient net realized capital gains so that the Pool will not be subject to income tax. The Pools may be subject to alternative minimum tax, potentially recoverable.

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

As at the tax year ended December 31, 2022, Alitis Strategic Income Pool has \$123,779 (2021 - \$8,729), Alitis Income and Growth Pool has \$60,409 (2021 - \$60,409) and Alitis Growth Pool has nil (2021 - nil) capital losses carried forward available for income tax purposes.

As at the tax year ended December 31, 2022, Alitis Growth Pool does not have any non-capital losses carried forward available for income tax purposes (2021 - nil). As at the tax year ended December 31, 2022 and 2021, Alitis Income and Growth Pool and Alitis Strategic Income Pool do not have any non-capital losses available for carry-forward.

## 15. Financial instrument risk:

### Alitis Strategic Income Pool:

Risk management:

The investment objective of the Alitis Strategic Income Pool is to generate a high level of income. The holdings are primarily made up of mutual funds, exchange-traded funds (ETFs), closed-end funds, hedge funds, mortgage investment corporations (MICs), real estate investment Pools (REITs), and other fund-type investments. To a lesser extent, investments may be made into individual bonds, T-bills, money market instruments, bank products, stocks, preferred shares and other individual investments.



# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Strategic Income Pool (continued):

Managing risk is the most important factor of the decision-making process and is pervasive throughout the investment process. The investment manager attempts to manage risk by diversifying the portfolio across multiple asset classes, geographic regions, and investment styles. Numerous external managers are used (through investment in their funds) in order to access their expertise and knowledge of specific asset classes, regions, or investment styles. The Pool's overall risk management program seeks to minimize the potentially adverse effect of risk on the Pool's financial performance in a manner consistent with the Pool's investment objective.

The Alitis Strategic Income Pool is primarily a fund of funds. The Schedule of Investment Portfolio presents the Underlying Funds held by the Pool, which expose the Pool to financial instrument risk indirectly through the investments of the Underlying Funds.

Credit risk:

As at June 30, 2023, the Pool has no significant investments directly in debt instruments and/or derivatives. The Pool is indirectly exposed to the risk from the securities held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at June 30, 2023, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

	Percentage of net assets attributable to holders of redeemable units (%)
Debt instruments* by credit rating	
AAA	11.3
AA	11.9
A	15.4
BBB	27.6
BB and below	7.2
Not rated	23.7
Mortgages	—

\* Excludes cash and cash equivalents.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Strategic Income Pool (continued):

As at December 31, 2022, the Pool had no significant investments directly in debt instruments (does not include cash and cash equivalents) and/or derivatives. The Pool is indirectly exposed to the risk from the securities held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at December 31, 2022, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	10.3
AA	12.0
A	14.4
BBB	27.7
BB and below	6.3
Not rated	26.6
Mortgages	0.7

\* Excludes cash and cash equivalents.

### Interest rate risk:

The majority of the Pool's direct financial assets and liabilities are non-interest bearing. Accordingly, the Pool is not directly subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Pool is indirectly exposed to the risk from the securities held by the Underlying Funds through investments in debt instruments and/or derivatives and may be affected by changes in market interest rates and the effect could be material.

As the holdings in the underlying investments have a significant high yield (or below investment grade) exposure, as well as exposure to unrated debt and mortgages, net assets attributable to holders of redeemable units may be affected more by changes in overall economic growth rather than changes in interest rates.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Strategic Income Pool (continued):

As at June 30, 2023, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date		
Less than 1 year	\$	5,451,984
1 - 5 years		8,637,233
5 - 10 years		5,146,103
Greater than 10 years		1,905,008

*\*\* Excludes cash and cash equivalents and preferred shares, as applicable.*

As at December 31, 2022, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date		
Less than 1 year	\$	5,973,944
1 - 5 years		8,758,373
5 - 10 years		5,170,458
Greater than 10 years		2,262,024

*\*\* Excludes cash and cash equivalents and preferred shares, as applicable.*

Price risk:

As at June 30, 2023, 23.8 percent (December 31, 2022 – 25.7 percent) of the Pool's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10 percent as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$471,000 (December 31, 2022 - \$539,815) respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be material. There was no significant indirect exposure to the risk from securities held by the Underlying Funds.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Strategic Income Pool (continued):

Currency risk:

As at June 30, 2023, the Pool had direct investments denominated in United States dollars of \$2,337,603 or 11.8 percent of net assets attributable to holders of redeemable units (December 31, 2022 - \$2,471,442 or 11.8 percent).

Although investments owned by the Pool are denominated in Canadian or United States dollars, the currency risk of the investment owned may be different than the currency in which it trades. For example, an investment denominated in United States dollars may hold assets that trade in Euros or Pounds. The currency risk for the Pool in this example is to the underlying currency of the investment owned, referred to as the indirect currency, being Euros or Pounds. When calculating the currency risk for the Pools, when an investment's indirect currency is different than its direct currency, the indirect currency is used as this reflects the true currency risk of the Pool.

The currency to which the Pool had exposure as at June 30, 2023, is approximately as follows:

	Net assets attributable to holders of redeemable units (%)
United States dollars	5.0

The currency to which the Pool had exposure as at December 31, 2022, is approximately as follows:

	Net assets attributable to holders of redeemable units (%)
United States dollars	6.5

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 15. Financial instrument risk (continued):

### Alitis Strategic Income Pool (continued):

The amounts in the above table are based on a fair estimate of the Pool's underlying investments and financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of future or forward currency contracts, as applicable. Other financial assets (including interest and dividends receivable and subscriptions receivable) and financial liabilities (including accounts payable and accrued liabilities, management fees payable and redemptions payable) that are denominated in foreign currencies do not expose the Pool to significant currency risk.

As at June 30, 2023, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$10,000 (December 31, 2022 - \$14,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### Alitis Income and Growth Pool:

Risk management:

The investment objective of the Alitis Income and Growth Pool is to generate a moderate level of income and a moderate level of capital appreciation over the long-term. The holdings are primarily made up of mutual funds, ETFs, closed-end funds, hedge funds, MICs, REITs, and other fund-type investments. To a lesser extent, investments may be made into individual bonds, T- bills, money market instruments, bank products, stocks, preferred shares and other individual investments.

Managing risk is the most important factor of the decision-making process and is pervasive throughout the investment process. The investment manager attempts to manage risk by diversifying the portfolio across multiple asset classes, geographic regions, and investment styles. Numerous external managers are used (through investment in their funds) in order to access their expertise and knowledge of specific asset classes, regions, or investment styles. The Pool's overall risk management program seeks to minimize the potentially adverse effect of risk on the Pool's financial performance in a manner consistent with the Pool's investment objective.

Alitis Income and Growth Pool is primarily a fund of funds. The statement of Investment Portfolio presents the Underlying Funds held by the Pool, which expose the Pool to financial instrument risk indirectly through the investments of the Underlying Funds.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Income and Growth Pool (continued):

Credit risk:

As at June 30, 2023, the Pool has no significant investments directly in debt instruments and/or derivatives. The Pool is indirectly exposed to the risk from the investments held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at June 30, 2023, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	3.4
AA	3.5
A	4.3
BBB	7.6
BB and below	2.3
Not rated	5.5
Mortgages	22.2

\* Excludes cash and cash equivalents.

As at December 31, 2022, the Pool has no significant investments directly in debt instruments (does not include cash and cash equivalents) and/or derivatives. The Pool is indirectly exposed to the risk from the investments held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at December 31, 2022, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Income and Growth Pool (continued):

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	2.5
AA	2.9
A	3.4
BBB	6.6
BB and below	1.7
Not rated	6.4
Mortgages	19.3

\* Excludes cash and cash equivalents.

#### Interest rate risk:

The majority of the Pool's direct financial assets and liabilities are non-interest bearing. Accordingly, the Pool is not directly subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Pool is indirectly exposed to the risk from the securities held by the Underlying Funds through investments in debt instruments and/or derivatives and may be affected by changes in market interest rates and the effect could be material. As the holdings in the underlying investments have a significant high yield (or below investment grade) exposure, as well as exposure to unrated debt and mortgages, net assets attributable to holders of redeemable units may be affected more by changes in overall economic growth rather than changes in interest rates.

As at June 30, 2023, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date	
Less than 1 year	\$ 34,949,713
1 - 5 years	25,582,409
5 - 10 years	11,908,203
Greater than 10 years	4,381,470

\*\* Excludes cash and cash equivalents and preferred shares, as applicable.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Income and Growth Pool (continued):

As at December 31, 2022, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date		
Less than 1 year	\$	34,196,353
1 - 5 years		18,609,901
5 - 10 years		9,000,900
Greater than 10 years		3,882,467

*\*\* Excludes cash and cash equivalents and preferred shares, as applicable.*

#### Price risk:

As at June 30, 2023, 17.5 percent (December 31, 2022 - 17.6 percent) of the Pool's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10 percent as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$2,665,000 (December 31, 2022 - \$2,591,000) respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

There is also exposure to other price risk indirectly through the Underlying Funds to the extent that they have direct investments in securities traded on North American and other stock exchanges. As at June 30, 2023, approximately 15.3 percent (December 31, 2022 - 15.9 percent) of the underlying investments net assets attributable to holders of redeemable units were invested in securities traded on North American and other stock exchanges. If security prices on North American and other stock exchanges had increased or decreased by 10 percent as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$2,329,000 (December 31, 2022 - \$2,341,000). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.



# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Income and Growth Pool (continued):

Currency risk:

As at June 30, 2023, the Pool had direct investments denominated in United States dollars of \$20,853,549 or 13.7 percent of net assets attributable to holders of redeemable units (December 31, 2022 - \$19,701,798 or 13.4 percent).

Although investments owned by the Pool are denominated in Canadian or United States dollars, the currency risk of the investment owned may be different than the currency in which it trades. For example, an investment denominated in United States dollars may hold assets that trade in Euros or Pounds. The currency risk for the Pool in this example is to the underlying currency of the investment owned, referred to as the indirect currency, being Euros or Pounds. When calculating the currency risk for the Pools, when an investment's indirect currency is different than its direct currency, the indirect currency is used as this reflects the true currency risk of the Pool.

Currencies to which the Pool had exposure as at June 30, 2023, are approximately as follows:

	Net assets attributable to holders of redeemable units (%)
United States dollars	8.1
European currencies	4.4
Asia-Pacific (developed) currencies	3.2
Emerging market currencies	2.0

Currencies to which the Pool had exposure as at December 31, 2022, are approximately as follows:

	Net assets attributable to holders of redeemable units (%)
United States dollars	7.3
European currencies	4.6
Asia-Pacific (developed) currencies	2.9
Emerging market currencies	1.9

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 15. Financial instrument risk (continued):

### Alitis Income and Growth Pool (continued):

The amounts in the above table are based on a fair estimate of the Pool's underlying investments and financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of future or forward currency contracts, as applicable. Other financial assets (including interest and dividends receivable, subscriptions receivable and fee rebate – investments owned) and financial liabilities (including redemptions payable, management fees payable, loans payable to investee, non-interest bearing, due to broker, accounts payable and accrued liabilities and distributions payable) that are denominated in foreign currencies do not expose the Pool to significant currency risk.

As at June 30, 2023, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$269,000 (December 31, 2022 - \$247,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### Alitis Growth Pool:

Risk management:

The investment objective of the Alitis Growth Pool is to generate a high level of capital appreciation with the potential for some income generation over the long term. The holdings are primarily made up of mutual funds, ETFs, closed-end funds, hedge funds, MICs, REITs, and other fund-type investments. To a lesser extent, investments may be made into individual stocks, preferred shares, bonds, T-bills, money market instruments, bank products, and other individual investments.

Managing risk is the most important factor of the decision-making process and is pervasive throughout the investment process. The investment manager attempts to manage risk by diversifying the portfolio across multiple asset classes, geographic regions, and investment styles. Numerous external managers are used (through investment in their funds) in order to access their expertise and knowledge of specific asset classes, regions, or investment styles. The Pool's overall risk management program seeks to minimize the potentially adverse effect of risk on the Pool's financial performance in a manner consistent with the Pool's investment objective.

Alitis Growth Pool is primarily a fund of funds. The statement of investment portfolio presents the Underlying Funds held by the Pool, which expose the Pool to financial instrument risk indirectly through the investments of the Underlying Funds.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Growth Pool (continued):

Credit risk:

As at June 30, 2023, the Pool had no significant investments directly in debt instruments and/or derivatives. The Pool is indirectly exposed to the risk from the investments held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at June 30, 2023, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	—
AA	—
A	—
BBB	—
BB and below	1.1
Not rated	0.9
Mortgages	—

\* Excludes cash and cash equivalents.

As at December 31, 2022, the Pool had no significant investments directly in debt instruments and/or derivatives. The Pool is indirectly exposed to the risk from the investments held by the Underlying Funds in debt instruments and/or derivatives where there is a concentration of credit risk that may arise. As at December 31, 2022, it is estimated that the underlying investments had exposure to debt instruments and derivatives, as applicable, with the following credit ratings:

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Growth Pool (continued):

Debt instruments* by credit rating	Percentage of net assets attributable to holders of redeemable units (%)
AAA	—
AA	—
A	—
BBB	—
BB and below	0.9
Not rated	1.0
Mortgages	—

\* Excludes cash and cash equivalents.

### Interest rate risk:

The majority of the Pool's direct financial assets and liabilities are non-interest bearing. Accordingly, the Pool is not directly subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Pool is indirectly exposed to the risk from securities held by the Underlying Funds through investments in debt instruments and/or derivatives and may be affected by changes in market interest rates and the effect could be material. As the holdings in the underlying investments have a significant high yield (or below investment grade) exposure, as well as exposure to unrated debt and mortgages, net assets attributable to holders of redeemable units may be affected more by changes in overall economic growth rather than changes in interest rates.

As at June 30, 2023, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date	
Less than 1 year	\$ -
1 - 5 years	352,371
5 - 10 years	168,557
Greater than 10 years	-

\*\* Excludes cash and cash equivalents and preferred shares, as applicable.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Growth Pool (continued):

As at December 31, 2022, the underlying investments estimated exposure to debt instruments by maturity is as follows:

Debt instruments** by maturity date		
Less than 1 year	\$	-
1 - 5 years		335,562
5 - 10 years		143,343
Greater than 10 years		-

*\*\* Excludes cash and cash equivalents and preferred shares, as applicable.*

### Price risk:

As at June 30, 2023, 26.9 percent (December 31, 2022 – 26.2 percent) of the Pool's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10 percent as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$706,000 (December 31, 2022 - \$660,000) respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

There is also exposure to other price risk indirectly through the Underlying Funds to the extent that they have direct investments in securities traded on North American and other stock exchanges. As at June 30, 2023, approximately 64.7 percent (December 31, 2022 – 63.8 percent) of the underlying investments net assets attributable to holders of redeemable units were invested in securities traded on North American and other stock exchanges. If security prices on North American and other stock exchanges had increased or decreased by 10 percent as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$1,699,000 (December 31, 2022 - \$1,608,000). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

## 15. Financial instrument risk (continued):

### Alitis Growth Pool (continued):

Currency risk:

As at June 30, 2023, the Pool had direct investments denominated in United States dollars of \$10,193,731 or 38.8 percent of net assets attributable to holders of redeemable units (December 31, 2022 - \$9,215,539 or 36.6 percent).

Although investments owned by the Pool are denominated in Canadian or United States dollars, the currency risk of the investment owned may be different than the currency in which it trades.

For example, an investment denominated in United States dollars may hold assets that trade in Euros or Pounds. The currency risk for the Pool in this example is to the underlying currency of the investment owned, referred to as the indirect currency, being Euros or Pounds. When calculating the currency risk for the Pools, when an investment's indirect currency is different than its direct currency, the indirect currency is used as this reflects the true currency risk of the Pool.

Currencies to which the Pool had exposure as at June 30, 2023, are approximately as follows:

	Net assets attributable to holders of redeemable units (%)
United States dollars	31.7
European currencies	18.7
Asia-Pacific (developed) currencies	13.2
Emerging market currencies	8.2

Currencies to which the Pool had exposure as at December 31, 2022, are approximately as follows:

	Net assets attributable to holders of redeemable units (%)
United States dollars	28.9
European currencies	18.9
Asia-Pacific (developed) currencies	11.8
Emerging market currencies	8.1

# ALITIS POOLS

Notes to Financial Statements (continued)

Six months ended June 30, 2023 (Unaudited)

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## 15. Financial instrument risk (continued):

### Alitis Growth Pool (continued):

The amounts in the above table are based on a fair estimate of the Pool's underlying investments and financial instruments (including cash and cash equivalents) as well as the underlying principal amounts of future or forward currency contracts, as applicable. Other financial assets (including subscriptions receivable, interest and dividends receivable and other assets) and financial liabilities (including accounts payable and accrued liabilities, redemptions payable and management fees payable) that are denominated in foreign currencies do not expose the Pool to significant currency risk.

As at June 30, 2023, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$189,000 (December 31, 2022 - \$171,000). In practice, the actual trading results may differ from the sensitivity analysis and the difference could be material.