

**Semi- annual Financial Statements of**

**CWB MCLEAN & PARTNERS  
U.S. EQUITY POOL**

**June 30, 2023**  
*(unaudited)*

## **NOTICE TO THE HOLDERS OF REDEEMABLE UNITS**

These interim financial statements are as at June 30, 2023 and have not been reviewed or audited by the external auditors of the Fund. The unaudited interim financial statements include statements of financial position, statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable units, statements of cash flows, schedule of investment portfolio and notes to the financial statements.

CWB Wealth Management Ltd.

August 29, 2023

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

## Statements of Financial Position

(in Canadian dollars)

As at	<i>(unaudited)</i>	
	June 30, 2023	December 31, 2022
<b>Assets</b>		
Investments, at fair value (note 6)	\$ 349,501,313	\$ 307,337,870
Cash	8,226	13,539
Subscriptions receivable	28,187	28,391
Dividends receivable	27,744	41,007
<b>Total assets</b>	<b>349,562,470</b>	<b>307,420,807</b>
<b>Liabilities</b>		
Redemptions payable	155,973	—
Distributions payable	394,515	—
<b>Total liabilities</b>	<b>550,488</b>	<b>—</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 349,011,982</b>	<b>\$307,420,807</b>
Number of redeemable units outstanding (note 7)	16,338,323	16,594,915
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 21.36</b>	<b>\$ 18.53</b>

See accompanying notes to financial statements.

On behalf of the Fund by its Fund Manager, CWB Wealth Management Ltd.:



Matthew Evans  
President & Chief Executive Officer



Mary Falconer  
Senior Vice President, Finance & Chief Accountant

## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

### Statements of Comprehensive Income (Loss)

(in Canadian dollars)

For the periods ended June 30

*(unaudited)*

	2023	2022
Dividends	\$ 1,749,934	\$ 1,533,237
Interest for distribution purposes	50	2
Securities lending	5,106	8,360
Changes in fair value of investments and derivatives		
Net realized gain on sale of investments	6,880,193	1,439,117
Net foreign exchange gain (loss) on cash	5,336	(3,732)
Net other loss	(14,800)	(79,159)
Change in unrealized appreciation (depreciation) on investments	39,680,515	(50,934,714)
Total income (loss)	48,306,334	(48,036,889)
Bank overdraft charges	4,521	423
Withholding taxes	227,109	202,824
Custodial transaction fees (note 5)	26,911	25,104
Unitholder recording fees (note 5)	17,000	13,901
Fund valuation costs (note 5)	13,118	13,125
Transaction costs (note 5)	31,513	49,882
Total expenses	320,172	305,259
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 47,986,162	\$(48,342,148)
Increase (decrease) in net assets attributable to holders of redeemable units per unit	\$ 2.92	\$ (2.91)

See accompanying notes to financial statements.

## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (in Canadian dollars)

For the periods ended June 30	<i>(unaudited)</i>	
	2023	2022
Net assets attributable to holders of redeemable units at beginning of period	\$ 307,420,807	\$ 319,691,918
Increase (decrease) in net assets attributable to holders of redeemable units	47,986,162	(48,342,148)
Distributions to holders of redeemable units from:		
Net investment income	(1,443,295)	(1,271,271)
Redeemable unit transactions:		
Proceeds from redeemable units issued	12,031,425	35,903,572
Reinvestments of distributions to holders of redeemable units	658,022	539,999
Redemption of redeemable units	(17,641,139)	(21,648,230)
Net (decrease) increase from redeemable unit transactions	(4,951,692)	14,795,341
Net increase (decrease) in net assets attributable to holders of redeemable units	41,591,175	(34,818,024)
Net assets attributable to holders of redeemable units at end of period	\$ 349,011,982	\$ 284,873,894

See accompanying notes to financial statements.

## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

### Statements of Cash Flows

(in Canadian dollars)

For the periods ended June 30

(*unaudited*)

	2023	2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 47,986,162	\$(48,342,148)
Adjustment for:		
Net foreign exchange (gain) loss on cash	(5,336)	3,732
Net realized gain on sale of investments and derivatives	(6,880,193)	(1,439,117)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(39,680,515)	50,934,714
Purchases of investments	(24,340,133)	(47,944,157)
Proceeds from sale of investments	28,737,398	33,192,825
Dividends receivable	16,263	18,087
Net cash provided by (used in) operating activities	5,833,646	(13,576,064)
<b>Cash flows from financing activities</b>		
Distributions paid to unitholders	(390,758)	(2,079,392)
Proceeds from issuance of units	12,031,629	35,908,764
Amounts paid on redemption of units	(17,485,166)	(21,634,230)
Net cash (used in) provided by financing activities	(5,844,295)	12,195,142
Foreign exchange gain (loss) on cash	5,336	(3,732)
Net decrease in cash during the period	(10,649)	(1,380,922)
Cash, beginning of the period	13,539	1,566,397
Cash, end of period	\$ 8,226	\$ 181,743
<b>Supplemental disclosure of cash flow information</b>		
Interest received	\$ 50	\$ 2
Dividends received, net of withholding taxes	\$ 1,539,088	\$ 1,348,500

See accompanying notes to financial statements.

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

## Schedule of Investment Portfolio

(in Canadian dollars)

As at June 30, 2023

(unaudited)

Description	Number of Shares	Average Cost	Fair Value
<b>United States Equities:</b>			
Consumer Discretionary (21.06%):			
Amazon.com Inc.	97,670	\$ 19,226,881	\$ 16,847,965
Aramark	106,264	4,337,723	6,053,426
AutoZone Inc.	4,477	6,863,601	14,771,139
Dollar Tree Inc.	41,028	4,784,275	7,790,658
Gentex Corp.	200,944	7,416,267	7,780,209
Home Depot Inc. (The)	21,127	8,682,525	8,684,346
Pool Corp.	7,230	3,245,164	3,584,217
TJX Cos. Inc. (The)	71,096	5,554,859	7,976,855
		<u>60,111,295</u>	<u>73,488,815</u>
Consumer Staples (4.61%):			
Costco Wholesale Corp.	14,431	8,905,899	10,280,808
Dollar General Corp.	25,800	6,698,179	5,796,264
		<u>15,604,078</u>	<u>16,077,072</u>
Financial Services (11.31%):			
Berkshire Hathaway Inc., Class 'B'	40,382	9,745,004	18,221,499
JPMorgan Chase & Co.	52,762	9,037,815	10,154,231
Wells Fargo & Co.	196,500	9,219,680	11,097,595
		<u>28,002,499</u>	<u>39,473,325</u>
Health Care (11.35%):			
Johnson & Johnson	48,190	9,207,589	10,554,783
McKesson Corp.	12,967	2,512,925	7,332,034
UnitedHealth Group Inc.	25,920	10,202,205	16,485,298
Waters Corp.	14,900	5,299,152	5,255,216
		<u>27,221,870</u>	<u>39,627,331</u>
Industrials (5.04%):			
Deere & Co.	8,446	2,252,848	4,528,472
Fabrinet	32,250	2,394,762	5,542,605
Union Pacific Corp.	27,750	7,399,886	7,513,685
		<u>12,047,496</u>	<u>17,584,762</u>
Information Technology (33.68%):			
Apple Inc.	42,000	7,705,426	10,780,174
Intel Corp.	223,850	10,711,182	9,905,246
Mastercard Inc., Class 'A'	26,930	5,862,887	14,015,294
Microsoft Corp.	84,731	18,350,669	38,181,445
Moody's Corp.	12,625	5,728,541	5,809,021
NVIDIA Corp.	47,525	10,565,907	26,602,652
Visa Inc., Class 'A'	38,965	10,492,232	12,244,572
		<u>69,416,844</u>	<u>117,538,404</u>
Materials (1.68%):			
Southern Copper Corp.	61,901	5,498,383	5,876,259
Telecommunication Services (6.88%):			
Alphabet Inc., Class 'A'	73,600	8,630,005	11,657,727
Alphabet Inc., Class 'C'	77,300	4,496,799	12,373,685
		<u>13,126,804</u>	<u>24,031,412</u>
Total United States Equities (95.61%)		<u>231,029,269</u>	<u>333,697,380</u>

## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2023

(unaudited)

Description	Number of Shares/ Par Value	Average Cost	Fair Value
<b>International Equities:</b>			
Ireland (1.98%): Accenture PLC, Class 'A'	16,977	\$ 4,211,172	\$ 6,932,193
United Kingdom (2.36%): Linde PLC	16,315	5,661,681	8,227,069
Total International Equities (4.34%)		9,872,853	15,159,262
<b>Short-Term Investments:</b>			
Short-Term Investments - USD CIBC Mellon Trust, Demand Deposit, Variable Rate	487,188	645,247	644,671
Total Short-Term Investments (0.19%)		645,247	644,671
Adjustment for transaction costs included in average cost		(237,747)	–
Total Investments (100.14%)		\$ 241,309,622	\$ 349,501,313
Other Net Liabilities (-0.14%)		–	(489,331)
Total Net Assets Attributable to Holders of Redeemable Units (100.00%)			\$ 349,011,982

See accompanying notes to financial statements.



# **CWB MCLEAN & PARTNERS U.S. EQUITY POOL**

## Notes to Financial Statements

(in Canadian dollars)

As at June 30, 2023

*(unaudited)*

---

### **General:**

CWB McLean & Partners U.S. Equity Pool (the “Fund”) is an open-ended unit trust created under the laws of the Province of Alberta and governed by the Second Amended and Restated Declaration of Trust dated April 01, 2022. The address of the Fund’s registered office 1250-10303 Jasper Avenue NW, Edmonton, Alberta. The Fund’s units are not traded in a public market and it does not file its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market.

Under the Declaration of Trust, the Fund may issue an unlimited number of units in an unlimited number of series.

CWB Wealth Management Ltd. (“CWB Wealth” or the “Fund Manager”), a company incorporated under the laws of Canada, is a registered investment fund manager or portfolio manager in each of Canada’s provinces. CWB Wealth is the administrative manager, investment advisor and promoter of the Fund. CWB Wealth replaced CWB McLean & Partners Wealth Management Ltd. as the fund manager on April 1, 2022. CWB Wealth is the parent company of CWB McLean & Partners Wealth Management Ltd., now named CWB Wealth Partners Ltd.

CIBC Mellon Global Securities Services Company is the administrator and custodian of the Fund and CIBC Mellon Trust Company is the trustee of the Fund (collectively, “CIBC Mellon”).

### **1. Investment objective of the Fund:**

The objective of the Fund is to provide returns through capital appreciation by investing in U.S. equities which meet our investment guidelines.

The assets of the Fund will be managed within certain specified guidelines to ensure adequate portfolio diversification and to minimize company specific and portfolio risk. There will be a maximum of 10% of the Fund’s Net Asset Value (“NAV”) invested in equity weight in any one position and there shall be a maximum 10% of NAV invested in cash and cash equivalents held.

Net capital gains and net investment income are calculated in accordance with the provisions of the Income Tax Act (Canada) and the Fund will make quarterly distributions of net income and an annual distribution of net realized capital gains to the unitholders such that no income tax is payable by the Fund.

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 2

(in Canadian dollars)

As at June 30, 2023

*(unaudited)*

## 2. Basis of presentation and measurement:

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS). The policies applied in the financial statements are based on IFRS issued and outstanding as of June 30, 2023. These financial statements have been prepared on the historical cost basis except for financial assets and liabilities recorded at fair value through profit or loss.

The financial statements of the Fund were approved and were authorized for issue by the Fund Manager on behalf of the Fund on August 29, 2023.

## 3. Summary of significant accounting policies:

### (a) Financial instruments:

#### (i) Classification:

Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). Cash, subscriptions receivable, dividends receivable, and distributions payable are classified and measured at amortized cost. Investments and net assets attributable to holders of redeemable units are classified as FVTPL and measured at fair value.

The Fund's business model is one in which financial assets are managed with the objective of realizing cash flows through the sale of assets. Decisions are made based on the assets' fair values and assets are managed to realize these fair values. This business model is aligned with the FVTPL classification and measurement category therefore the Fund measures its investments at FVTPL. Debt securities are designated at FVTPL as the Fund does not expect to hold the assets to collect contractual cash flows based on its business model. Collection of the contractual cash flows is not integral to achieving the Fund's business model objective but is instead incidental to it.

#### (ii) Expected credit losses:

Trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Fund measures loans and trade receivables at amortized cost.

IFRS 9 requires that an entity recognize an allowance for expected credit losses on financial assets which are measured at amortized cost or FVOCI, except for investments in equity instruments. Financial assets held by the Fund which are measured at FVTPL are not subject to the impairment requirements.

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 3

(in Canadian dollars)

As at June 30, 2023

*(unaudited)*

## 3. Summary significant accounting policies (continued):

### (a) Financial instruments (continued):

#### (ii) Expected credit losses (continued):

With respect to loans and receivables, the Fund considers both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statement date, all loans and receivables are due to be settled within the short term. The Fund considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term.

Given the negligible exposure of the Fund to credit risk, no allowance for expected credit losses has been recognized.

#### (iii) Valuation and recognition of financial instruments:

Portfolio investments, including short-term investments, are recognized at fair value upon initial recognition. The Fund's investments are classified as FVTPL. Factors leading to the FVTPL designation include the performance evaluation and management of the investments of the Fund on a fair value basis.

The other financial assets and liabilities of the Fund are recognized at fair value on the date they originate and are subsequently measured at amortized cost.

Portfolio investment transactions are accounted for on a trade date basis. Realized gains/losses on sale of investments and unrealized appreciation/depreciation on investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities.

Portfolio investments listed on recognized public securities exchanges are valued using the last trade price on the securities exchange on which they are principally traded. If no trade volume is reported to have taken place, closing bid quotations for long positions, and closing ask quotations for short positions from the primary exchange or market makers will be used. Portfolio investments not listed on recognized public securities exchanges, or for which reliable quotations are not readily available, are valued using valuation techniques, as determined pursuant to procedures established by the Fund Manager.

## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 4  
(in Canadian dollars)

As at June 30, 2023

(unaudited)

### 3. Summary significant accounting policies (continued):

#### (a) Financial instruments (continued):

##### (iii) Valuation and recording of financial instruments (continued):

Options are valued at their close price as reported by the principal exchange or over-the-counter market on which the contract is traded. Premiums paid for purchased call and put options are included in options purchased in the Statement of Financial Position. When a purchased option expires, the Fund will realize a loss in the amount of the cost of the option. For the closing transaction of the purchased put options, the Fund will realize a gain or loss depending on whether the proceeds are greater or less than the premium paid at the time of purchase. When a purchased call option is exercised, the cost of security purchased is increased by the premium paid at the time of purchase.

Premiums received from writing options are included as a liability for written options in the Statement of Financial Position. When a written option expires unexercised, premiums received from writing options are recorded as income on the Statement of Comprehensive Income. When a written call option is exercised, the Fund will record a realized gain or loss depending on whether the cost of closing the transaction exceeds the premium received. When a written put is exercised, the cost of the security purchased is reduced by the premiums received at the time the option was written.

##### (iv) Fair value hierarchy:

IFRS 13 "Fair Value Measurement" requires a fair value hierarchy for disclosure of the inputs used in the valuation of each financial asset and liability reported by a Fund. The hierarchy of inputs is as follow:

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

Changes in valuation methods may result in transfers into or out of the assets' or liabilities' assigned levels. The level summary base on the hierarchy of inputs is disclosed in Note 6. All transfers are deemed to occur at the end of each reporting period.

Equity securities using quoted market prices are included in Level 1.

Fixed-income securities valued at an evaluated bid price as reported by the primary valuation source on the valuation date are included in Level 2.

Level 3 financial instruments consist of portfolio investments not listed on recognized public securities exchanges or for which reliable quotations are not readily available are valued using valuation techniques as determined pursuant to procedures established by the Fund Manager.

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 5

(in Canadian dollars)

As at June 30, 2023

*(unaudited)*

### 3. Summary significant accounting policies (continued):

(b) Investment income:

Investment transactions are recorded on the trade date. Interest for distribution purposes is coupon interest recognized on an accrual basis and or imputed interest on zero coupon bonds. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on a weighted average cost basis.

The Fund generally incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income.

(c) Foreign currency translation:

The Fund's functional and presentation currency is Canadian dollars. Transactions in foreign currencies are translated into the Fund's reporting currency using the exchange rate prevailing on the trade date. The quoted fair value of investments and other assets and liabilities denominated in foreign currencies is translated at the period-end exchange rate.

Foreign exchange gains and losses relating to cash are presented as "Net foreign exchange gain (loss) on cash" and those relating to other financial assets and liabilities represented with "Net realized gain (loss) on sale of investments and derivatives" and "Changes in unrealized appreciation (depreciation) on investments and derivatives" in the Statement of Comprehensive Income.

(d) Cash:

Cash is comprised of deposits with financial institutions.

(e) Offsetting of financial instruments:

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Fund has a legal right to offset the amounts and it intends to either settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

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

Net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units by the number of redeemable units outstanding at the end of the period. Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statement of Comprehensive Income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 6

(in Canadian dollars)

As at June 30, 2023

(unaudited)

### 3. Summary significant accounting policies (continued):

(g) Transaction costs:

Transaction costs are expensed and are included in the Statement of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

### 4. Critical accounting estimates and judgments:

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

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

At times, the Fund holds financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers. Broker quotes obtained from these pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

### 5. Fees and expenses:

All fees and expenses applicable to the administration, operation and directly attributable to portfolio transactions which include fees and commissions paid to brokers, dealers, and CIBC Mellon are payable by the Fund. At its discretion, the Fund Manager may, but is not obligated to, pay any of such expenses.

### 6. Financial risk management:

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. The Fund's performance could be negatively impacted if the value of a portfolio holding were harmed by such events.

# CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 7

(in Canadian dollars)

As at June 30, 2023

(unaudited)

## 6. Financial risk management (continued):

The Fund's activities expose it to a variety of financial risks. The Fund Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Fund Manager also maintains a governance structure that monitors compliance with the Fund's stated investment strategy and securities regulations.

### Market risk:

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Fund's strategies on the management of investment risk are driven by the Fund's investment objective to provide superior returns through capital appreciation and income by investing in equity securities of companies that have a history of dividend growth anywhere in the world.

Details of the nature of the Fund's investment portfolio at June 30, 2023 are disclosed in the Schedule of Investment Portfolio.

#### (a) Currency risk:

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The Fund is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates.

June 30, 2023	Currency Exposure	As a % of Net Assets
U.S. Dollar	\$ 349,326,127	100.09%

  

December 31, 2022	Currency Exposure	As a % of Net Assets
U.S. Dollar	\$ 307,378,877	99.99%

As at June 30, 2023, had the Canadian dollar strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$3,493,000 (December 31, 2022 – \$3,074,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

## **CWB MCLEAN & PARTNERS U.S. EQUITY POOL**

Notes to Financial Statements, page 8

(in Canadian dollars)

As at June 30, 2023

*(unaudited)*

### **6. Financial risk management (continued):**

#### **Market risk (continued):**

##### (b) 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 on interest-bearing financial instruments held in the investment portfolio. The majority of the Fund's assets are non-interest bearing. Interest-bearing financial assets mature or re-price in the short-term, no longer than twelve months. There are no interest-bearing financial liabilities. As a result, fluctuations in the prevailing levels of market interest rates have no significant impact on the net assets of the Fund.

##### (c) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer, or other factors affecting all instruments traded in a market or market segment. All equity securities and derivatives subject to market risk are listed in the Schedule of Investment Portfolio; to the extent there is a change in markets they are traded in, the portfolio will be affected accordingly. Maximum losses due to other price risk would be equivalent to the fair value of the securities and other financial instruments except for written options, where possible losses can be unlimited.

As at June 30, 2023, a 1% change in the price of equity investments held in the Fund's portfolio would have changed the Fund's net assets attributable to holders of redeemable units by approximately \$3,489,000 (December 31, 2022 – \$3,053,000) with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

#### **Credit risk:**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of investments and other financial assets as presented on the Schedule of Investment Portfolio represents the maximum credit risk exposure as at June 30, 2023.

Credit risk arising on transactions for assets purchased and sold relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved. Also, legal entitlement will not pass until all monies have been received for the assets purchased or the portfolio assets sold. If either party does not meet its obligation, then the transaction will fail.

All cash is held on deposit with Canadian financial institutions; accordingly, no significant credit risk relates to cash.



## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 9

(in Canadian dollars)

As at June 30, 2023

(unaudited)

### 6. Financial risk management (continued):

#### Liquidity risk:

The Fund's exposure to liquidity risk is concentrated in the cash redemptions of units. Redemption notices must be received by the Fund prior to the redemption trade date and redemption payments are made by the Fund within two business days of the redemption trade date.

To manage the liquidity risk, the Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Fund Manager monitors the cash position on a daily basis and ensures that the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

#### Fair value of financial instruments:

The following is a summary of the inputs used as of June 30, 2023 and December 31, 2022 in valuing the Fund's investments carried at fair values:

June 30, 2023	Level 1	Level 2	Level 3	Total
Equities	\$ 348,856,642	\$ -	\$ -	\$ 348,856,642
Short-term investments	644,671	-	-	644,671
Total	\$ 349,501,313	\$ -	\$ -	\$ 349,501,313

December 31, 2022	Level 1	Level 2	Level 3	Total
Equities	\$ 305,356,000	\$ -	\$ -	\$ 305,356,000
Short-term investments	1,981,870	-	-	1,981,870
Total	\$ 307,337,870	\$ -	\$ -	\$ 307,337,870

There were no transfers between the three levels during the periods.

The carrying values of cash, subscriptions receivable, dividends receivable, redemptions payable and distributions payable approximate their fair values due to their short term to maturity.

### 7. Redeemable units:

The Fund is authorized to issue an unlimited number of transferable units. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust. Units of the Fund are offered for sale on a continuous basis and may be purchased or redeemed at the Net Asset Value ("NAV") per unit. All units of the Fund are of the same class with equal rights and privileges, including equal participation in any distribution made by the Fund.

## CWB MCLEAN & PARTNERS U.S. EQUITY POOL

Notes to Financial Statements, page 10

(in Canadian dollars)

As at June 30, 2023

(unaudited)

### 7. Redeemable units (continued):

There is a contractual obligation to distribute any net income and net realized capital gains to the Fund's outstanding units. Consequently, the Fund's outstanding redeemable units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments: Presentation.

Unit transactions during the periods ended June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023
Redeemable units outstanding, beginning of period	16,594,915
Redeemable units issued, for proceeds	609,792
Redeemable units issued on reinvestment of distributions	32,132
Redeemable units redeemed	(898,516)
Redeemable units outstanding, end of period	16,338,323

  

	December 31, 2022
Redeemable units outstanding, beginning of period	15,952,869
Redeemable units issued, for proceeds	2,580,283
Redeemable units issued on reinvestment of distributions	65,451
Redeemable units redeemed	(2,003,688)
Redeemable units outstanding, end of period	16,594,915