

CWB Onyx North American Equity Fund

(formerly CWB Core Equity Fund)

2024 Interim Financial Statements

For the Six Months Ended June 30, 2024
(unaudited)



CWB North American Equity Fund (formerly CWB Core Equity Fund)

Statements of Financial Position

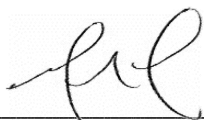
As at June 30, 2024 and December 31, 2023

(unaudited)

	June 30, 2024	December 31, 2023
Assets		
Cash	\$ 114,461	\$ 130,135
Subscriptions receivable	32,189	6,399
Dividends receivable	51,458	59,235
Investments at fair value through profit or loss	39,805,146	37,438,578
	<u>40,003,254</u>	<u>37,634,347</u>
Liabilities		
Redemptions payable	45,629	33,376
Accrued liabilities (note 4)	37,972	36,490
	<u>83,601</u>	<u>69,866</u>
Net assets attributable to holders of redeemable units	<u>\$ 39,919,653</u>	<u>\$ 37,564,481</u>
Redeemable units outstanding (note 5)	1,521,290	1,606,012
Net assets attributable to holders of redeemable units per unit	<u>\$ 26.24</u>	<u>\$ 23.39</u>

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

Approved by CWB Wealth Management Ltd. in its capacity as manager of CWB North American Equity Fund (formerly CWB Core Equity Fund)



Matthew Evans
Chief Executive Officer



Mary Falconer
Senior Vice President, Finance and Chief Accountant

CWB North American Equity Fund (formerly CWB Core Equity Fund)

Statements of Comprehensive Income

For the six months ended June 30, 2024 and 2023

(unaudited)

	June 30, 2024	June 30, 2023
Revenue		
Dividends	\$ 381,348	\$ 389,326
Interest for distribution purposes	15,194	15,136
Foreign exchange (loss) gain	(6)	267
Net realized gain on sale of investments	1,582,712	896,533
Net change in unrealized appreciation in value of investments	2,855,037	2,297,656
Total revenue	<u>4,834,285</u>	<u>3,598,918</u>
Expenses		
Management fees (note 4)	209,389	193,070
Legal fees	76,317	20,767
Research fees	25,488	22,814
Administration fees	17,052	16,866
Audit fees	6,210	6,655
Custodian fees	6,041	5,815
Record keeping	5,096	5,045
Independent Review Committee fees	2,714	1,714
Trustee fees	1,786	1,786
Transaction fees	1,044	1,306
Activity fees	435	453
Other	4,203	4,161
Total expenses before fee waiver and refund	<u>355,775</u>	<u>280,452</u>
Management fees waived (note 4)	(84,503)	(29,493)
Management fees refunded (note 4)	(82,289)	-
Total expenses	<u>188,983</u>	<u>250,959</u>
Increase in net assets attributable to holders of redeemable units before withholding taxes	4,645,302	3,347,959
Withholding tax expense (note 6)	12,926	13,856
Increase in net assets attributable to holders of redeemable units	<u>\$ 4,632,376</u>	<u>\$ 3,334,103</u>
Weighted average units outstanding during the period	1,592,536	1,724,204
Increase in net assets attributable to holders of redeemable units per unit	<u>\$ 2.91</u>	<u>\$ 1.93</u>

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

CWB North American Equity Fund (formerly CWB Core Equity Fund)

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

For the six months ended June 30, 2024 and 2023

(unaudited)

	June 30, 2024	June 30, 2023
Net assets attributable to holders of redeemable units – Beginning of period	\$ 37,564,481	\$ 35,166,981
Increase in net assets attributable to holders of redeemable units	4,632,376	3,334,103
Distributions to unitholders of redeemable units		
From management fees refunded (note 4)	(82,289)	-
	<u>(82,289)</u>	<u>-</u>
Redeemable unit transactions (note 5)		
Issuance of redeemable units	2,360,598	395,281
Reinvested distributions from holders of redeemable units	82,289	-
Redemption of redeemable units	(4,637,802)	(803,840)
	<u>(2,194,915)</u>	<u>(408,559)</u>
Net increase in net assets attributable to holders of redeemable units	<u>2,355,172</u>	<u>2,925,544</u>
Net assets attributable to holders of redeemable units – End of period	<u>\$ 39,919,653</u>	<u>\$ 38,092,525</u>

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

CWB North American Equity Fund (formerly CWB Core Equity Fund)

Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

(unaudited)

	June 30, 2024	June 30, 2023
Cash flows from (used in) operating activities		
Increase in net assets attributable to holders of redeemable units	\$ 4,632,376	\$ 3,334,103
Adjustments for:		
Net realized gain on sale of investments	(1,582,712)	(896,533)
Foreign exchange loss (gain)	6	(267)
Net change in unrealized appreciation in value of investments	(2,855,037)	(2,297,656)
Purchase of investments	(4,303,457)	(3,354,597)
Proceeds from sale of investments	6,374,639	3,625,119
Dividends, net of withholding taxes	(368,422)	(375,470)
Interest for distribution purposes	(15,194)	(15,136)
Due from CWB Wealth Management Ltd.	-	10,499
Accrued liabilities	1,482	996
Dividends received, net of withholding taxes	376,199	377,948
Interest received	15,194	15,136
	<u>2,275,074</u>	<u>424,142</u>
Cash flows from (used in) financing activities		
Proceeds from issuances of redeemable units	2,334,807	394,548
Amounts paid on redemption of redeemable units	(4,625,549)	(639,268)
	<u>(2,290,742)</u>	<u>(244,720)</u>
Effect of foreign exchange fluctuations on cash	(6)	267
Net (decrease) increase in cash	(15,668)	179,422
Cash - Beginning of period	130,135	68,874
Cash - End of period	<u>\$ 114,461</u>	<u>\$ 248,563</u>

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

CWB North American Equity Fund (formerly CWB Core Equity Fund)

Schedule of Investment Portfolio

As at June 30, 2024

	Maturity Date	Par Value (\$)	Average Cost (\$)	Fair Value (\$)	% of Net Assets
Short-term notes					
Government of Canada Treasury Bill	09/12/2024	108,000	106,966	106,966	0.3
Total short-term notes			106,966	106,966	0.3
Equities					
Domestic equities					
	Number of Shares				
Communication services					
Telus Corp.		24,299	353,633	503,232	1.2
			353,633	503,232	1.2
Consumer discretionary					
Canadian Tire Corp., Class A		2,305	282,421	312,881	0.8
Magna International Inc.		6,385	526,438	366,116	0.9
Restaurant Brands International Inc.		4,710	320,014	454,044	1.1
			1,128,873	1,133,041	2.8
Consumer staples					
Alimentation Couche-Tard, Class A		6,650	135,662	510,521	1.3
Saputo Group		6,800	185,371	208,896	0.5
Shopify Inc.		3,000	155,081	271,230	0.7
			476,114	990,647	2.5
Energy					
Canadian Natural Resources Ltd.		14,362	266,593	699,860	1.7
Pembina Pipeline Corp.		6,810	263,306	345,676	0.9
Suncor Energy Corp.		13,790	340,218	719,149	1.8
TC Energy Corp.		13,099	733,621	679,314	1.7
			1,603,738	2,443,999	6.1
Financials					
Bank of Montreal		5,730	675,968	657,976	1.7
Bank of Nova Scotia		2,808	175,561	175,725	0.5
Brookfield Asset Management Inc., Class A		13,322	496,672	758,022	1.9
Element Fleet Management Corp.		15,085	152,876	375,466	0.9
CIBC		8,800	543,034	572,440	1.5
EQB Inc.		2,300	202,069	214,452	0.5
Intact Financial Corp.		2,260	377,581	515,303	1.3
Royal Bank of Canada		8,248	645,162	1,201,321	3.0
Sun Life Financial Inc.		9,030	483,134	605,732	1.5
Toronto Dominion Bank		8,180	444,219	615,136	1.5
			4,196,276	5,691,573	14.3

CWB North American Equity Fund (formerly CWB Core Equity Fund)

Schedule of Investment Portfolio ...continued

As at June 30, 2024

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Net Assets
Industrials				
Boyd Group Services Inc.	1,150	216,147	295,516	0.7
Canadian Pacific Railway Ltd.	7,380	699,142	795,121	2.0
Richelieu Hardware	2,200	95,798	90,618	0.2
Stantec Inc.	3,005	129,544	344,163	0.9
TFI International Inc.	2,485	339,440	493,620	1.2
Toromont Industries Ltd.	3,166	145,327	383,498	1.0
Waste Connections Inc.	3,530	578,982	847,306	2.1
		2,204,380	3,249,842	8.1
Information technology				
CGI Inc.	3,330	218,508	454,712	1.2
Constellation Software Inc.	258	166,306	429,665	1.1
Descartes Systems Group	1,600	173,872	212,080	0.5
Open Text Corp.	7,250	335,805	297,830	0.7
		894,491	1,394,287	3.5
Materials				
Agnico Eagle Mines Ltd.	8,275	505,433	740,447	2.0
CCL Industries Inc., Class B	6,820	363,308	490,631	1.2
Methanex Corp.	6,230	313,455	411,492	1.0
Nutrien Ltd.	5,400	360,606	376,110	0.9
		1,542,802	2,018,680	5.1
Utilities				
Brookfield Infrastructure	7,117	376,835	327,738	0.8
Brookfield Renewable Partner	7,830	386,772	303,491	0.8
Fortis Inc.	7,437	295,897	395,425	1.0
		1,059,504	1,026,654	2.6
Total domestic equities				
		13,459,811	18,451,955	46.2
Foreign equities				
Communication services				
Alphabet Inc., Class A	6,660	662,103	1,659,965	4.2
Walt Disney Co. (The)	1,100	155,857	149,448	0.3
		817,960	1,809,413	4.5
Consumer discretionary				
Amazon.com Inc.	5,500	924,426	1,454,378	3.7
Aramark Holding	7,200	296,739	335,168	0.9
AutoZone Inc.	208	364,346	843,629	2.1
Dollar General Corp.	2,323	398,126	420,315	1.1
Dollar Tree Inc.	2,552	335,799	372,843	0.9
Gentex Corp.	7,768	315,882	358,314	0.9
Home Depot Inc.	1,139	316,472	536,513	1.3
Nike Inc. Class B	800	98,847	82,506	0.2
Pool Corporation	300	140,441	126,160	0.3
TJX Companies Inc.	4,286	325,389	645,706	1.6
		3,516,467	5,175,532	13.0

CWB North American Equity Fund (formerly CWB Core Equity Fund)

Schedule of Investment Portfolio ...continued

As at June 30, 2024

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Net Assets
Consumer staples				
Costco Wholesale Corp.	544	234,832	632,715	1.6
		234,832	632,715	1.6
Energy				
Cheniere Energy	600	125,410	143,537	0.3
		125,410	143,537	0.3
Financials				
Berkshire Hathaway Inc., Class B	1,588	478,545	883,949	2.1
JPMorgan Chase & Co.	2,700	430,388	747,256	1.9
Moody's Corp.	746	335,641	429,679	1.1
Wells Fargo & Co.	9,671	606,408	785,923	2.0
		1,850,982	2,846,807	7.1
Health care				
Elevance Health	200	140,902	148,290	0.4
McKesson Corp.	669	239,194	534,643	1.3
UnitedHealth Group Inc.	1,104	652,421	769,315	1.9
Waters Corp.	866	306,775	343,788	0.9
		1,339,292	1,796,036	4.5
Industrials				
Fabrinet	1,395	227,277	467,265	1.3
Linde PLC	564	206,977	338,650	0.8
Southern Copper Corp	2,225	211,278	328,022	0.8
Union Pacific Corp.	1,867	457,431	578,026	1.4
		1,102,963	1,711,963	4.3
Information technology				
Accenture PLC, Class A	929	218,034	385,692	1.0
Apple Inc.	4,476	347,811	1,289,987	3.2
Intel Corp	10,094	483,746	427,760	1.1
Mastercard Inc., Class A	1,563	726,184	943,519	2.4
Microsoft Corp.	3,520	339,082	2,152,767	5.4
NVIDIA CORP	11,420	301,183	1,930,497	4.8
		2,416,040	7,130,222	17.9
Total foreign equities		11,403,946	21,246,225	53.2
Total equities		24,863,757	39,698,180	99.4
Total investments at fair value through profit or loss		24,970,723	39,805,146	99.7
Other assets less liabilities			114,507	0.3
Total net assets			39,919,653	100.0

CWB Onyx North American Equity Fund (formerly CWB Core Equity Fund)

Notes to Financial Statements

For the six months ended June 30, 2024 and 2023

(unaudited)

1 General

The CWB Onyx North American Fund (formerly the CWB Core Equity Fund) (the Fund) is domiciled in Canada. The Fund is an open-ended mutual fund trust and was established by a Declaration of Trust made as of May 4, 2001, under the laws of Alberta. Prior to March 1, 2017, Adroit Investment Management Ltd. (Adroit) acted as the Fund's trustee, manager, distributor, and portfolio manager. On March 1, 2017, CWB Wealth Management Ltd. (the Manager) assumed these duties after amalgamating with Adroit. RBC Investor Services is the custodian and administrator of the Fund.

The initial units of the Fund were issued to the public on August 10, 2001. The Fund is authorized to issue an unlimited number of units of a single series. All units of the Fund are of the same class with equal rights and privileges. Each unit is entitled to one vote at any meeting of unitholders and to equal participation in any distributions made by the Fund. On August 28, 2024, the CWB Core Equity Fund was renamed the CWB North American Equity Fund.

The financial statements were authorized for issue by the Manager on August 28, 2024.

2 Investment objective

The Fund's investment objective is to achieve long-term capital appreciation by employing a "growth at a reasonable price" investment approach through investments in Canadian, United States (U.S.) and foreign equities. The Fund strives to maintain investments in U.S. and other foreign equities at no more than 50% of the value of the portfolio. Market fluctuations may cause this figure to be exceeded on occasion, however, foreign equities will never exceed 60% of portfolio value.

3 Material accounting policies

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

Effective January 1, 2023, the Fund adopted amendments to IAS 1 *Presentation of Financial Statements*, which require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in this note in certain instances.

a) Basis of preparation

These financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) on a historic cost basis, except the revaluation of investments at fair value through profit or loss.

b) Use of estimates and significant judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements as well as the reported amount of revenues and expenses during the period.

Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates.

CWB Onyx North American Equity Fund (formerly CWB Core Equity Fund)

Notes to the Financial Statements

For the six months ended June 30, 2024 and 2023

(unaudited)

c) Financial instruments

i) Classification and measurement

Initial recognition and measurement

All financial instruments are measured at fair value on initial recognition. Subsequently, financial assets are classified into one of three categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss, based on the cash flow characteristics and the business model under which the assets are held.

Debt financial assets

A debt financial asset is classified and subsequently measured at amortized cost only if the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and it is not designated as fair value through profit or loss.

A debt financial asset is classified and subsequently measured at fair value through other comprehensive income only if the asset is held within a business model is achieved by both collecting contractual cash flows and selling financial assets, the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as fair value through profit or loss.

All other financial assets that do not meet the criteria are classified as measured at fair value through profit or loss.

Equity instruments

Equity instruments are classified and measured at fair value through profit or loss unless an irrevocable election is made to designate non-trading instruments at fair value through other comprehensive income at the time of initial recognition. This election has not been made.

Financial liabilities

A financial liability is generally measured at amortised cost, with exceptions that may allow for classification as fair value through profit or loss or designation at fair value through profit or loss. These exceptions include financial liabilities at fair value through profit or loss, such as derivatives that are liabilities, and financial liabilities that have been designated as measured at fair value through profit or loss.

ii) Recognition

Financial assets at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Fund becomes 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 Fund derecognizes a financial asset or liability when their contractual obligations are discharged, cancelled, or expire, the Fund's right to receive cash flows expire or the Fund has transferred substantially all rights and rewards of ownership.

Financial assets and liabilities are offset, and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Fund has not offset any financial instruments as at June 30, 2024 or December 31, 2023.

CWB Onyx North American Equity Fund (formerly CWB Core Equity Fund)

Notes to the Financial Statements

For the six months ended June 30, 2024 and 2023

(unaudited)

iii) Financial assets at fair value through profit or loss

Significant judgement is applied to determine the classification of the Fund's investments. Based on the Fund's business model, the manner in which the investments are managed, and how performance is evaluated on a fair value basis, fair value through profit or loss is the most appropriate classification.

Investments are measured at fair value through profit or loss and are initially recorded at their fair value, being 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, with the difference between this amount and cost recorded as unrealized appreciation in value of investments in the Statements of Comprehensive Income. In the case of securities listed on stock exchanges, the fair value means the last close price. For short-term notes, bonds and debentures, the fair value means the close price provided by independent security pricing services. In circumstances where the last close 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. Investments for which reliable quotations are not readily available are valued at their fair value as determined by the custodian, independent of the Manager, using a valuation technique that requires the use of inputs and assumptions based on observable market data. Such investment valuations may differ from values that would have been determined had a ready market existed, and the difference could be significant.

The cost of investments represents the amount paid for each security and is determined on an average cost basis. Investment transactions are accounted for on a trade date basis, and transaction fees, being any costs that can be directly attributed to the acquisition or disposal of an investment, incurred in the purchase and sale of securities by the Fund are recognized in the Statements of Comprehensive Income.

iv) Financial assets at amortized cost

Financial assets at amortized cost, which are financial assets with fixed or determinable payments that are not quoted in an active market, are recognized initially at fair value plus directly attributable transaction costs. After initial recognition, these financial assets are measured at amortized cost, being the amount required to be received or paid, discounted, when appropriate, at the investment's effective interest rate, less impairment losses. The Fund's cash, subscriptions receivable, and dividends receivable are classified as financial assets at amortized cost.

Financial assets at amortized cost are assessed at each reporting date to determine whether there is objective evidence of impairment, including forward-looking information. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

v) Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost. Redemptions payable and accrued liabilities are classified as financial liabilities.

CWB Onyx North American Equity Fund (formerly CWB Core Equity Fund)

Notes to the Financial Statements

For the six months ended June 30, 2024 and 2023

(unaudited)

vi) Valuation models

The Fund is required to classify investments into three levels based on the method used to value the investments. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Fund's determination of assumptions that market participants might reasonably use in valuing the securities. Refer to Note 8 for further information about the Fund's fair value measurements.

d) Cash

Cash is comprised of demand deposits with financial institutions. Outstanding bank overdraft balances are short-term in nature and used to accommodate unit redemption requests while the Fund effects an orderly liquidation of portfolio assets. Cash and bank overdrafts are carried at amortized cost which approximates fair value.

e) Redeemable units

In accordance with IFRS Accounting Standards, the Fund classifies financial instruments issued as financial liabilities or equity instruments based on the substance of the contractual terms of the instruments. The Declaration of Trust establishes the termination date of the Funds on the 99th anniversary of the date of the Declaration of Trust therefore, the Fund's units do not qualify as equity under IFRS Accounting Standards. The Funds' redeemable units, which are classified as liabilities, are measured at the redemption amount, and provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Units may be sold back to the Funds (the sale is called a 'redemption') at the then current Net Asset Value per Unit (NAVPU), upon the delivery of a redemption request to the Funds' Manager, together with any other documents the Manager may reasonably require. The NAVPU for the purposes of subscriptions or redemptions is computed by dividing the net asset value for the Fund by the total number of units outstanding at such time. Net asset value utilizes closing price to determine fair value, except where the last traded price for financial assets is not within the bid-ask spread, which is consistent with the presentation of net assets in the financial statements. As at June 30, 2024 and December 31, 2023 there were no differences between the Funds' NAVPU and its net assets attributable to holders of redeemable units per unit calculated in accordance with IFRS Accounting Standards.

Distributions to holders of redeemable units are recognized in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units when they are authorized and no longer at the discretion of the Manager.

f) Income and expense recognition

Dividend income is recognized on the ex-dividend date. Interest income for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund amortizes premiums paid or discounts received on the purchase of fixed income securities using the effective interest rate method. Realized gains and losses from the sale of investments and unrealized appreciation in the value of investments are calculated with reference to the average cost of the related investments. All income, net realized gains, unrealized appreciation in value, and transaction costs are attributable to investments.

CWB Onyx North American Equity Fund (formerly CWB Core Equity Fund)

Notes to the Financial Statements

For the six months ended June 30, 2024 and 2023

(unaudited)

g) Functional and foreign currencies

The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into Canadian dollars using the exchange rate prevailing at the period-end date.

The Fund does not isolate the foreign exchange component from the total realized and unrealized gains and losses on investments. Foreign exchange gains and losses arising on the translation of foreign cash balances or on the settlement of foreign denominated receivables and amounts payable are recognized in the Statements of Comprehensive Income.

h) Increase in net assets attributable to holders of redeemable units per unit

Increase in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase in net assets attributable to holders of redeemable units for the period, divided by the weighted average number of units outstanding during the period.

i) Income and withholding taxes

The Fund qualifies as a mutual fund trust, is subject to tax under the Income Tax Act (the Act) on all its taxable income (including net taxable capital gains) and is permitted a deduction in computing taxable income for all amounts which are paid or payable in the year to their unitholders. It is the policy of the Fund to allocate to the unitholders all income for the year so that it will not pay any Canadian federal income tax under Part I of the Act. Accordingly, no provision for income taxes has been made in these financial statements.

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

4 Related party transactions

The Fund's Manager is entitled to a management fee payable out of the assets of the Fund, calculated as one-twelfth of 1.0% of the monthly net asset value of the Fund and paid monthly. The management fee is paid in respect of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio, making arrangements for the purchase and sale of units of the Fund by investors and ensuring compliance with the Fund's constating documents. For the six months ended June 30, 2024, management fee expenses to the Manager totaled \$209,389 (2023 – \$193,070) and accrued liabilities included \$24,793 (December 31, 2023 – \$23,708) related to management fees payable.

In addition to the management fees, the Fund pays its direct or proportionate share of all administrative and operating costs. Management, operating and administrative expenses (excluding withholding taxes) are capped at one-twelfth of 1.3% of the monthly net asset value of the Fund paid monthly. Expenses above the cap, which are paid by the Manager and not charged to the Fund, are shown as management fees waived on the Statements of Comprehensive Income. The Manager offers reduced management fees to achieve competitive fees for this type of fund. Actual administrative and operating expenses, excluding management fees, charged to

CWB Onyx North American Equity Fund (formerly CWB Core Equity Fund)

Notes to the Financial Statements

For the six months ended June 30, 2024 and 2023

(unaudited)

4. Related party transactions (continued)

the Fund totaled \$146,386 (2023 – \$87,382) during the six months ended June 30, 2024. The Manager waived management fees totaling \$84,503 (2023 – \$29,493).

The Manager refunds a portion of management fees for employees of the Manager as well as employees of Canadian Western Bank, the Manager's parent company. This is achieved by refunding a portion of the management fee charged to the Fund based on the aggregate value of the investments held by employees. Refunded amounts are automatically reinvested in additional units of the Fund. The refunded or refundable amounts are shown as management fees refunded on the Statements of Comprehensive Income. For the six months ended June 30, 2024, the Manager refunded management fees related to units held by employees of both the Manager and Canadian Western Bank totaling \$82,289 (2023 – \$nil).

As at June 30, 2024, 79,083 units of the Fund (December 31, 2023 – 141,829) were held by key management personnel of the Manager and their immediate family members.

5 Redeemable units

The following table summarizes unit transactions during the six months ended June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Redeemable units outstanding – Beginning of period	1,606,012	1,726,408
Redeemable units issued for cash	94,535	18,513
Redeemable units redeemed	(182,617)	(37,007)
Redeemable units issued on reinvestment of distributions and management fees refunded	3,360	-
Redeemable units outstanding – End of period	<u>1,521,290</u>	<u>1,707,914</u>

6 Income and withholding taxes

Non-capital losses are available to be carried forward for twenty years. Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. As at December 31, 2023, the Fund had no allowable capital losses or non-capital losses (December 31, 2022 – nil) available for carry forward in future years.

Certain investment income and capital gains received by the Fund are subject to withholding tax imposed in the country of origin. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income. During the six months ended June 30, 2024, the average withholding tax rate was 14% (2023 – 14%).

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7 Financial risk management

The Fund is exposed to a variety of financial risks, which are concentrated in their investment holdings. The Schedule of Investment Portfolio groups securities by asset type, geographic region, and market segment, where applicable.

The Fund's risk management practice includes the monitoring of compliance with the investment guidelines contained in the Fund's constating documents. The Manager manages the potential effects of financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's positions and market events as well as diversifying investment portfolios within the constraints of the Fund's investment guidelines. All investments result in a risk of loss of capital.

a) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Foreign equities are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value. The Fund may enter into forward currency contracts for economic hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. The Fund did not enter into forward currency contracts during the six months ended June 30, 2024 and 2023.

As at June 30, 2024, the Fund's exposure to currency risk was primarily related to its holdings in US dollar denominated foreign equities. The Canadian equivalent of the foreign equities as at June 30, 2024 was \$21,246,225 (December 31, 2023 – \$18,975,693), or 53.2% (December 31, 2023 – 50.5%) of net assets and 51.1% of the Fund's net assets (December 31, 2023 – 47.9%) were investments in the US.

As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies represented in the portfolio, with all other factors remaining constant, net assets could possibly have decreased or increased, respectively, by approximately \$1,062,000 (December 31, 2023 – \$949,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities. The Fund's exposure to interest rate risk is concentrated in its short-term notes. Other assets and liabilities are short-term in nature and non-interest bearing.

As at June 30, 2024, 0.3% (December 31, 2023 – 1.0%) of the Fund's net assets were invested in short-term notes with a term to maturity of less than one year. The Fund's sensitivity to interest rate risk as determined based on portfolio weighted duration was not significant.

c) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within the limits specified in the Fund's constating documents. The Fund has adopted the standard investment restrictions and practices prescribed by Canadian securities regulation and, in addition, will restrict its investments to those prescribed under the Tax Act for Tax Deferred Plans. The Fund invests in Canadian, US and foreign equities. US and foreign equities are maintained at less

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than 60% of the total value of the portfolio. The Fund's maximum initial investment in any one security is limited to 10% of the value of the Fund's portfolio at the time of investment.

As at June 30, 2024, 99.4% (December 31, 2023 – 98.7%) of the Fund's net assets were traded on global stock exchanges. If equity prices on the global stock exchanges had increased or decreased by 10% as at the period-end, with all other factors remaining constant, net assets could possibly have increased or decreased, respectively, by approximately \$3,970,000 (December 31, 2023 – \$3,706,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations in full when they fall due. The main concentration to which the Fund is exposed arises from the Fund's investments in short-term notes. The Fund's exposure to counterparty credit risk on cash and other receivables is not significant.

As at June 30, 2024, the Fund had 0.3% (December 31, 2023 – 1.0%) of net assets invested in short-term notes, all guaranteed by the federal government of Canada.

e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash and short-term investment holdings to maintain liquidity. The Fund may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid. The Fund did not enter into over-the-counter derivative contracts during the six months ended June 30, 2024 and 2023.

Redeemable units are redeemable on demand at the holder's option, however, it is not expected that this is representative of the Fund's actual cash outflows as holders of these instruments typically retain them for a longer year.

The Fund held no illiquid securities at the reporting date. All accrued liabilities come due within the next fiscal year.

f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's policy is to manage concentration risk through appropriate diversification within the limits specified in the Fund's constating documents.

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f) Concentration risk (continued):

The following table summarizes the Fund's concentration risk by industry sector related to investments in equities:

	June 30, 2024 as a % of total equities	December 31, 2023 as a % of total equities
Financials	21.5	21.6
Information technology	21.5	20.0
Consumer discretionary	15.9	16.2
Industrials	12.5	13.3
Energy	6.5	6.1
Communication services	5.8	5.9
Materials	5.1	4.6
Health care	4.5	5.5
Consumer staples	4.1	4.0
Utilities	2.6	2.8
	100.0	100.0

8 Fair value of financial instruments

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy:

Investments at fair value through profit or loss as at June 30, 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Short-term notes	-	106,966	-	106,966
Domestic equities	18,451,955	-	-	18,451,955
Foreign equities	21,246,225	-	-	21,246,225
	39,698,180	106,966	-	39,805,146
Investments at fair value through profit or loss as at December 31, 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Short-term notes	-	375,528	-	375,528
Domestic equities	18,087,357	-	-	18,087,357
Foreign equities	18,975,693	-	-	18,975,693
	37,063,050	375,528	-	37,438,578

The carrying values of cash, subscriptions receivable, dividends receivable, redemptions payable and accrued liabilities approximate their fair values due to their short-term nature. The carrying amount of the Fund's net assets attributable to holders of redeemable units approximates fair value as it is measured at the redemption amount and is classified as Level 2 within the fair value hierarchy. There were no transfers within the fair value hierarchy during the periods ended June 30, 2024 and December 31, 2023.

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9 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units with no par value. The amount of net assets attributable to holders of redeemable units can, on a daily basis, change significantly as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The Fund's objective in managing the assets of the Fund is to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

To maintain or adjust the capital structure, the Fund's policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to redeemable unitholders; and
- redeem and issue new units in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Manager monitors capital based on the value of net assets attributable to redeemable unitholders.

10 Brokerage commissions and soft dollars

The Fund may transact with brokers who charge a commission in "soft dollars" to purchase services that provide value to the unitholders of the Fund. Any services received, which are purchased with brokerage commissions, are reviewed to ensure that they benefit all unitholders and that their costs are efficient when compared to replicating or obtaining similar services outside of this arrangement. Our primary use of soft dollars is for real time security pricing and analysis. The ascertainable soft dollar value received by the Fund during the six months ended June 30, 2024, was nil (2023 – \$27).